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# **CERRI Information Session**

## **Questions & Answers**

**January 15, 2025**

This document provides detailed responses to questions and comments provided during the Community Energy Reliability and Resilience Investment (CERRI) Program Information Session on January 15, 2025. The written responses included in this document supersede any verbal responses provided during the workshop. Please send any additional questions or clarifications to [cerri@energy.ca.gov](mailto:cerri@energy.ca.gov).



1. Do your eligibility criteria automatically include all current Community Choice Aggregators (CCAs), including CCAs that do not currently have any owned generation or storage?

CEC Response: CCAs that fit into one or more of the eligible entity categories (Electric grid operators, Electric storage operators, Electricity generators, Transmission owners or operators, Distribution providers, Fuel suppliers) are automatically eligible. CCAs that do not fit into one of these categories must submit an [Eligibility Request Form](https://www.energy.ca.gov/media/9021) (<https://www.energy.ca.gov/media/9021>) to the California Energy Commission (CEC) at [cerri@energy.ca.gov](mailto:cerri@energy.ca.gov). The CEC and the U.S. Department of Energy (DOE) cannot provide a definite timeframe as to when an entity will be approved or denied eligibility, but the estimated timeframe is 30-65 days.

2. Can you clarify how much in funding is available for Round 2, as well as how much will be available to large entities?

CEC Response: There is up to \$51,867,013 available for grants for Round 2. The table below lists the total, minimum, and maximum funding amounts for each group. CEC reserves the right to increase or decrease the available funding and the minimum/maximum award amounts listed below.

Project Group	Available Funding	Minimum Award	Maximum Award	Minimum Match Funding
<b>Group 1: Large Entities</b> (sells ≥4,000 GWh)	\$41,493,611	\$13,831,203	\$20,746,805	115%
<b>Group 2: Small Entities</b> (sells <4,000 GWh)	\$10,373,402	\$5,186,701	\$10,373,402	33.33%

3. Would it be possible to receive a copy of the presentation along with your speaking notes or script? It would be helpful for further reference and to share the info with others in our organization.

CEC Response: The presentation recording and slides will be posted on the [event webpage](#) and linked on the [CERRI Program webpage](#). The slides will also be posted to the CERRI Program docket ([22-ERDD-01](#)).



4. Under the eligible activities, it says "the use or construction of distributed energy resources for enhancing system adaptive capacity during disruptive events, including microgrid subcomponents." Can you clarify if that means an entire microgrid system would be eligible, or only certain technologies such as fuel cells or linear generators?

CEC Response: New generation is not an eligible activity under the CERRI Program, so it may not be funded with CERRI or match funds. However, the program can fund other microgrid subcomponents such as battery storage, switch gears, and inverters.

5. Concerns about the application being too burdensome. Specifically:

- **Itemization of budget expenditures:**

- i. The requirement of itemized budget expenditures can be particularly burdensome for federal grants. Most budget details are typically decided upon or during award negotiations. We suggest that the CEC consider adopting a similar approach, allowing for more flexibility in the initial application phase.

CEC Response: Itemizing expenditures in the project budget is a joint requirement of both the DOE Grid Deployment Office (GDO) and the CEC. Itemized budget expenses are needed for scorers and reviewers to evaluate that funds are being properly distributed and to ensure that all proposed budget items are allowable expenses. Overly generalized categories, such as "Community Engagement," would not allow for the CERRI Program or the DOE's GDO to properly evaluate the proposed project activities and ensure that those activities align with program and funding requirements.

- **Identification of Subcontractors/Subrecipients:**

- i. The need to identify subcontractors and subrecipients at the application stage can be challenging. In many cases, these partnerships are finalized after the grant is awarded. We recommend that this requirement be adjusted to allow applicants to provide this information at a later stage.

CEC Response: A partnered Community-Based Organization (CBO) is the only subcontractor that must be identified at the application phase. This is a common requirement for CEC grant applicants, as it allows the CEC to ensure that the project is prioritizing community engagement and benefits. All other subcontractors and vendors associated with the project may be listed as "to be determined (TBD)" during the application phase.

Applicants must include separate detailed budgets for all subcontractors and subrecipients receiving \$100,000 or more in CERRI funds. This requirement applies also to subcontractors that have not yet been identified or are listed as TBD. A subcontractor/subrecipient is defined as an entity that receives grant funds directly from the grant award Recipient and is entrusted by the Recipient to make decisions about how to conduct some of the grant's activities. Their role involves discretion over grant activities and is not merely selling goods or services. A vendor is defined as a person or entity that sells goods or services to the Recipient, subcontractor/subrecipient, or any layer of sub-subrecipient, in exchange for



some of the grant funds and does not make decisions about how to perform the grant's activities.

- **Vendor quotes:**

- i. Requiring multiple quotes for all project components before applying adds administrative burden and delays.
- ii. We propose that vendor quotes be required only after the grant is awarded during the project implementation phase.

CEC Response: Vendor quotes are required for equipment purchases over \$50,000 (and cumulative purchases exceeding that, even if the unit cost is lower) and project-related work with a total cost of \$250,000, including quotes for box connections, cable, conduit, fittings, protectors, transformers, and "various" budget items. The CEC requires these items with the initial application package for a number of reasons, including justification of costs and assurance that the project is largely shovel-ready and can be deployed within the required project and funding timeline. Vendor quotes are also required by the DOE for federal project review and approval. Applicants are not required to use the vendors from which they solicited quotes for their applications. The applications must include quotes to justify budget expenses, but awardees may ultimately choose to use separate vendors or equipment suppliers after the project has been awarded. If an applicant cannot obtain current vendor quotes for the projects, they may submit historical vendor quotes, obtained within the past 3 years, for budget items as placeholders while waiting for updated quotes.

- **Buy America Waivers:**

- i. Requiring this information at the application stage is problematic (for applicants), as they are typically addressed during award negotiations. Obtaining multiple quotes for all project components before applying can delay the application process and increase administrative burden.
- ii. The waivers are typically addressed during award negotiations. We urge the CEC to align with Federal practices and allow applicants to submit Buy America waivers after the grant is awarded.

CEC Response: "Buy America" waivers are not required with application submission but are strongly encouraged to demonstrate project readiness and reduce risk. While Build America, Buy America Act (BABA) waivers may be submitted after an award, the CEC encourages waiver submission with the initial application package for several reasons, including the expedition of the federal award approval process and reduction of the potential risk that a rejected BABA waiver will derail the project goals and/or timeline. DOE may choose not to approve the requested waivers, so submitting the waivers with the initial package minimizes risk by providing clarity sooner in the project regarding whether approval can be obtained. The inclusion of BABA waivers with an application will not affect the applicant's score.



6. Can the grant be used on current, ongoing projects?

CEC Response: The CEC will need more information for a definitive answer. Ongoing projects may be considered if they incorporate new grid hardening enhancements that were not part of the original project scope and that would demonstrably not occur without CERRI funding. Please note that no CERRI or match funds can be spent before the grant agreement, with a limited exception of the use of match funds for some permitting and environmental review after the CEC posts the Notice of Letter of Intent (NOLOI) to fund. Other sources of federal funding (i.e., Federal Emergency Management Agency (FEMA) funding) and state funding (i.e., Electric Program Investment Charge (EPIC) funding) cannot be used as match funding. The intent of this program is to fund projects that would not otherwise occur without grant funding.

7. When should we expect the full application/concept paper deadline?

CEC Response: The Grant Funding Opportunity for Round 2 is anticipated to be released in February 2025, with an application deadline anticipated in May 2025.

8. Comment in the chat: “Not clear where the GFO document lives. Could you provide a link?”

CEC Response: At the time of the Information Session (January 15, 2025), CEC had not released the Grant Funding Opportunity for Round 2. Important program updates are distributed via email and posted to the CERRI program docket, ERDD-22-01, at <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=22-ERDD-01>. To subscribe to the CERRI subscription list, visit the CERRI webpage at <https://www.energy.ca.gov/programs-and-topics/programs/community-energy-reliability-and-resilience-investment-cerri-program>. You can subscribe under the banner on the right-hand side of the site.

9. Can a municipality count as a CBO partner?

CEC Response: Municipalities are not considered CBOs under this grant funding opportunity, but they can still serve as non-CBO project partners in CERRI applications.

10. Building on the previous question, is there a specific definition for CBO? (Please Note: The below response deviates from the information provided in the Zoom chat during the Information Session. CERRI Program materials have been updated to reflect the below information.)

CEC Response: Yes. For the purposes of this program, an entity is a CBO if it is a public or private nonprofit organization of demonstrated effectiveness that:

- Has deployed projects and/or outreach efforts within the region (i.e., air basin, city, or county) of the proposed disadvantaged or low-income community or similar region.
- Has official mission and vision statements that expressly identify serving disadvantaged and/or low-income communities.



- Currently employs staff member(s) who specialized in and are dedicated to – diversity, or equity, or inclusion, or is a 501(c)(3) non-profit.

11. How can community resilience hubs qualify for the grant?

CEC Response: Community resilience hubs can qualify for funding through microgrid projects that exclude new generation but include microgrid subcomponents such as battery storage, switch gear components, and inverters. These microgrids must be designed for system adaptive capacity (ability to function during outages) and not for peak demand shaving, though peak shaving is an allowable additional benefit to the primary function of system adaptive capacity.

12. Can you explain how the 115% match works? What is the grantee getting with this funding amount? You're getting an 85% reimbursement at end of the grant?

CEC Response: Large entities, defined as those selling over 4,000 gigawatt hours of electricity per year, must provide 100% match as a DOE requirement. The CEC is requiring an additional 15% in matching funds, because it did not secure its 15% state match funding requirement through the state budget process, so the remaining DOE-required match must be passed through to program recipients. Small entities, defined as those selling less than 4,000 gigawatt hours per year, must match only 33.33% of their requested CERRI funds. For example, a large entity requesting \$10 million in project funding must provide an additional \$11.5 million in match funding. A small entity requesting \$10 million in project funding must provide an additional \$3.33 million in match funding.

13. Is there a role for California community colleges? If so, what might that look like?

CEC Response: Yes, California community colleges may participate as project partners to eligible entities. For example, they may serve as site hosts and/or workforce development partners. Please note that workforce development activities must be directly related to the proposed eligible project activities.

14. I saw on one slide that year 4 funding is pending. If it gets finalized soon, would the year 4 funding be included in round 2?

CEC Response: CEC may augment the Round 2 Grant Funding Opportunity to include the year 4 funding (\$35,157,244), which may result in additional awards.

15. Does the CEC have resources for potential applicants, if they are seeking assistance with finding project partners?

CEC Response: We encourage potential applicants to register at <https://www.empowerinnovation.net/> for additional assistance in connecting with potential partners.

16. Is there a role for California gas utilities?

CEC Response: Yes, California gas utilities are eligible to apply for funding. The DOE has a document outlining low-cost grid resilience projects, which include eligible technologies



and activities that can harden gas infrastructure. For more information, visit DOE's webpage at: [https://www.energy.gov/sites/default/files/2024-02/46060\\_DOE\\_GDO\\_Low\\_Cost\\_Grid\\_Resilience\\_Projects\\_RELEASE\\_508.pdf](https://www.energy.gov/sites/default/files/2024-02/46060_DOE_GDO_Low_Cost_Grid_Resilience_Projects_RELEASE_508.pdf)