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Renewable Energy Division

DRAFT STAFF REPORT

Renewable Energy for Agriculture Program DRAFT Guidelines

California Energy Commission

Edmund G. Brown Jr., Governor

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California Energy Commission

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Governor Brown signed AB 109 which directed the Energy Commission to create the Renewable Energy for Agriculture Program. The Energy Commission adopted this guideline at its business meeting on [insert date]

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ABSTRACT

The Renewable Energy for Agriculture Program Guidelines explains how the California Energy Commission's program will be administered and outlines terms and definitions.

Keywords: Awardee, funding award, renewable energy, greenhouse gas reduction, agriculture, recipient, energy savings

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Chapter I: Introduction

California's agricultural sector is a vital part of the State economy, and California's agricultural production is critical to global food security. Agricultural operations are also vulnerable to climate change. As the State moves forward to achieve its greenhouse gas (GHG) reduction goals for 2030 and 2050, it must also ensure that the agricultural sector remains vibrant and strong. The installation of onsite renewable energy offers agricultural operations an opportunity to reduce GHG emissions, increase energy reliability, and realize the benefits associated with reduced demand for grid electricity.

The Renewable Energy for Agriculture Program (REAP), funded under Assembly Bill (AB) 109 (Ting, Chapter 249, Statutes of 2017), provides grants for the installation of renewable energy on agricultural operations in California, to reduce GHG emissions and further the purposes of AB 32 (Nunez, Chapter 488, Statutes of 2006) and Senate Bill (SB) 32 (Pavley, Chapter 249, Statutes of 2016). This program and these Guidelines were informed by the following activities and resources:

- Workshops conducted on February 27 and March 8, 2018, and public comments received from these workshops.
- Public comments received from by March 26, 2018, on the REAP docket from stakeholders (Docket URL: https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=18-MISC-03).
- Meetings with State agencies and industry associations implementing programs addressing the needs of the agricultural community, including the California Air Resources Board, the California Department of Food and Agriculture, the California Farm Bureau Federation, and the Strategic Growth Council.
- California Air Resources Board's, *Funding Guidelines for Agencies that Administer California Climate Investments* (www.arb.ca.gov/cci-fundingguidelines).

The goals of the program are to accelerate the adoption of renewable energy technologies on agricultural operations to reduce GHG emissions, reduce demand for fossil fuels and grid electricity, and provide additional co-benefits

These Renewable Energy for Agriculture Program Draft Guidelines (Guidelines) provide potential applicants with information on how the program will be structured, who and what technologies are eligible, and on what criteria the applications will be scored. In conjunction with the guidelines, the California Energy Commission (Energy Commission) will release at least one grant offering that will provide detailed instructions on how to submit a funding proposal for award consideration under REAP.

A. Background

The REAP is a part of California Climate Investments funded by the Greenhouse Gas Reduction Fund (GGRF). All GGRF-funded programs must advance the goals of AB 32 and SB 32 as the primary program goals and each project must provide real and quantifiable GHG emission reductions. The REAP will support the adoption of renewable energy technologies in agricultural operations that support achieving the State's long term GHG emissions reduction goals. The REAP will support the installation of battery energy storage and electric vehicle charging only if installed in conjunction with renewable energy technologies. The Energy Commission, in alignment with GGRF principles, will prioritize investing the funds in projects that achieve the highest GHG reductions, maximize benefits to disadvantaged communities, and are necessary to meet the State's climate goals.

Specific State legislation governing the REAP includes the following:

AB 32 – The Global Warming Solutions Act of 2006

AB 32 created a comprehensive program mandating a reduction in California GHG emissions to 1990 levels by 2020. In implementing AB 32, the California Air Resources Board (CARB) developed a Scoping Plan that describes the approach California will take to reduce GHG emissions, including the Cap-and-Trade Program. CARB must update the plan every five years. Additional information can be found at: http://www.arb.ca.gov/cc/ab32/ab32.htm.

AB 1550

AB 1550 (Gomez, Chapter 369, Statutes of 2016) amends existing SB 535 (DeLeon, Chapter 830, Statutes of 2012) to set investment minimums for GGRF projects in and benefiting disadvantaged communities and low-income communities and includes the following requirements:

- A minimum of 25% of the proceeds to be invested in projects located within and benefitting individuals living in disadvantaged communities;
- An additional minimum of 5% be invested in projects located within and benefitting individuals living in low-income communities or benefitting low-income communities statewide; and
- An additional minimum of 5% be invested in projects that are located within and benefitting individuals living in low-income communities, or benefitting low-income households that are within one-half mile of a disadvantaged community.

AB 109

AB 109 (Ting, Chapter 249, Statutes of 2017) establishes a renewable energy program at the Energy Commission funded by GGRF to provide grants for projects that reduce GHG emissions. This bill authorized $6 million from the GGRF for projects that support the installation of renewable energy technologies in the agricultural sector.

AB 1532

AB 1532 (Perez, Chapter 807, Statutes of 2012) requires that Cap-and-Trade auction proceeds be used to facilitate achievement of GHG emission reductions. To the extent feasible, also shows how activities maximize economic, environmental, and public health benefits to the State; fosters job creation; complements efforts to improve air quality; direct investments toward disadvantaged communities; provide opportunities for businesses, public agencies, nonprofit organizations, and other community institutions to participate in and benefit from statewide efforts to reduce GHG emissions; and lessen impacts of climate change on the State's communities, economy, and environment.

SB 32

SB 32 (Pavley, Chapter 249, Statutes of 2016) requires the CARB to adopt rules and regulations to ensure that statewide GHG emissions are reduced to 40 percent below the 1990 level by 2030.

SB 535

Requires the California Environmental Protection Agency (CalEPA) to identify disadvantaged communities and requires CARB to provide guidance on maximizing benefits to these communities. In 2016, AB 1550 amended the investment minimums for disadvantaged communities and established new investment minimums for low-income communities and low-income households.

SB 1018

SB 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012) established GGRF as the account to receive Cap-and-Trade auction proceeds and established accountability requirements to help ensure that GGRF expenditures achieve GHG reductions and further the purposes of AB 32. It also requires State agencies appropriating monies from the GGRF to prepare an expenditure record showing how the monies will be used, how the expenditure advanced the regulatory purposes of AB 32, how the expenditure contributes to achieving and maintaining GHG emission reductions, how other non-GHG reduction objectives were considered, and how the results achieved from the expenditure will be documented.

SB 862

SB 862 (Leno, Chapter 25, Statutes of 2014) provides funding appropriations from the GGRF to multiple agencies which reduce GHG emissions and provide investments in, and for the benefit of disadvantaged communities. SB 862 also requires CARB to develop guidance on quantification methodologies for estimating GHG emission reductions and co-benefits.

B. Keywords/Terms

Table 1 identifies the key words or terms used in the REAP Guidelines.

Table 1: Key Words and Terms

Word/Term	Definition
AB	Assembly Bill
Agricultural operations	Agricultural operations is defined for the REAP as (1) the growing or harvesting of crops from soil, and the raising of plants at wholesale nurseries, but not retail nurseries, or the raising of fowl or animals for the primary purpose of making a profit, providing a livelihood, or conducting agricultural research or instruction by an educational institution, or (2) agricultural crop preparation services such as packinghouses, cotton gins, nut hullers and processors, dehydrators, and feed and grain mills. Agricultural crop preparation services include only the first processing after harvest, not subsequent processing, canning, or other similar activities.
CalEPA	California Environmental Protection Agency
CAM	Commission Agreement Manager
CARB	California Air Resources Board
CCI	California Climate Investments: An umbrella term and associated logo developed for the purpose of communication with funding recipients and the general public to identify programs or projects funded in whole or in part by the GGRF. For additional information, please refer to: www.caclimateinvestments.ca.gov.
CO2e	Carbon dioxide equivalent
Disadvantaged Communities	Areas that are disproportionately affected by multiple types of pollution and areas with vulnerable populations. Per SB 535, CalEPA is responsible for identifying disadvantaged communities for the purposes of California Climate Investments. For additional information, please refer to: http://www.calepa.ca.gov/EnvJustice/GHGInvest
Energy Commission	California Energy Commission
GFO	Grant Funding Opportunity
GGRF	Greenhouse Gas Reduction Fund
GHG	Greenhouse gas
Grant recipient	Those that receive an award under the REAP
GSS	Energy Commission Grant Solicitation System

Guidelines	Renewable Energy for Agriculture Program Guidelines
M&V	Measurement and verification
NOPA	Notice of Proposed Award
Priority Populations	Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550.
Project	A technology or a portfolio of technologies installed in a food processing facility that is contained in a grant application
REAP	Renewable Energy for Agriculture Program
SB	Senate Bill
Solicitation	The document that requests grant applications from interested parties and includes all attachments, exhibits, any addendum and written notices and questions and answers. Solicitation may be used interchangeably with Grant Funding Opportunity.

Chapter 2: Program Design

A. Quantification Methodology

CARB has a statutory role under SB 862 to develop guidance on a quantification methodology to estimate GHG emission reductions and other co-benefits from REAP projects. Adoption of on-site renewable energy technologies will reduce demand for other energy resources such as grid electricity and potentially natural gas or other fossil fuel sources. Further reductions in demand for grid electricity and fossil fuels can be accomplished with the installation of electric vehicle charging to serve agricultural equipment if installed with renewable energy generation serving the charging station. Reduction of fossil fuel and natural gas demand will reduce criteria pollutants, which could improve local air quality in communities near agricultural operations.

The CARB quantification methodology that will be used for REAP projects is under development. If not available at the time of the Energy Commission's release of the Grant Funding Opportunity (GFO), the Energy Commission's prescribed methodology to estimate GHG reductions stated in the Measurement and Verification Section will be used by applicants. Once the CARB quantification methodology is developed, it will be used to calculate GHG emission reductions and other co-benefits for all awarded projects.

The CARB quantification methodology will be developed based on a review of the available science, in close coordination with the Energy Commission, as well as academic consultants and other experts, as needed. Once developed, the CARB quantification methodology will be available for public comment and will be posted at: www.arb.ca.gov/cci-quantification. Once the quantification methodology is final, all projects funded by the REAP must use this methodology.-

CARB is also developing co-benefit assessment methodologies for use in evaluating project co-benefits. These methodologies will be available at: www.arb.ca.gov/cci-cobenefits. CARB has released seven draft co-benefit assessments, which can be found at: https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/cobenefits.htm.

CARB may review and update quantification methodologies periodically, based on new information or public input to make them more robust and user-friendly, and ensure that they are appropriate for the projects being quantified.

C. Measurement and Verification (M&V)

The REAP requires GHG emissions reductions to be quantified as follows:

Initial baseline and estimated GHG emissions reductions. An applicant must first develop an energy baseline for its project based on specific characteristics of the renewable energy system to be installed and any additional equipment including battery energy storage and vehicle or equipment charging. The estimates of baseline energy consumption can be derived from an energy assessment conducted by the applicant, the applicant's staff, private consultants, equipment vendors, utilities or others. There are a number of ways in which to conduct an energy assessment of the targeted equipment and the choice of the specific assessment protocol used is left to the applicant, but all assumptions and calculation methodologies to justify baseline energy and GHG emissions must be submitted with the application. The installation of renewable energy technologies must result in a reduction of GHG emissions through on-site reductions in the use of grid electricity or fossil fuels. Further any replacement of equipment previously served by fossil fuels, or installation of vehicle and equipment charging must also result in additional GHG emissions reductions. The Energy Commission will evaluate the estimates and assumptions of GHG emissions reductions and energy savings provided by the applicant in scoring proposals submitted for funding. The scoring criteria will favor those projects having the most potential to cost-effectively reduce GHG emissions along with other factors such as co-benefits provided, project cost share and benefits to disadvantaged communities. Estimates of GHG emissions reduction must use the statewide emission factors from the CARB website at www.arb.ca.gov/cci-quantification.

Post-project determination. Projects awarded funding will be required to monitor and verify the performance of renewable energy technologies, equipment, battery energy storage and vehicle chargers to verify the GHG emissions, fossil fuels and energy reductions attained. Applicants may choose to contract with independent third parties, use in-house staff, local utilities, or others. Self-certification is acceptable. The Energy Commission or its agents reserves the right to conduct an audit of a sample of the projects to verify assumptions and estimates of energy savings and GHG emission reductions.

B. Project Selection Requirements

Program Objectives

The overarching implementation priority for REAP is to reduce GHG emissions by supporting the installation of on-site renewable energy systems in agricultural operations, with funding awarded to projects that demonstrate a quantifiable reduction of GHG emissions from the project receiving funding. Projects that additionally propose the installation of electric vehicle charging paired with renewable energy generation must further demonstrate a quantifiable reduction of GHG emissions specific to this element of the proposal.

Eligibility Requirements

For the REAP, funding will only be provided to projects that are proposed for implementation on properties engaged in agricultural operations as defined below and located in California:

> *"Agricultural operations" means (1) the growing or harvesting of crops from soil, and the raising of plants at wholesale nurseries, but not retail nurseries, or the raising of fowl or animals for the primary purpose of making a profit, providing a livelihood, or conducting agricultural research or instruction by an educational institution, or (2) agricultural crop preparation services such as packinghouses, cotton gins, nut hullers and processors, dehydrators, and feed and grain mills. Agricultural crop preparation services include only the first processing after harvest, not subsequent processing, canning, or other similar activities."*

Applicants must also meet all the following requirements:

1. Applicant must own or operate one or more agricultural operations that is/are the site for the proposed project.
2. If the applicant is the operator of the agricultural operation, the owner of any property affected by the proposed project must provide written support for and approval of the proposed project.
3. Proposed project must reduce GHG emissions through the installation and use of renewable energy, as defined in the grant solicitation.
4. Any project proposing the installation of energy battery storage to electric vehicle charging must pair that charging equipment with renewable energy generation to be eligible for an award.

Funding

Funding for the REAP will be awarded through a competitive grant solicitation process as described in these Guidelines. REAP anticipates that grants will be awarded under one funding cycle with a maximum total award amount of $5.7 million. The Energy Commission may conduct additional funding cycles if funds are available or additional funds are allocated to the REAP. Staff proposes funding award amounts of a minimum of $50,000 to a maximum of $250,000. The award maximum will be increased to up to $300,000 if installation of a new electric vehicle charger paired with renewable energy generation is an element of the proposed project. This range allows for anywhere between 22 and 114 awards granted through the REAP program.

If the applicant is leveraging or pursuing funding from multiple sources of the GGRF, the applicant must describe all existing or potential GGRF sources in the application materials.

Eligible Projects

All projects are required to show a reduction in GHG emissions and install renewable energy on site in agricultural operations. The most competitive projects will provide multiple benefits, including, but not limited to, a decrease in air pollution or additional community investments.

All eligible projects must include the installation of on-site renewable technology. Eligible renewable energy technologies include:

- Solar photovoltaic (PV) systems.
- Wind turbines.
- Other proven and commercially available renewable energy technologies.

Projects that propose to install unproven or beta technology, and research and development projects are not eligible for REAP funding.

A project that installs onsite renewable energy may also include the following:

- the removal/replacement of diesel agricultural pumps for electrical pumps that are served at least in part by the installed renewable energy technology.
- retrofits, upgrades, or replacements of existing equipment or installation of new equipment that is served at least partially by the installed renewable energy technology.
- battery energy storage paired to installed renewable energy technology.
- electric vehicle or equipment charging paired with installed renewable energy technology.

Key Funding Deadlines

The Energy Commission has two years to encumber funds from the budget authorization date and grant recipients have up to four years to spend the funds. The following are encumbrance and liquidation dates:

- All funds allocated in FY 17/18 budget cycle must be encumbered in grant awards no later than June 30, 2019 (this means approval of a grant award by the Energy Commission).
- All awarded funds from FY budget cycle 17/18 must be spent by the grant recipient no later than June 30, 2023.

If additional funds are allocated to the REAP in the future, funding encumbrance and liquidation requirements will be delineated in future grant solicitations.

Solicitation Procedures

A grant solicitation will be posted on the Energy Commission's website at http://www.energy.ca.gov/contracts/.

All information necessary to submit an application will be contained in the grant solicitation and will be consistent with these guidelines. The grant solicitation will include solicitation objectives, eligibility requirements, schedule, scoring criteria, application forms, and other required templates, along with the terms and conditions that will be included in agreements for all awarded projects.

Energy Commission staff will hold a pre-application workshop to review the solicitation with potential applicants. Workshop attendance can be in person or via remote access. Participation is optional but strongly encouraged. The workshop will provide an opportunity for potential applicants to ask questions on the solicitation and the application process. Following the workshop, Energy Commission staff will provide an opportunity for interested parties to submit written questions about the solicitation. The staff's responses to all questions will be posted on the Energy Commission's website as indicated in the solicitation. Any revisions, corrections, and clarifications on the solicitation will also be posted on the Energy Commission website and announced through the appropriate listserv(s). An estimation of the grant solicitation schedule and project timeline is shown in Table 2. Exact dates will be stated in the solicitation.

Table 2: Estimated Solicitation and Project Timeline

Solicitation/Project Item	Approximate Timeline
Solicitation Release	August 2018
Pre-application Workshop	August 2018
Deadline for Written Questions	August 2018
Post Questions, Answers, and Addenda to Website	August 2018
Deadline to Submit Applications.	September 2018
Anticipated Notice of Proposed Awards	October 2018
Anticipated Business Meeting Date for Approval	November 2018
Award Agreements Must Be Finalized By	June 30, 2019
Latest Termination Date for All Agreements	June 30, 2023

All applications will be scored according to a set of selection criteria. When scoring for the solicitations is complete, the applications will be ranked in order of final score and a Notice of Proposed Award (NOPA) will be released showing the rank of each applicant

based on overall score, as well as information including: applicant name, brief description of proposed project, funds requested and staff-recommended funding amount, whether the project is expected to provide benefits to priority populations, and score status. Funding will first be awarded to the top ranked applicant with a passing score and then to the next ranked applicant until all funds have been expended.

After the NOPA is released, all applicants will be notified of the results, and an Energy Commission representative will begin working with each awardee to develop an agreement for the awarded project. Once the agreements are finalized, they will be presented and approved at an Energy Commission business meeting. After approval at an Energy Commission business meeting, the grant agreement will be signed by all parties and work may begin on the project.

C. Project Evaluation and Administrative Screening

Applications will be evaluated and scored based on responses to the information requested in the solicitation. To evaluate applications, the Energy Commission will organize an Evaluation Committee consisting of Energy Commission staff possessing applicable energy or agriculture operations expertise or both. Subject matter experts from other agencies may also be invited to serve as scorers or technical reviewers. Proposals will be evaluated in two stages: application screening and technical scoring.

Application screening is a series of pass/fail administrative requirements as described in Table 3 below. Applications that do not pass all the administrative screening requirements are disqualified and will not move on to the scoring stage. The following administrative screening criteria will be used in the REAP:

Table 3: Application Screening Criteria

Screening Criteria *The applications must pass ALL screening criteria to progress to Stage 2.*
• The application is received by the due date and time specified in the solicitation.
• The application is submitted in the proper form with all required elements completed and the form is signed.
• The requested funding falls within the minimum and maximum range specified in the solicitation.
• If the applicant has submitted more than one application, each application is for a distinct project.
• The proposal identifies property owners for all affected parcels and all owners have approved the submittal of the proposal.

Proposals that pass the application screening process are then scored by an Evaluation Committee. The following are the technical scoring criteria that will be used for the REAP (Table 4):

Table 4: Technical Scoring Criteria

Technical Scoring Criteria
1. Applicant and Project Eligibility a. Clearly identifies the applicant for the grant, all properties affected by the grant, and the owner(s) of all affected properties. b. Describes the agricultural operation, and how it meets the definition for an eligible agricultural operation. c. Demonstrates that the applicant and project have met all eligibility requirements.
2. Technical Merit and Need a. Justifies that the proposed project uses commercially available technologies and will provide quantifiable GHG emission reductions. b. Proposal has included printouts from the populated 2018-2019 Renewable Energy for Agriculture Program Calculator, required by the CARB-approved quantification methodology if available, or includes estimates completed consistent with the required approach described in the solicitation documents.
3. Technical Approach a. Describes the approach to performing the work with a clear description of all project task and subtasks, with identified outcomes and deliverables. b. Identifies the benefits to be provided by the project tasks and who will receive the identified benefits. c. Identifies and discusses factors critical for success, such as risks, barriers, environmental permitting and CEQA, schedules for operations, climate or weather considerations, and other limitations, and how these will be addressed to successfully complete the project within the grant term. d. Describes how the knowledge gained will be shared with others.
4. Impacts and Benefits a. Provides justifiable and reasonable quantitative estimates of: 1) annual GHG emission reductions at the applicant's agricultural operation, and 2) other potential benefits for California including the following (as applicable): direct and indirect annual electricity, fossil fuel and thermal savings, (kilowatt-hour, therms, Btu), energy cost reductions, other air emission reductions (e.g., nitrogen oxides (NOx)), and any other co-benefits. b. Provides cost benefit analysis comparing Energy Commission funds requested relative to estimated GHG emission reductions (e.g., Energy Commission dollars requested/ton of GHG emissions reduced). c. States the timeframe, assumptions, and calculations for the estimated benefits, and explains their reasonableness.

d. Provides a clear and plausible M&V plan that describes how GHG emission reductions, energy savings, and other benefits (specified in item 3.a. of the technical scoring criteria) will be determined.
a. Preference Considerations a. Project is in a geographic area that has received a lower level of GGRF funding support compared to other areas or is in an area not represented in other proposals submitted under REAP. b. Project develops partnerships with local community organizations and businesses to achieve any or all of the following: i. Provide benefits and/or education for local the community. ii. Provide access to workforce education and training, or jobs. iii. Addresses a meaningful community need. iv. Provides outreach or education for local community members or businesses. c. Project provides additional co-benefits of improved air quality. d. Project has a broad or unique effect, such as a solution that addresses more than one project improvement or a new application of proven technology, projects that replace fossil fuel pumps with electrical pumps and integrates renewable energy to serve the load of those pumps, projects that provide charging for vehicles and other equipment served by renewable energy, or solutions that incorporate innovative ideas such as solar trees. e. Project applicant will provide match funding.
6. Priority Population Considerations a. Proposal describes and provides supporting documentation to illustrate that the project will be located in or provide benefits to a disadvantaged or low-income community or low-income households, properly applying all definitions and requirements for making such a claim.

Once the scoring process is complete a NOPA will be developed as described previously.

D. Maximizing Benefits to Priority Populations

The Energy Commission anticipates the following minimum allocation of funds will be allocated to projects in priority populations:

- A minimum of 50 percent of funds to projects located within and benefiting disadvantaged communities (CalEnviroScreen 3.0 model[1]).
- A minimum of 10 percent of funds to projects within and benefiting AB 1550 low-income communities (at or below 80 percent of the statewide median income).

1 http://calepa.ca.gov/EnvJustice/GHGInvest/.

- A minimum of 5 percent of funds to projects located within and benefiting AB 1550 low-income communities within a half-mile of a disadvantaged community.

These expenditures will result in the installation of renewable energy technologies, some of which will be installed in agricultural operations located in disadvantaged and/or low-income communities, and could result in reduced criteria and toxic air pollutant emissions and other benefits.

All solicitations will provide preference points for projects located in and benefiting priority populations. Applicants must describe their efforts to determine and meaningfully address common needs of priority populations. Preference points will be awarded based on whether the project meets the requirements indicated in CARB guidance, available at: www.arb.ca.gov/ccifundingguidelines.

Projects claiming to benefit priority populations must be designed to avoid substantial burdens (e.g., displacement of residents and businesses in priority populations, or increased exposure to toxics or other health risks). The interactive mapping tool to identify disadvantaged and low-income communities is posted at: www.arb.ca.gov/cci-communityinvestments.

E. Project Implementation Requirements

If awarded funding, a project agreement is developed that establishes a business relationship between the Energy Commission and the recipient of the REAP award. The grant agreement includes a Scope of Work, Project Budget, Project Schedule, general Terms and Conditions. A CAM will be assigned to the project and will be responsible for coordinating with funding recipients to guide agreement development, provide project oversight, and serve as the Energy Commission's point of contact for stakeholders interested in receiving more information about the project.

All recipients will be required to participate in a kickoff meeting to establish deliverable expectations, roles and responsibilities, accounting procedures, and reporting requirements; submit periodic progress reports to ensure the recipient is complying with the task schedule specified in the grant agreement; and provide required deliverables as specified in the Scope of Work.

Some REAP projects could include one or more critical project review meetings at a pre-designated milestone(s) in which the CAM will review the progress to date and determine whether the progress to date justifies proceeding to the next phase of the project and/or make necessary corrections to ensure project success. For all projects, CAMs may call a critical project review at any time during the project, if the CAM believes there is a significant issue with the progress or administration of the project that needs to be discussed, which could result in a change to the project or termination.

Periodic project progress reports are required which describe project progress to date. These reports are generally required quarterly. The Energy Commission CAM will

identify the necessary reporting frequency. A final report, which will document total performance for the project, will be due before the agreement end date.

Program Recognition

All grantees are required to post a sign at the project site recognizing that project funding was provided by the California Energy Commission and California Climate Investments. The grantee shall also use the California Climate Investments logo and the California Energy Commission logo on any project announcements, flyers, and new releases.

Chapter 3: Administrative Requirements During Project Implementation

A. Invoicing

- Recipients may bill the Energy Commission for non-match portions of eligible incurred costs that appear in the approved budget (such as a paid invoice to a supplier, vendor, outside contractor) during the project. No monies shall be advanced to the recipient for any goods or services related to the project. Additional information on invoicing requirements can be found in the solicitation and the terms and conditions.
- Retention of Grant Funds. The Energy Commission shall retain 10 percent of the final project dollar amount awarded for release at the satisfactory conclusion of the project.

B. Prevailing Wage

- Projects that receive an award of public funds from the Energy Commission often involve construction, alteration, demolition, installation, repair, or maintenance work more than $1,000. For this reason, projects that receive an award of public funds from the Energy Commission are likely to be considered public works under the California Labor Code. See Chapter 1 of Part 7 of Division 2 of the California Labor Code, commencing with Section 1720 and Title 8, California Code of Regulations, Chapter 8, Subchapter 3, commencing with Section 16000. Public works projects require the payment of prevailing wages. Prevailing wage rates can be significantly higher than non-prevailing wage rates. If the recipient does not believe the project is a public works project, the recipient is responsible for obtaining a legally binding determination from the Department of Industrial Relations or a court of competent jurisdiction before work begins on the project that the proposed project is not a public work. The recipient is fully responsible for complying with all California public works requirements, including but not limited to payment of prevailing wage.
- If outside contractor labor is used, the contractor shall be paid at the prevailing wage for their particular trade as established by the California Department of Industrial Relations. Projects must comply with any applicable laws pertaining to prevailing wage and labor compliance.

C. Audits and Access to Facilities

- Upon written request from the Energy Commission, applicants and recipients must provide all project documents, including detailed documentation of all planned and paid expenses; allow the Energy Commission or its designee access to project facilities and records; and allow the Energy Commission or its designee to collect project-related data, including the data required to measure and verify natural gas, electricity, and GHG emission reductions. (These may include, but are not limited to, utility bills, metering data, facility equipment

surveys, information on operational practices, and site occupancy levels.) Further, if requested, the applicant or recipient must provide the Energy Commission or its designee associated data from a period before the start of the project as necessary to establish baseline data, such as energy use and GHG emissions. Audits or program reviews may occur at any time during program implementation or after projects are completed.

- All GGRF administering agencies including the Energy Commission are subject to legislative and administration oversight, including audits by the California State Auditor, Department of Finance, other State oversight agencies, or a third-party auditor.

D. Record Retention

- Recipients must retain all project records (including financial records, progress reports, payment requests, and electricity and fuel use reduction documentation) for a minimum of three years from the date of the final payment. Recipients must include the above audit, record retention, and access rights in any subcontract or subgrant.

E. Use and Disclosure of Information and Records and Confidentiality

With very few exceptions, all project documents submitted to the Energy Commission or its technical consultant(s), including as part of any audit, are considered public records subject to disclosure under the California Public Records Act2, except as noted in Section V.E.3. The Energy Commission or other State agencies may also use any of these documents or information for any purpose, including to determine eligibility and compliance with the REAP, applicable law, or a particular solicitation document, or to evaluate related or relevant programs or program elements, or to prepare reports. These documents and information include, but are not limited to, applications for funding; the agreement itself; invoices and any documentation submitted in support of applications, invoices, or obtained through an audit; all agreement deliverables; final project report; and documents prepared for other reporting requirements, materials and documents developed as part of technology transfer activities.

If the Energy Commission requires the recipient to provide copies of records that the Recipient believes contain proprietary information entitled to protection under the California Public Records Act or other law, the recipient may request that such records be designated confidential according to the Energy Commission's regulations for confidential designation, Title 20, California Code of Regulations, Section 2505.

Applicants considering requesting confidentiality should note that GGRF funds are subject to information disclosure requirements to ensure transparency. Information

2 http://ag.ca.gov/publications/summary_public_records_act.pdf

concerning the identity of recipients and the amount or payment of rebates is public information and will be disclosed according to the California Public Records Act. This information, as well as other public information, may also be disclosed through the Energy Commission's website, another State of California agency website, or through other means.

Please note that the Energy Commission can disclose confidential information and records to other governmental entities and policing authorities for civil and criminal investigation and enforcement.

F. Enforcement

The Energy Commission can take any and all actions necessary to enforce the Energy Commission rights.

Recovery of Overpayment

The Energy Commission may direct the Energy Commission's Office of Chief Counsel to commence formal legal action against any applicant or former applicant to recover any portion of a payment under a grant agreement that the Executive Director determines the applicant or former applicant was not otherwise entitled to receive.

Fraud and Misrepresentation

The Executive Director may initiate an investigation of any applicant that the Executive Director has reason to believe may have misstated, falsified, or misrepresented information in submitting a reservation application, payment claim, or reporting any information required by these guidelines. Based on the results of the investigation, the Executive Director may take any action deemed appropriate, including, but not limited to, cancellation of the reservation, recovery of any overpayment, and, with the concurrence of the Energy Commission, recommending the Attorney General initiate an investigation and prosecution under Government Code Section 12650, et seq., or other provisions of law.

Noncompliance with Agreement

The Energy Commission may seek remedies for noncompliance with agreement terms, work scope, project milestones, and estimated GHG reductions including without limitation stop work, termination, recovery of funds, or any other administrative or civil action.

G. REAP Guideline Authority

These REAP Guidelines are adopted under Assembly Bill (AB) 109 (Ting, Chapter 249, Statutes of 2017, Section 32) and Public Resources Code Section 25218(e). In AB 109, Section 32, the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of the Government Code) does not apply to guidelines or

other standards adopted and used by a State agency in administering an allocation of moneys from the GGRF.

If future budget cycles allocate additional funds to the REAP, these Guidelines will apply, unless amended or replaced at an Energy Commission business meeting.

The latest CARB guidance is available at: www.arb.ca.gov/cci-fundingguidelines.

H. REAP Guideline Interpretation

Nothing in these REAP Guidelines is construed to abridge the powers or authority of the Energy Commission.

I. Effective Date of the REAP Guidelines

These REAP Guidelines are not effective until adopted by the Energy Commission at a publicly-noticed Business Meeting. The Energy Commission will post the adopted guidelines on its website: http://www.energy.ca.gov/renewables/18-MISC-03/.

Applicants may also obtain the REAP Guidelines by contacting:

California Energy Commission
Renewable Energy for Agriculture Program
1516 Ninth Street, MS-45
Sacramento, CA 95814

Geoffrey.Dodson@energy.ca.gov

J. Substantive Changes to the REAP Guidelines

The Energy Commission can make changes to these REAP Guidelines from time to time. Changes will take effect after adoption by the Energy Commission at a publicly-noticed business meeting. Substantive changes to the REAP program design may include but are not limited to:

- Changes in evaluation criteria.
- Changes in funding criteria for determining award amount to conform to statutory changes.
- Changes in eligibility.

Non-substantive Changes to the REAP Guidelines

If the final REAP Guidelines require non-substantive changes, the Energy Commission will provide a notice of the changes to the REAP email listserv (renewagprogram) and post the amended guidelines on the REAP Web page.

Chapter 4: Project Tracking and Metrics

The recipient must track and document detailed project-level information as it relates to energy savings, GHG emissions reductions, and co-benefits throughout the term of the project. The format in which this information is to be tracked and reported will be developed with the CAM. This information is to be retained for three years following completion of the project.

For further information, see the “Quantification Methodology” section in Chapter 2.

Chapter 5: Reporting

Recipients of GGRF funds must submit reports on expenditures, investment benefits, and project outcomes, per CARB guidance. General CARB reporting guidance can be found at http://www.arb.ca.gov/cci-quantification. Recipients shall provide quarterly reports on all projects during the term of the agreement with the Energy Commission and for a period specified by CARB to meet project outcome reporting requirements. These requirements will be specified in the solicitation and could exceed the Energy Commission's grant term.

Reporting shall follow the format provided by the Energy Commission, consistent with the project type-specific reporting requirements in CARB guidance.

Information to be reported includes, but is not limited to:

- Recipient name;
- Project description;
- Project location;
- Census tract;
- Dates: project selected and completed;
- GGRF dollars allocated;
- Leveraged and/or match funds;
- Estimated/actual total project GHG emission reductions;
- Estimated/actual energy generated (kilowatts or therm equivalents) for renewable energy projects;
- Other benefits or results; and
- Benefits to priority populations.