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**Pre-Solicitation Concept for
ZEV Infrastructure Manufacturing Projects**

October 15, 2018

1. PURPOSE OF SOLICITATION

This is a competitive grant solicitation. The California Energy Commission's (Energy Commission's) Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP) announces the availability of up to \$10,000,000 in grant funds for projects that will support the manufacture of zero-emission vehicle (ZEV) infrastructure technologies.

2. POLICY DRIVERS

- 2017-18 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program¹
- 2018-2019 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program (CEC-600-2017-010-CMF)²
- Zero-Emission Vehicle Executive Order B-48-18³
- 2016 ZEV Action Plan⁴

3. AVAILABILITY OF FUNDS

A total of up to \$10,000,000 is available for awards under this solicitation. The Energy Commission, at its sole discretion, reserves the right to increase or decrease the amount of funds available under this solicitation.

4. MINIMUM AND MAXIMUM AWARD AMOUNTS

Projects are eligible for up to 50 percent of the total project costs or \$2,000,000 or whichever is less.

5. MAXIMUM NUMBER OF APPLICATIONS

Applicants are only eligible to submit one application under this solicitation.

¹ <http://www.energy.ca.gov/altfuels/2016-ALT-02/documents/>

² <http://www.energy.ca.gov/altfuels/2017-ALT-01/documents/>

³ <https://www.gov.ca.gov/2018/01/26/governor-brown-takes-action-to-increase-zero-emission-vehicles-fund-new-climate-investments/>

⁴ https://www.gov.ca.gov/wp-content/uploads/2018/01/2016_ZEV_Action_Plan-1.pdf

6. KEY ACTIVITIES AND DATES

Key activities including dates and times for this solicitation are presented below. An addendum will be released if the dates change for the asterisked (*) activities.

ACTIVITY	ACTION DATE
Solicitation Release	October 2018
Pre-Application Workshop	October 2018
Deadline for Written Questions	October 2018
Deadline to Submit Applications by 5:00 p.m.*	November 2018
Anticipated Notice of Proposed Awards Posting	January 2019
Anticipated Energy Commission Business Meeting	March 2019

7. ELIGIBILITY

Private businesses that manufacture EV chargers/components and HRS components/equipment are eligible.

This solicitation is open to business entities that meet the solicitation requirements and agree to the Terms and Conditions and Special Terms and Conditions. The Energy Commission will not award agreements to non-complying entities.

All manufactured products must be for commercial sale. Demonstration and pre-commercial projects with products proposed for development are ineligible. Unlike previous manufacturing solicitations, vehicles, and vehicle components and technologies will not be eligible.

Eligible costs under previous ARFVTP manufacturing solicitations focused on the acquisition of manufacturing tools and equipment, as well as the labor specifically needed for installation and validation. Staff proposes to continue this approach, while also allowing funding for workforce training of new and incumbent workers on the use of the new manufacturing equipment and support services/systems.

8. PROJECT REQUIREMENTS

To be an “Eligible Project” for this solicitation, proposed projects must be located in California and fit into at least one of the categories listed below:

- a. Electric Vehicle Supply Equipment** – Manufacture Electric Vehicle Supply Equipment (EVSE) or EVSE component(s) including, but not limited to, hardware and software technologies.

Eligible projects also include manufactured systems of renewable or photovoltaic (PV) systems where an EVSE is a component designed and engineered for the sole purpose of providing energy from the PV system to provide energy for EVs.

- b. Hydrogen Refueling Station Equipment** – Manufacture Hydrogen Refueling Station Equipment (HRSE) or systems including, but not limited to, storage, chillers,

compressors, nozzles, refueling apparatus, dispensing equipment, and control systems.

Eligible EVSE or HRSE must be manufactured for the sole purpose of integrating the manufactured product into an EVSE or for use in a HRSE.

Eligible projects include re-equipping, expanding, or establishing a manufacturing facility that manufactures products noted above.

Disadvantaged Communities (DACs): Projects covered by this solicitation are encouraged to support air quality improvements in DACs. All Applications must identify and describe how the proposed project benefits DACs. The Office of Environmental Health Hazard Assessment (OEHHA) in the California Environmental Protection Agency (CalEPA) has developed the California Communities Environmental Health Screening Tool: CalEnviroScreen Version 3.0 (CalEnviroScreen 3.0)⁵. The CalEnviroScreen 3.0 tool will be used by the Energy Commission to identify DACs, defined as scoring in the top 25th percentile, and maximize the benefits to these communities from this solicitation. All applications must use the CalEnviroScreen tool to identify and verify how their proposed project benefits DACs.

The following project types are ***not*** eligible:

- Analytical or feasibility studies (e.g. manufacturing, funding, product engineering, workforce, environmental, economic).
- Surveys, research, or case studies.
- Prototype(s) or demonstration products.
- Building permits, zoning, and site approvals.
- Purchase of raw materials/inputs for manufactured products.

9. ELIGIBLE ACTIVITIES

Eligible activities, include, but are not limited to:

- Manufacturing line design, engineering, testing, and plan specifications.
- Acquisition of manufacturing tools and equipment.
- Labor required installing, testing, and certifying manufacturing tools and equipment.
- Performance testing, material assessments and other technical tests to verify/certify manufacturing equipment operation, equipment integrity, and compliance with manufacturing protocols/processes.
- Building and facility modifications that support the manufacturing process.
- Certifying the manufactured product through a national laboratory to obtain safety certification.
- Labor for software product development as a commercial product/service.
- Workforce training and development. Budgeted costs for these activities must not make up more than 10 percent of the total project cost (including ARFVTP funding and match).

⁵ <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30>

10. MATCH FUNDING REQUIREMENTS

A minimum 50 percent match share of the total allowable project costs is required. Match share funding may be in the form of cash or in-kind contributions. A minimum of 10 percent of Energy Commission funding must be in the form of cash match. Match share expenditures will be required to be expended prior to or concurrent with Energy Commission funding.

11. PROJECT NARRATIVE

Applicants must address each of the scoring criteria described in this solicitation by providing sufficient, unambiguous detail so that the evaluation team will be able to evaluate the application against each scoring criterion.

Project Narratives must respond directly to each criterion with the headings as exactly titled below, and must include the following information noted in the Scoring Criteria.

12. ELECTRONIC APPLICATION SUBMISSION THROUGH THE GRANT SOLICITATION SYSTEM

The preferred method of delivery for this solicitation is the Energy Commission's Grant Solicitation System, available at: <https://gss.energy.ca.gov/>. This online tool allows applicants to submit their electronic documents to the Energy Commission prior to the date and time specified in this solicitation. Electronic files must be in Microsoft Word XP (.doc format) and Excel Office Suite formats unless originally provided in the solicitation in another format. Attachments requiring signatures may be scanned and submitted in PDF format. Completed Budget Forms, Attachment 5, must be in Microsoft Excel format. The system will not allow applications to be submitted after the due date and time.

First time users must register as a new user to access the system. Applicants will receive a confirmation email after all required documents have been successfully uploaded. A tutorial of the system will be provided at the pre-application workshops and you may contact the Commission Agreement Officer identified in the Questions section of the solicitation for more assistance.

13. ADMINISTRATIVE SCREENING CRITERIA

The Contracts, Grants, and Loans Office (CG&L) will screen applications on a "Pass/Fail" basis for compliance with the Administrative Screening Criteria as noted below:

- The application is received by the Energy Commission's Contracts, Grants, and Loans Office by the due date and time specified in the solicitation.
- The applicant provides the required authorizations and certifications.
- The applicant has not included a statement that is contrary to the required authorizations and certifications.

14. TECHNICAL SCREENING CRITERIA

The Evaluation Committee will screen applications on a "Pass/Fail" basis for compliance with the Technical Screening Criteria as noted below:

- The Applicant is an eligible Applicant.
- The proposed project is an eligible project.
- The proposed project meets the minimum match share requirement.
- The Applicant must provide a list of commercially available products/services with prices available as hardcopy or on Applicants' website.
- The Applicant must provide three (3) years of information on past sales (i.e. units sold per year by product).

- The Applicant must provide five (5) years of information on projected sales (i.e. estimated future units to be sold per year) occurring after the project is completed.
- The Applicant must provide balance sheet and cash flow statements for the Applicant's company for the past three (3) years.
- The Applicant must identify any pending or filed litigation against the Applicant.

15. SCORING CRITERIA

All applications must pass administrative and technical screening criteria before applicants can be scored by the Evaluation Team.

a. Team Qualifications (10 Maximum Points)

- 1) The degree to which the project team possesses manufacturing qualifications and experience that will implement the tasks described in the proposed Scope of Work and that will meet proposed project milestones and deadlines.
- 2) The degree to which the team is able to support manufacturing products, increasing sales, securing capital, and establishing a reliable supplier network.
- 3) The degree to which the team can respond to and mitigate proposed project delays, cash flow issues, and supplier delays.

b. Business Operations (20 Maximum Points; Minimum 70% Score Required)

NOTE ON CONFIDENTIALITY: This section on "Business Operations" may be provided as confidential information. If submitting in hard copy, Applicants shall provide the Business Operations information in a separate document, detached from the application package, separately sealed, and clearly identified as confidential. If submitting electronically, Applicants must upload under the file description, "Confidential Information."

The information requested from Applicants in this section will be kept confidential by the Energy Commission, pursuant to California Government Code sections 6254(k) and 6254.15 unless the Energy Commission is ordered to release it by a court or other entity with jurisdiction over the issue or the information otherwise becomes public. The information will be kept confidential from receipt to seven (7) years following the posting of the Notice of Proposed Award (NOPA), after which time the records will become public.

With the exception of information submitted in this section, Applicants should not submit materials that are marked or otherwise delineated as confidential. Any such materials will be returned to the Applicant and not considered.

- 1) Technology and Suppliers
 - a) The degree to which the manufactured technology is expected to compete with incumbent technologies, services, and/or products currently in the marketplace.
 - b) The degree to which the Applicant demonstrates they have the ability (via patents, intellectual property developed or owned by

- the Applicant, or other means) to manufacture the proposed products.
 - c) The degree to which the Applicant demonstrates an established supply chain and the degree to which that supply chain draws from California-based suppliers.
 - 2) **Finances**
 - a) The degree to which the Applicants' financial statements and third-party financial assessments demonstrate positive cash flow, revenue, sales trends, a pathway toward profitability, and verification of existing business.
 - b) The degree to which the Applicants' pro forma information and assumptions are reasonable are supported by previous company investments, staffing levels, established supply chains, and market share trends for the company's product(s).
 - c) The degree to which an Applicant demonstrates an ability to manage capital associated with proposed project implementation, market downturns, and financing gaps.
 - c. **Manufacturing Operations (20 Maximum Points)**
 - 1) The degree to which an Applicant has documented one or more viable manufacturing line(s), from inventory to shipping, with facility layout map(s) or photographs that identify workstations and work flow.
 - 2) The degree to which an Applicant has established in-house manufacturing and/or contract manufacturing operations.
 - 3) The degree to which the Applicant describes their processes for product analyzing returned products under warranty, customer service, and other lessons learned that can inform product design and development and reduce costs.
 - 4) The degree to which the Applicant provides staffing plans and workforce training and development plans to meet the labor investments needed to support projected growth.
 - 5) The degree to which an Applicant offers new innovations, functionalities, sustainability practices, or enhancing features that will be incorporated into products or manufacturing processes during the proposed project.
 - 6) The degree to which an Applicant identifies market barriers and details sales strategies, customer service approaches, and other solutions to overcome those market barriers.
 - d. **Implementation (10 Maximum Points)**
 - 1) The degree to which tasks in the Scope of Work and the dates in the Project Schedule and Due Dates are complete, sequential, and will lead to successful and timely completion of the proposed project.
 - 2) The degree to which the Applicant demonstrates site control for the proposed project.
 - 3) The degree to which the Applicant has progressed in obtaining permits for the proposed project.
 - 4) The degree to which the proposed project has progressed towards achieving compliance under the California Environmental Quality Act (CEQA).

e. Budget (20 Maximum Points)

- 1) The degree to which the proposed budget is cost-effective and appropriate to the purpose of this solicitation.
- 2) The degree to which administrative and overhead expenses are minimized.
- 3) The degree to which state funds are necessary for the proposed project.
- 4) The degree to which Budget Forms are completely and accurately filled out.
- 5) The degree to which the source, type, and amount of Match Share funds are described, documented, and committed to the proposed project.

f. Benefits (20 Maximum Points)

- 1) The degree to which the proposed project results in a higher ratio of CO₂-equivalent reduced (in tons) per dollar of Energy Commission investment for the proposed project term, including the pro forma period of 5 (five) years post-project. Provide calculations and assumptions.
- 2) The degree to which the proposed project will accelerate the deployment of ZEV infrastructure technologies into the market and will further accelerate the deployment of ZEVs.
- 3) The degree to which the proposed project will benefit DACs and workers in accordance with CalEnviroScreen 3.0 Tool.
- 4) The degree to which the proposed project would create permanent and/or temporary jobs in California.
- 5) The degree to which the proposed project generates state and local taxes.
- 6) The degree to which the proposed project will expand opportunities for California-based businesses.

Appendix A - Scoring Scale

% of Possible Points	Interpretation	Explanation for Percentage Points
0%	Not Responsive	Response does not include or fails to address the requirements being scored. The omission(s), flaw(s), or defect(s) are significant and unacceptable.
10-30%	Minimally Responsive	Response minimally addresses the requirements being scored. The omission(s), flaw(s), or defect(s) are significant and unacceptable.
40-60%	Inadequate	Response addresses the requirements being scored, but there are one or more omissions, flaws, or defects or the requirements are addressed in such a limited way that it results in a low degree of confidence in the proposed solution.
70%	Adequate	Response adequately addresses the requirements being scored. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.
75%	Between Adequate and Good	Response better than adequately addresses the requirements being scored. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.
80%	Good	Response fully addresses the requirements being scored with a good degree of confidence in the applicant's response or proposed solution. No identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable.
85%	Between Good and Excellent	Response fully addresses the requirements being scored with a better than good degree of confidence in the applicant's response or proposed solution. No identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable.
90%	Excellent	Response fully addresses the requirements being scored with a high degree of confidence in the applicant's response or proposed solution. Applicant offers one or more enhancing features, methods or approaches exceeding basic expectations.
95%	Between Excellent and Exceptional	Response fully addresses the requirements being scored with a better than excellent degree of confidence in the applicant's response or proposed solution. Applicant offers one or more enhancing features, methods or approaches exceeding basic expectations.
100%	Exceptional	All requirements are addressed with the highest degree of confidence in the applicant's response or proposed solution. The response exceeds the requirements in providing multiple enhancing features, a creative approach, or an exceptional solution.