

LOAN SOLICITATIONS

California Energy Commission

DOCKETED

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Other Documentation

This document focuses on document creation, and publication from the point of view of the Grants and Loans Office. There is a much more detailed description of this process which can be found in PIMS under Help, PIMS Documentation Solicitation Process Guide (SPG) and Solicitation Quick Reference Guide.

These can be found here:

http://energynet/Erdd/pimshelp/pimshelp_processDocumentation.html

Timeline

Please see Tables 1-1, 1-2, and 1-3 for timelines.

A. Loan Application

Solicitations for Commission grant and loan programs are made by posting the solicitation on the website, and e-mailing the appropriate mailing lists. All Loan solicitations must be approved by the appropriate Division process and coordinated through the Commission's Grants and Loans Office.

The application for a loan program can be as simple as one page or consist of a detailed application and manual depending on the program. Generally, the application consists of two parts: (1) information about the program and application process, and (2) an application form and/or description of what to submit.

The Application Manual contains, at a minimum, the following information:

- Name of Program
- Release Date
- Proposal Due Date and Time. For competitive solicitations allow a minimum of five weeks from the solicitation release date to the deadline for submitting applications. State that all applications must be received by the designated deadline. For -come first-serve solicitations make clear that applications will be accepted immediately, and you may include an end date when they will no longer be accepted, or state that applications will be accepted until no more funds are anticipated.
- Purpose of Program
- Availability of Solicitation Documents and Information. Include website address, alternative method of obtaining solicitation documents; and instructions on joining email list server and/or mailing list for notifications on updates to solicitations.
- Background
- Eligible Applicants

- Eligible Projects
- Funding Information (i.e., Awards issued as loans, source of funds, fiscal year of funds, etc.)
- Total Dollars Available
- Award Minimum and Maximums (if any)
- Match Share/Cost Share Requirements (if any)
- Payment of Prevailing Wage
- CEQA
- General Statement on Method of Awarding
 - First-Come, First-Served:** Projects that meet specified minimum criteria are funded on a first-come, first-served basis based on the time their completed application is received.
 - Competitive Solicitation:** Applicants compete based on selection criteria and are scored and ranked based on those criteria. Highest scoring applicants receive funding.
- Background
- Administrative Requirements:
 - Reference and provide access to appropriate Terms and Conditions. Include statement that the Energy Commission reserves the right to modify the Terms and Conditions prior to executing final Agreements.
 - Require that the Authorized Representative certify by signature that all information in the proposal is correct and complete to the best of their knowledge.
 - If Private Entities Can Apply, Include the Following Statement:

“California business entities as well as non-California business entities conducting intrastate business in California are required to register and be in good standing with the California Secretary of State to enter into an agreement with the Energy Commission. If you are not currently registered with the California Secretary of State, we encourage you to contact the Secretary of State’s Office as soon as possible to avoid potential delays in beginning your project (should your application be successful). For more information, contact the Secretary of State via their website at www.sos.ca.gov.”
 - Statement that Authorizing Resolutions (if necessary) Must Be Provided
- Proposal Requirements: Include required elements of proposals, such as, but not limited to, the following:
 - Applicant Legal Name
 - Contact Information (name, address, phone, email, etc.)
 - Abstract/Summary
 - Project Description
 - Estimated Start and End Dates
 - Task-by-Task Project Description
 - Budget Information

- Other Proposal Requirements (Financial Statements, etc.)
- Proposal Formatting Requirements: Include information on proposal format and any required restrictions which may include, but not be limited to, the following:
 - Maximum Number of Pages
 - Number of Copies to Submit (the Grants and Loans Office will hold one original hard and soft copy)
 - Earliest Estimated Start Term (CEC Business Meeting approval date is earliest start term allowed.)
 - Maximum Project Term (3 months prior to funding liquidation date is maximum end term allowed.)
 - Maximum/Minimum Funding per Project
 - Statement that Reimbursement Made Only for Actual Costs Incurred
 - Statement of Prohibited Expenditures (including No Profit Allowed)
 - Statement that All Costs Incurred (Match Share and Reimbursable) Must Occur Within Approved Term of Agreement
- Selection Process
- Schedule for Awarding Process
- Scoring Criteria, Methodology, and Minimum Score Required (for competitive solicitations)
- Minimum Requirements for Eligibility (for first-come, first-served solicitations)
- Instructions for Submitting Confidential Information OR a Statement that No Confidential Information will be accepted.
- Solicitation Amendment and Cancellation Clause
- Submission Requirements:
 - Due Date
 - Due Time
 - Where to Submit Applications/Proposals
 - Statement that Postmarks, Faxes, Emails are Not Acceptable
 - Statement that Applications/Proposals Not Received by the Stated Due Date and Time Will Be Rejected
- Grounds for Rejection:
 - List of Mandatory Reasons for Rejection
 - List of Discretionary Reasons for Rejection
- Solicitation Workshop Information, including WebEx information. (if any)
- Information on How to Submit Questions and Deadline for Submitting. Provide mailing address and email address for question submittal.

- CEQA Information.
- Prevailing Wage Information (if applicable)
 - Prevailing Wage Special Conditions if not included in Terms and Conditions.
 - Prevailing Wage Compliance Certificate
 - Prevailing Wage Q&As
- Forms, As Necessary, to Facilitate the Application Submittal
 - Cover Sheet with contact information and certification
 - Work Statement Template
 - Budget Forms
 - Budget Details/
 - Schedule of Products and Due Dates
 - CEQA
 - Prevailing Wage Compliance Certificate Questionnaire
- Interest rate
- Maximum loan repayment term
- Collateral Requirements (if applicable)

B. Amendments to Solicitation and/or Supporting Documents

If there are any additions, corrections, or modifications to the solicitation after the solicitation has been released, **ALL** potential applicants on the email list-server or mailing notification list must be sent written notification. Amendments must be coordinated through the Commission's Grants and Loans Office and posted to the Commission website by the Grants and Loans Office.

Amendments to solicitations will follow the same review and approval process as the original solicitation.

C. Commission Website

All Commission grant and loan solicitations, applications, amendments, and supporting documents (terms and conditions, confidential information procedures, etc.) must be posted on the Commission's website. After all approvals are obtained, submit electronic copies of the solicitation documents to the Media and Public Communications Office.

Under normal conditions, they try to get to your request and have regular work posted on line the same day as received.

Please do not, however, expect that items sent to them in the late afternoon will be on line that same day.

They process work as received. So, depending on work load and staffing, your item may not be placed on line until the next business day. This may even apply to items that "must" be placed on line to meet legal requirements. That "extra day" should be taken into account when putting items on line that have legal deadlines.

The Web Team will not be held accountable for missed legal deadlines, or for staff who do not call in advance to request that an item be expedited or given special handling.

If you need us to expedite an item and have it on line sooner, please CALL the Web Team Supervisor to request that item be expedited. They will make every effort to accommodate you.

ALWAYS save Word and Excel files in the older .doc and .xls formats so that Recipients who have older versions are able to open the documents.

They will let you know by e-mail when they have completed a work assignment.

D. Roles and Responsibilities of Scoring Team

While scoring proposals reviewers must keep the evaluation process confidential until the NOPA is released; scorers can talk to each other about scoring.

E. Notice of Proposed Awards (NOPA)(competitive solicitations only)

For competitive solicitations, a Notice of Proposed Awards (NOPA) is prepared and released identifying the awards recommended for funding. The NOPA contains, at a minimum, the following information:

- Relevant Background Solicitation Information
- Table Showing Relative Ranking of All Applications Received. Table should include:
 - Application Number
 - Legal Name of Applicant (University of California must read as The Regents of the University of California or The Regents of the University of California on behalf of the _____ campus.
 - Title of Project
 - Recommended Award Amount (\$)
 - Total Passing Score (or "Did Not Meet Minimum Technical Score") (or "Disqualified")
 - Relative Ranking (or "Did Not Meet Minimum Technical Score") (or "Disqualified")

Finalized NOPAs are mailed to all applicants and posted on the Energy Commission's website.

F. Forms/Samples Available

- Grant/Loans Solicitation Request (CEC-275)

- Solicitation Template
- Sample Notice of Proposed Awards

Solicitation Manager

1. Develop draft solicitation documents (Application Manual, Supporting Documents, and CEC-105s for the solicitation team)
2. Obtains approval of solicitation from appropriate Commissioner.
3. Input necessary information into PIMS see SPG for more details
4. Submit a completed CEC-275 and the required solicitation documents to the Grants and Loans Office, and send an electronic copy to the Grants and Loans Analyst.

Grants & Loans Office (G&L)

5. Logs receipt of solicitation package into Grants and Loans System confirm and input dates as needed in the Grants and Loans System see SPG for more details.
6. Provides draft solicitation documents to assigned Legal staff.
7. Schedules team meeting in accordance with solicitation schedule with Grants and Loans, Legal, and Solicitation Manager

All Team Members

8. Review and comment on draft solicitation documents.
9. Attends team meeting to finalize solicitation documents.

G&L

10. Finalizes solicitation documents by incorporating all changes.
11. Routes final solicitation documents for internal approvals (Division, Legal, Budgets)
12. Submit electronic copies of solicitation and supporting documents to the Commission Web Team for posting on Energy Commission website (see web team requirements in section E).
13. Mail/E-mail application manual and supporting documents to requesting parties.
14. Update dates in Grants and Loans System

Solicitation Manager

15. Conduct solicitation workshop.

16. Compile Questions and Answers (Q&A) and submit draft to Grants and Loans Office.
- G&L 17. Review and finalize Q&A.
18. Route final Q&A for internal approvals (Division, Legal)
19. Forward final Q&A to Web Team for posting on Energy Commission's website.
20. Up date actual dates in the Grants and Loans System.

2. Selection Process

a. First-come, First-served Solicitation

- G&L 1. Receive application provide receipt if requested by applicant. Open packages and log date and time of receipt of application in the Grants and Loans System.
2. Open all applications, confirm accuracy of log sheet information, and perform administrative screening, input rejections, and the reason for rejection in the Grants and Loans System (if applicable).
3. Return with rejection letter application packages that are received late and/or fail administrative screening.
4. Log confidential information received and secure all confidential volumes.
5. Retain original applications (hard and soft copies) and release all remaining copies to Solicitation Manager.
6. Sign out confidential volumes to Solicitation Manager. Date and number of copies of each volume must be noted.
- Solicitation Manager 7. Review for completeness. If the application is not complete, request additional information. When the application is complete, record it as "received," and continue in the review and selection process.
8. Review application to determine if it meets minimum eligibility requirements.
9. If the subject area includes Selection Criteria, evaluate and score eligible application using the Selection Criteria to determine if it meets the minimum qualifying points.

10. If the application meets the eligibility criteria and, if applicable, receives the minimum qualifying points, recommend application for funding on a first-come, first-served basis. Proceed to the appropriate Agreement Development, Approval, and Execution section of this manual.
11. Return **ALL** confidential volumes to Grants and Loans Office.
- G&L 12. Ensure **ALL** copies of confidential volumes have been returned.
13. Retain one copy of confidential volume in a secure location.
14. Perform confidential destruction of remaining confidential volumes.

b. Competitive Solicitation

- G&L 1. Receive application, open package and log date and time of receipt into the grants and loans system.
2. Open all applications, confirm accuracy of log sheet information, and perform administrative screening, input rejections, and the reason for rejection in the Grants and Loans System (if applicable).
3. Return with rejection letter application packages that are received late and/or fail administrative screening, and log rejections in the Grants and Loans System.
4. Log confidential information received and secure all confidential volumes.
5. Retain original applications (hard and soft copies) and release all remaining copies to Program Manager.
6. Sign out confidential volumes to Program Manager. Date and number of copies of each volume must be noted.
- Solicitation Manager 7. Perform technical screening to determine if they meet eligibility requirements (See section E- Roles and Responsibilities of Scoring Team).
8. Evaluate and score eligible applications using the Selection Criteria.

9. Rank applications receiving a minimum passing score from highest to lowest score.
10. Return **ALL** confidential volumes to Grants and Loans Office.
- G&L 11. Ensure **ALL** copies of confidential volumes have been returned.
12. Retain one copy of confidential volume in a secure location.
13. Perform destruction of remaining confidential volumes.
- Solicitation Manager 14. Prepare draft NOPA input relevant information in PIMS see SPG for details and forward to Grants and Loans Office.
- G& L 15. Review draft NOPA to confirm all information is accurate and consistent with the submitted applications.
16. Confirm Legal Name of Applicants with the Secretary of State's Office.
17. Route final NOPA for internal approvals (Division, Legal, Budgets)
18. Forward final NOPA to Web Team for posting on Energy Commission's website.
19. Mail final NOPA to all applicants.
20. Confirm posting of NOPA on Energy Commission website. Record the date of the NOPA release in the Grants and Loans System.
- Solicitation Manager 21. Proceed to the appropriate Agreement Development, Approval, and Execution section of this manual.

Table 1-1
Standard Solicitation Process Flowchart View

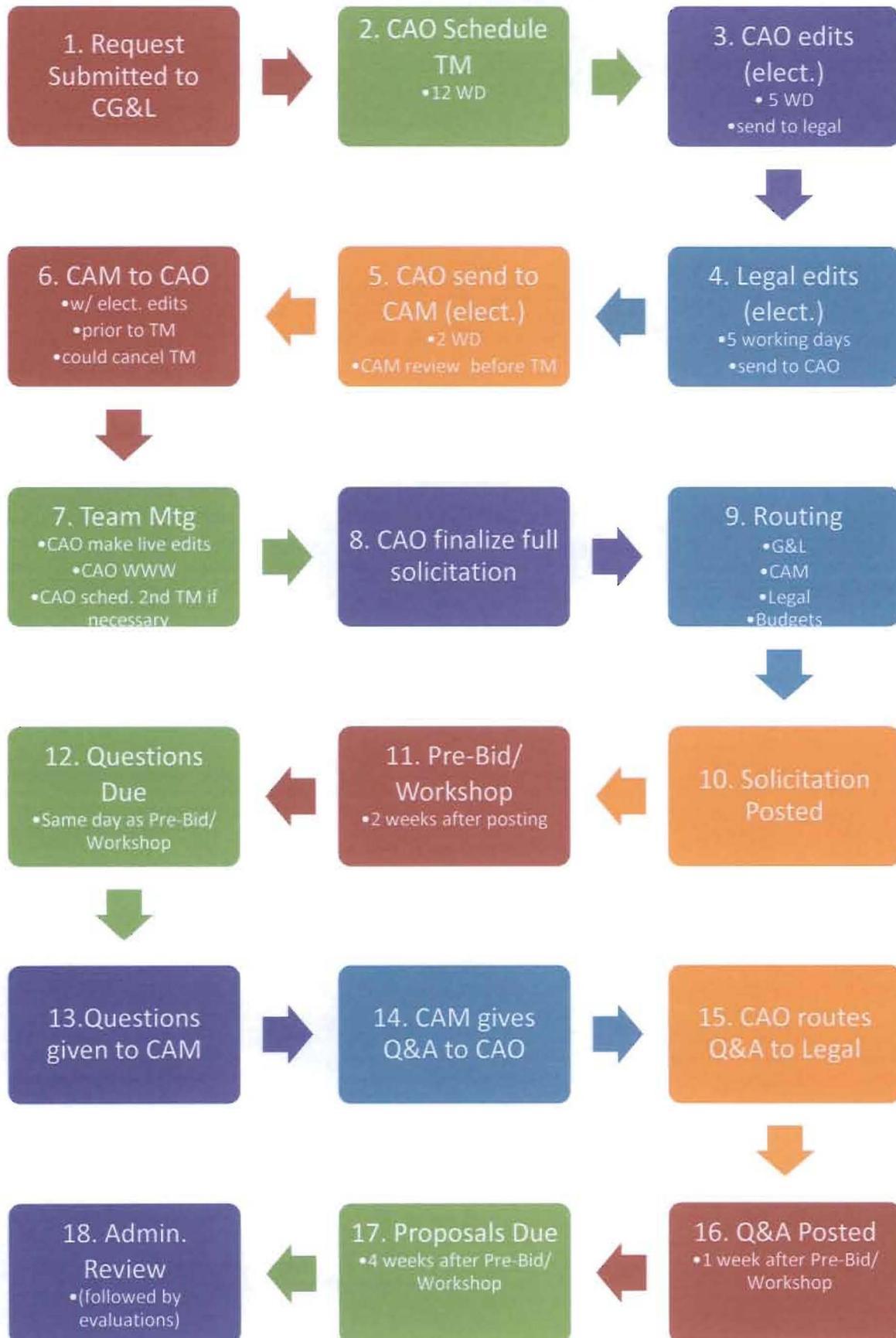
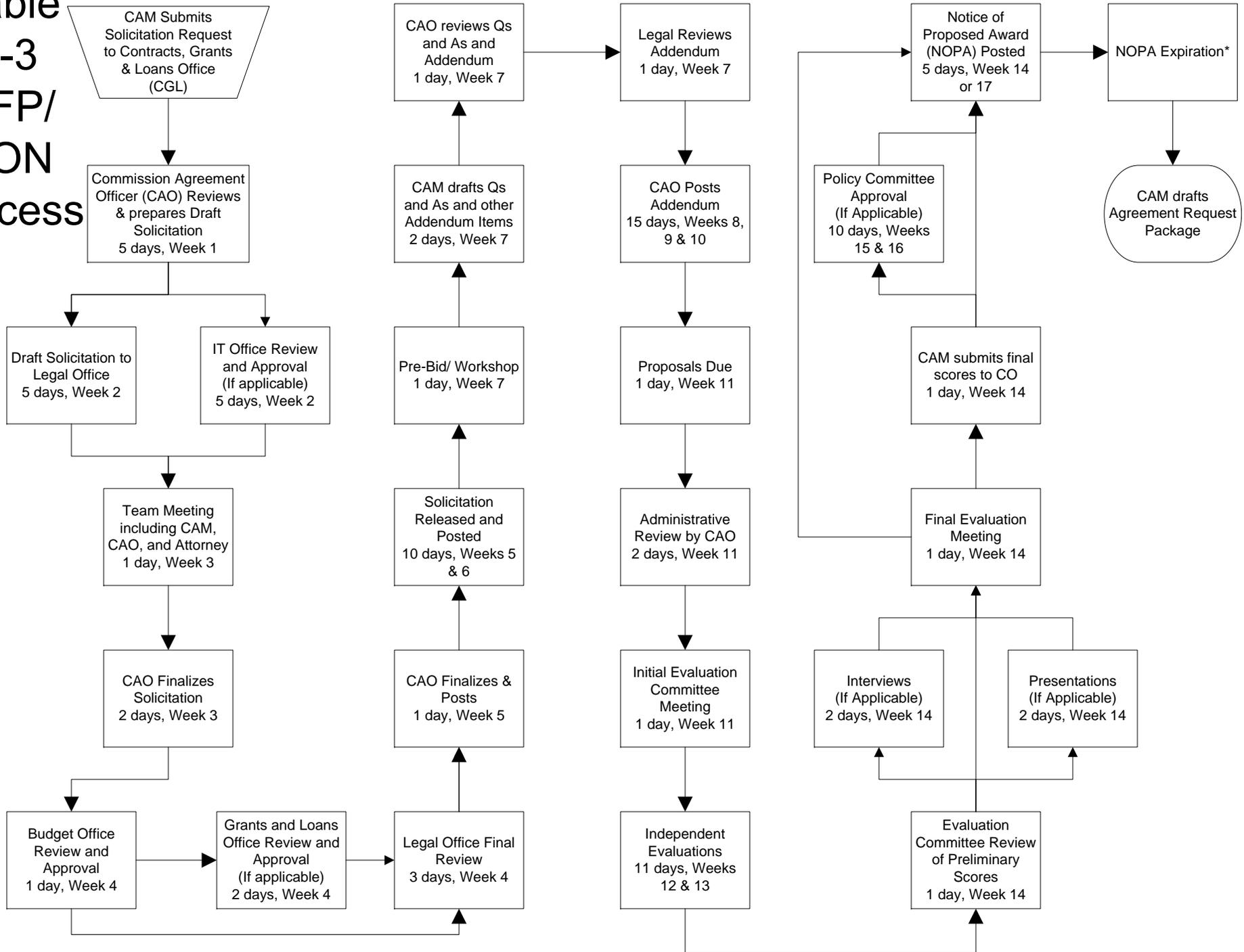


Table 1-2 Solicitation Process Calendar View

Week #	Monday	Tuesday	Wednesday	Thursday	Friday
1	Request Received TM Sched, CAO edits				
2	CAO sends to Legal Legal edits				
3	Legal sends to CAO CAO send to CAM		Team Meeting	CAO begins finalizing full solicitation	
4	Solicitation Routed				
5	Solicitation Posted				
6	←				→
7	Pre-Bid/ Workshop Questions Due COB	Questions to CAM →		Questions to CAO	Q&A to Legal for Review
8	Q&A Posted				
9					
10					
11	Proposals Due	Admin Review	1 st Eval Meeting	Evaluations begin →	
12	←				→
13	←				→
14	2 nd Evaluation Meeting	NOPA Posted			

Table 1-3 RFP/PON Process



Days shown are Work Days.

*14 Weeks is the average processing time from the date the solicitation request package is submitted to the Contracts, Grants & Loans Office. Delays at any point of the process will affect the NOPA date.

AGREEMENT APPROVAL, DEVELOPMENT, AND EXECUTION

FOR LOAN AWARDS

Timeline

Please see Tables 2-1, and 2-2 for timelines.

A. Approval Process

Loan awards must be finalized and approved at a Commission Business Meeting. Divisions are responsible to ensure that all required approvals are obtained based on their internal Division requirements.

B. Documents Available

- Loan Award Request Form (CEC-271)
- Business Meeting Schedule (located on Intranet under Featured Information)
- Sample Exhibit A Attachment 1 Budget Details/Project Cost and Savings
- CEQA Compliance Form (CEC-280)

B. Loan Award Package Requirements

ECAA Loans

Loan Awards are prepared jointly by division staff and the Grants and Loans Office. The Award package is prepared based on the information provided in the loan application and consists of the following parts.

- Estimated Loan Amortization Schedule. Provides an estimated schedule of payment due dates and payment amount divided between principal and interest.
- Loan Agreement. Standard boilerplate terms and conditions specific to each program that apply to all loans in that program. This Agreement provides the terms and conditions through project completion and repayment and is signed by the Commission and the Recipient's authorized representative.
- Budget Detail/Project Cost Savings. An itemized budget(s) for the project(s). This document must follow the template provided by the Grants and Loans Office. Incorporated as part of loan Agreement.
- Project Description/Work Statement (if required by the program). Provides detailed task-by-task description of project activities, products, and due dates. Incorporated as part of loan Agreement.

- Promissory Note. Provides specific terms of repayment. This note is signed by the Recipient's authorized representative.
- Tax Certificate. Provides additional requirements and restrictions on loan Recipient. Required if loan is pledged to, or loan funds originate from, tax exempt revenue bonds. This certificate is signed by the Recipient's authorized representative. (if applicable)
- Federal Provisions including Attachments 1 through 8 (as applicable). Terms required by the federal government.
- Security Agreement (for nongovernmental loans only). Recipient grants to the Commission a security interest in collateral. Describes property, value, and Commission lien position. This Agreement is signed by Recipient's authorized representative. See "Securing Collateral" section of this manual.
- Security Documents (for nongovernmental loans only). Required documents will vary depending on type of collateral pledged.
- Energy Commission Resolution. The signed Commission resolution authorizing the loan Award.
- Recipient Resolution. For applicable Recipients (e.g., local governments, school districts, hospitals), a resolution from the governing body authorizing the application and designating a representative (designation by title versus name is preferred). (In most cases, this will be the resolution which was submitted with the application.) The resolution must have signatures or a signed certification. If the Recipient's resolution is not available at the time the Award is written, the resolution may be required as a Special Condition to the Award.

OR

Representative Authorization. For private entities the Agreement must be signed by the President, Owner, or General Partner. If they want to designate an authorized representative to sign Agreements and amendments, they must provide an original signed letter authorizing a representative to sign on their behalf.

- Special Conditions (if applicable). Special conditions that address the unique circumstances of the project.

CEB Loans

Loan Awards are prepared jointly by division staff, the FDC, Grants and Loans, and legal. The award documents are prepared primarily by the FDC, with review from the CAM, Grants and Loans, and legal. The Award package consists of the following parts.

- Master Terms and Conditions. Standard boilerplate terms and conditions specific to each program that apply to all loans in that program. This Agreement provides

the terms and conditions through project completion and repayment and is signed by the Commission and the Recipient's authorized representative.

- Federal Provisions including Attachments 1 through 8 (as applicable). Terms required by the federal government.
- Additional Documents. Any other documents as needed by the FDC.

D. Procedure

Commission Agreement Manager (CAM)

1. Submit a completed CEC-271 along with all required attachments (hard copies and electronic versions) as specified on CEC-271 to Grants and Loans Office on or before the date specified on the Business Meeting Schedule for the planned Commission Business Meeting. A typical request package includes:
 - Loan Award Request Form
 - Draft Exhibit A Attachment 1 Budget Details/Project Cost Savings (for ECAA loans)
 - FDC documents (fro CEB loans)
 - Draft Special Conditions (if necessary)
 - Borrower Resolution (if necessary)
 - Original Borrower Application (if necessary)
 - Business Meeting Memo
 - CEQA Compliance Form
 - SHPO Clearance (if necessary)
 - NEPA Clearance (if necessary)
 - Conflict of Interest forms CEC-105
 - Exhibit F Contact List

Grants & Loans (G&L)

2. Log receipt of Award Request Package
3. Assign loan number.
4. Find and update loan information into the Grants and Loans System. (for ECAA loans)

Enter the loan into the Grants and Loans System. (for CEB loans)
5. Confirm agreement term date is consistent with state and/or federal fiscal deadlines.
6. Review package, and provide comments (if necessary) to the (CAM).

7. Check the Excluded Party List System and Single Audit
8. Provide Agenda Item information to Secretariat by the date specified on Business Meeting Schedule.
9. Finalize loan agreement documents (cover page, loan agreement, exhibit A attachment 1, promissory note, estimated amortization schedule, and additional documents as necessary)
10. Create Commission Resolution.
11. Forward loan back up (Exhibit A Attachment 1, resolution, and BM Memo, and other documents as necessary) to Secretariat by the date specified on the Business Meeting Schedule.
12. Package and route final agreement for internal approvals (CAM, Budgets, Accounting).
13. Prepare award letter.
14. Mail award letter, 1 full copy of all loan documents, 1 additional copy of documents needing signatures, and other required documents (e.g., payment request forms, payee data record, Q&A, etc.) to Recipient.
- CAM 15. Attend preliminary agenda review and final agenda review meetings in accordance with Business Meeting Schedule.
16. Present award at Commission Business Meeting for approval.
- Secretariat 17. Forward signed Energy Commission Resolution to Grants and Loans Office.
- G&L 18. Receive signed final agreements from Borrower.
19. Make copy of completed Payee Data Record for the file and forward original to Accounting.
20. Review signed agreements to ensure:
 - No unauthorized changes made to agreement.
 - Signature of Recipient Authorized Representative on all copies in all necessary places.
21. Upon receipt of signed Energy Commission Resolution, forward to Grants and Loans Office Manager for execution.
22. Enter execution information into Grants and Loans System.

23. Prepare executed letter.
24. Check that we have received Waste Management Plan, Prevailing Wage certification and Single Audit before payments are made. (If necessary).
25. Distribute fully executed copies to: Recipient (1 original), CAM (1 copy), Accounting Office (2 copies), Loan File (1 original)

Table 2-2 Agreement Request Approval Process

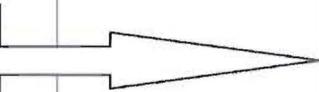
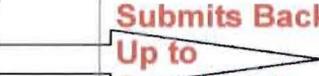
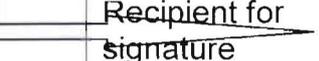
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Submitted Package					CAM Submits Agreement Request To Loans Office	
Week 1	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> LO Reviews Submittal, Produces Loan Documents (5 days) </div> 					
Week 2	Grants Office Manager Review (1 Day)		Agreement Manager Review (1 day)		Loans Office Submits Agenda Notice to Secretariat	
Week 3	Pre-Agenda Review	Budgets Office Review (1 day)	Accounting Office Review (2 days)		Agreement Sent to Recipient for signature	
Week 4	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Recipient (30 days) </div> 				Grants Office Submits Back-Up to Secretariat	
Week 5	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Recipient (30 days) </div> 		Final Agenda Review		Agreement Sent to Recipient for signature	

Table 2-2 Agreement Request Approval Process

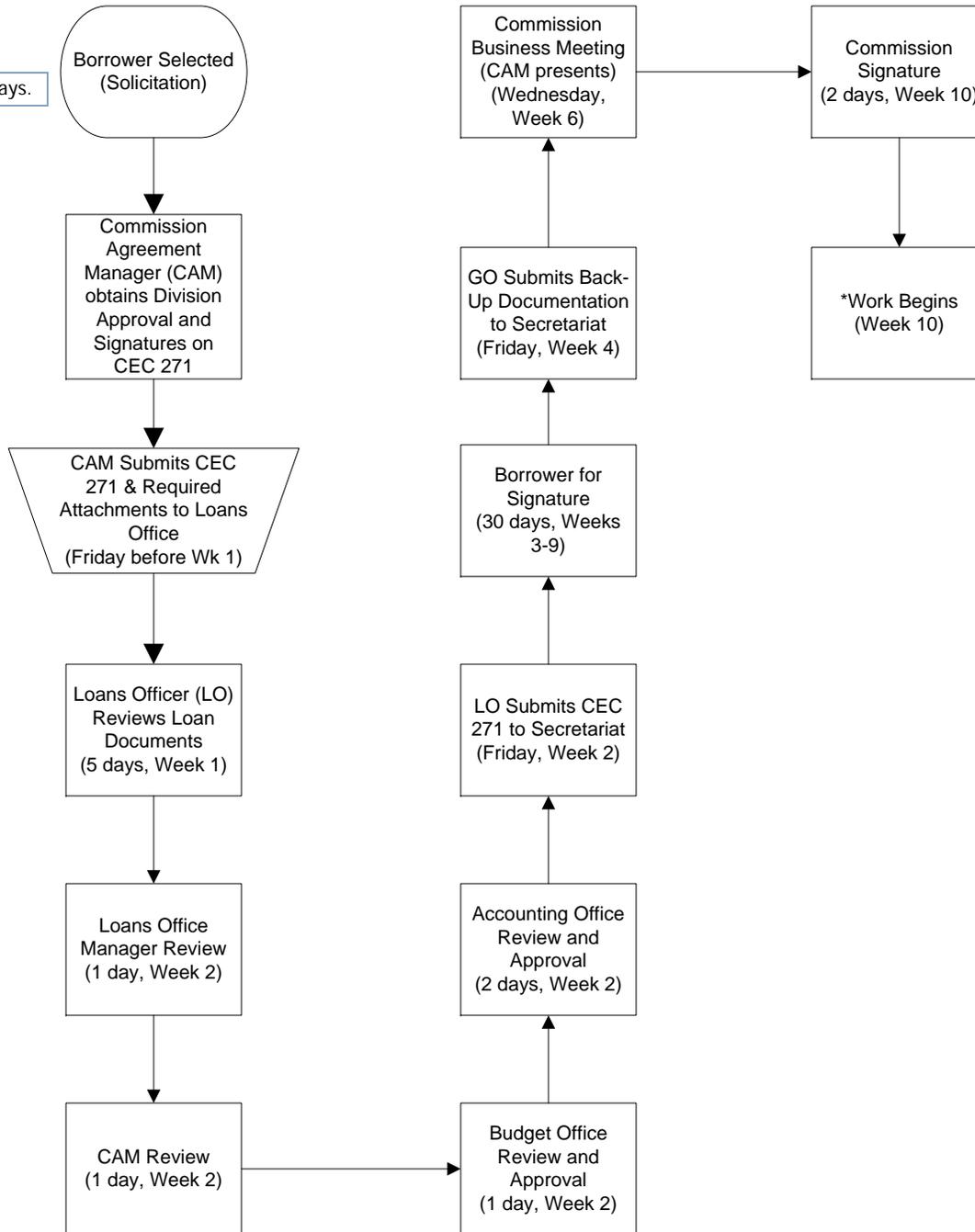
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Week 6			BUSINESS MEETING			
	Recipient (30 days)			→		
Week 7						
	Recipient (30 days)			→		
Week 8						
	Recipient (30 days)			→		
Week 9						
	Recipient (30 days)			→		
Week 10						
	CEC Sig (2 days)		→			
			*Work Begins			

* The effective date of this Agreement is the approval date by the California Energy Commission. The California Energy Commission shall be the last party to sign. No work is authorized, nor shall any work begin, until on or after the effective date.

Items in Red are dates set by the Energy Commission Business Meeting Calendar located on the Intranet.

Days shown are Work Days.

Table 2-2 Loan Approval Process



*10 Weeks is the average processing time from the date the grant request package is submitted to the Grants Office. Delays at any point of the process will affect the date work can begin.

SECURING COLLATERAL

FOR LOAN AWARDS

As part of the loan application, all nongovernmental applicants must provide financial information as described in the program's loan application. The financial information will be evaluated to determine if the financial strength of the applicant meets program requirements.

Loan Awards to all nongovernmental Recipients must be secured by assets owned by the Recipient or a third-party guarantor. Acceptable types of collateral include, but are not limited to, certificates of deposit, letters of credit, real estate, and equipment. The Recipient must provide a current appraisal for all non-cash collateral. The choice of appraiser must be made in concurrence with the Commission. All collateral will be discounted from the lower of book or market value according to the following schedule.

<i>Type of Collateral</i>	<i>Discount Percentage</i>
Certificates of deposit/letters of credit	0%
Real estate	25%
Equipment	50%

All costs associated with securing the loan are the responsibility of the Recipient.

A. Forms/Samples Available

- California Energy Commission Loan Program Security Checklist.
- ECAA Loan Security Requirements Financial Tests
- Farm Energy Assistance Program Financial Evaluation

B. Procedure

Commission Agreement Manager (CAM)

1. Ensure that all required financial information has been submitted with the loan application.
2. Forward financial information to Grants and Loans Office or Technical Support Contractor, depending on the loan program.

Grants & Loans (G&L) or Support Technical Contractor

3. Run credit report for applicable applicants.
4. Evaluate the financial strength of the applicant based on predetermined standard minimum criteria for the program. Forward evaluation to CAM.

- CAM 5. **Determine whether applicant meets financial requirements.**
- a. If applicant does not meet the financial criteria, send letter to applicant explaining that they do not qualify.
 - b. If the applicant meets the financial criteria, and if the project is recommended for funding, forward financial information to the Grants and Loans Office along with other loan package documents.

Grants & Loans (G&L) or Support Technical Contractor

- 6. **Negotiate collateral with applicant.**
- 7. **Prepare security Agreement and any other security document(s) and include in loan Agreement package.**
- 8. **Obtain from applicant all security instruments necessary to secure the total value of the loan, as outlined in “California Energy Commission Loan Programs Security Checklist.”**

PROGRESS REPORTS

FOR LOANS

Recipients must submit to the Commission Agreement Manager (CAM) written progress reports. Frequency and due dates vary by program and shall be specified in the schedule of products. Each progress report should include the status of (1) energy efficiency measures, and (2) project schedule. It should also report on the financial status and compare the project budget to costs to date. Details are specified in the Agreement Terms and Conditions.

A. Forms/Samples Available

- Contract/Grant/Loan Progress Evaluation (CEC84)
- Progress Report Template

B. Procedure

Commission Agreement Manager (CAM)

1. Review progress report to ensure project is proceeding according to the terms of the Agreement.
2. Prepare Contract/Grant/Loan Progress Evaluation form (CEC84), summarizing activities and noting any issues requiring Grants and Loans attention.
3. Forward original copies of progress report, and Contract/Grant/Loan Progress Evaluation form (CEC 84) to the Grants and Loans Office.

Grants & Loans (G&L)

4. Review progress report and Contract/Grant/Loan Progress Evaluation form (CEC 84), and act upon any administrative issues.
5. Log report and file in Award file.

PAYMENT REQUESTS

FOR LOANS **Timeline**

Please see Table 4-1 for timelines.

Payment Requests

Recipients may request payment from the Commission at any time, but we suggest not more often than monthly, and not less often than yearly, during the term of the Agreement and it is required that the required progress reports be submitted with the payment requests.

Payments will generally be made on a reimbursement basis for Recipient expenditures, i.e., after the Recipient has paid for, and has proof of payment for, a service, product, supply, or other approved budget item. No reimbursement for food or beverages shall be made other than allowable per diem charges.

As a general rule, advance payments are not allowed. The Commission, at its sole discretion, may honor advance payment requests if warranted by compelling need. If any advance payments are received from the Commission, they must be deposited in a separate interest-bearing account. Advance payments will be made only when special circumstances dictate and should not be considered the normal course of business. Advance payments will be considered by the Energy Commission Agreement Manager only if there is a clear disincentive to requesting payment in arrears. The time required for the Commission and State Controller's Office to process a payment request will not be considered a disincentive unless the Recipient can demonstrate that the delay will cause a significant hardship. Furthermore, contracts and/or subcontracts with scheduled payments are not sufficient reason to receive advances.

All payment requests must be submitted using a completed Payment Request form which is included as part of the funding Award. All payment requests must be accompanied by backup documentation (e.g., copies of paid invoices, receipts, personnel time records), and a short narrative. This must be provided for both Energy Commission and match share. Specific requirements are detailed in the Terms and Conditions of each Agreement.

The Energy Commission will only process a payment request if all of the following conditions have been met:

- All required progress reports have been submitted and are satisfactory to the Energy Commission Agreement Manager (CAM);
- Applicable contracts and/or subcontracts have been reviewed and approved by the CAM;
- All applicable special conditions have been met;

- All appropriate permits or permit waivers from governmental agencies have been issued to the Recipient;
- Match funds must be identified in writing and the associated commitment letters obtained (if applicable); and,
- Other prepayment conditions as may be required by the Energy Commission Agreement Manager have been met.

Unless otherwise specified in the Agreement, **all payment requests shall be paid by the Commission within 30 calendar days of receipt of the payment request.** The Division/CAM, Grants and Loans Office (G&L), and Accounting Office (Acct.) are allowed 10 days each for their review/approval/processing. The State Controller's Office has an additional 15 calendar days to issue the warrant.

A. Retention

With the exception of University of California awards it is the Commission's policy to retain 10 percent of any payment request, or 10 percent of the total Commission Award at the end of the project for loans. After the project is complete, the Recipient must submit a completed payment request form or letter requesting release of the retention that specifies the exact amount of retention to be released. The CAM and Grants and Loans Officer will review the project file and, when satisfied that the terms of the funding Agreement have been fulfilled, will authorize release of the retention.

B. Payment Request Disputes

The Energy Commission may dispute a payment request submitted by a Recipient for reasonable cause. The Commission should notify the Recipient **within 15 working days** from receipt of the payment request. When disputing a payment request, complete a STD 209 form and mail to the Recipient. Copies must be submitted to the Grants and Loans Office, Accounting Office, and the CAM.

Reasons for disputing a payment request include the Recipient not meeting one or more of conditions listed above, required documentation has not been submitted or does not match the payment request, claimed expenses are not consistent with the approved budget, sufficient match share has not been expended, etc. When a problem arises that cannot be resolved between the CAM and the Recipient, the Grants and Loans Office or the Legal Office should be consulted.

C. Forms/Samples Available

- Progress Evaluation/Payment Authorization (CEC-84)
- Contracts, Grants and Loans Payment Request Route Slip (CEC-28).
- Invoice Template (CEC-214)
- Invoice Dispute Notification (STD 209)

D. Procedure

- | | |
|-------|--|
| Acct. | 1. Receive, date stamp, and log payment request. |
| | 2. Complete Grant/Loan Payment Request Route Slip |
| | 3. Submit route slip, payment request, and backup to CAM. |
| | 4. Input payment request in PIMS |
| CAM | 5. Receive and log payment request. |
| | 6. Review payment request: <ul style="list-style-type: none"><input type="checkbox"/> Check for signature of authorized representative (or designee) on Payment Request form.<input type="checkbox"/> Verify accuracy of Payment Request form (including math).<input type="checkbox"/> <u>Verify expenditures are adequately documented.</u><input type="checkbox"/> Verify expenditures are allowable in accordance with the terms and conditions.<input type="checkbox"/> Verify expenditures consistent with project scope.<input type="checkbox"/> Verify expenditures consistent with approved budget details.<input type="checkbox"/> Verify expenditures incurred during approved term of project.<input type="checkbox"/> Verify match share expenditures are expended and documented at a rate consistent with project budget (if applicable). |
| | 7. Check Agreement to ensure any prepayment conditions have been met and products received. |
| | 8. Verify all required progress reports and products due to date have been received and are acceptable. |
| | 9. If disputing payment request, prepare STD 209 and mail/email to Recipient, with copies to Grants and Loans, Accounting, and |

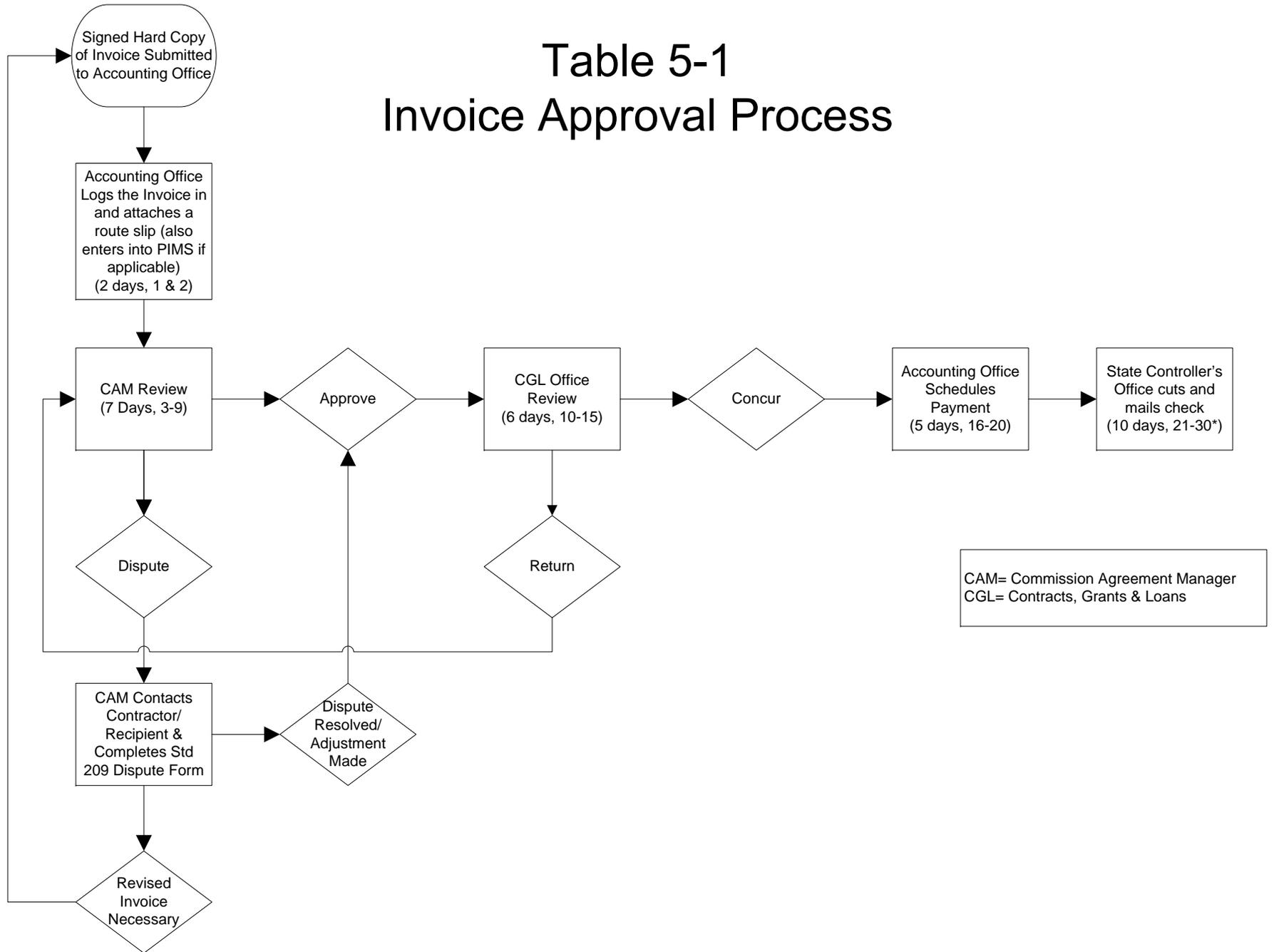
- CAM. Resolve dispute with Recipient. Contact Grants and Loans or Legal Office if assistance is needed.
10. When the payment request is satisfactory, sign payment request and route slip.
 11. Complete and sign a Progress Evaluation/Payment Authorization form (CEC-84).
 12. Obtain Program Manager's approval (if required) and forward approved payment request, backup documentation, route slip, Progress Evaluation/Payment Authorization form (CEC-84), and any products or progress reports to Grants and Loans.
 13. Approve the Payment Request in PIMS
- G&L
14. Review payment request following steps 6 – 8 above.
 15. Review CEC-84 and verify all necessary reports and products have been received.
 16. If disputing payment request, return invoice to CAM with explanation (this is done through PIMS and by returning the hard copy unless the dispute is resolved within a day).
 17. For loan funds residing with Revenue Bond Trustee, complete Form of Requisition for disbursement of loan funds.
 18. If final payment request, place an "F" next to payment request number on payment request for (e.g., 1F, 4F, etc.).
 19. If balance of funds remain in Agreement after final payment request, instruct the Accounting Office and Budget Office (via email or note on Payment Request Form specifying balance to be liquidated) to liquidate balance of funds in Agreement. For funds residing with Revenue Bond Trustee (e.g., ECC loans), complete an Officer's Certificate to Transfer Excess Funds and forward to Accounting.
 20. When the payment request is satisfactory, sign and forward original payment request form, 2 copies of form, all backup documentation, and Bond Trustee Form of Requisition (if necessary) to Accounting for processing.
- Acct.
21. Schedule payment and forward to State Controllers Office or Bond

Trustee (as appropriate), who issues and mails payment to Recipient.

22. Record payment in Grants and Loans System, PIMS and Award file.

Acct./Budgets 23. If necessary, liquidate balance of funds in Agreement. Funds must be liquidated in the Grants and Loans System and either the State Accounting System or Revenue Bond Trustee, as appropriate.

Table 5-1 Invoice Approval Process



Days shown are Work Days.

*30 is the standard processing time from the date the invoice is submitted to the Accounting Office. Delays at any point of the process will affect the date submitted to SCO and may cause penalties to accrue.

AMENDMENTS

FOR LOANS

All amendments to grant and contingent award agreements must be consistent with:

- 1) Authorizing legislation.
- 2) Program regulations/requirements.
- 3) Federal award requirements (if applicable).
- 4) State fiscal encumbrance and liquidation deadlines.
- 5) Established Commission policies.

Almost all amendments must be approved at an Energy Commission Business Meeting. The only exceptions are:

- 1) Budget Revisions among Tasks or Budget Categories that do not affect the scope of the project or the overall grant amount as long as such revisions are described and allowed in the terms and conditions. Note, however, that increases in hourly rates, fringe, overhead, general and administrative charges and any other rates specified in the grant are not allowed without a formal amendment and approval at a Commission Business Meeting.
- 2) Very minor work statement changes that only correct grammatical errors or reference mistakes.
- 3) Revisions to the Product Due Dates as long as the revised dates are within the current approved term of the agreement.
- 4) Designation of Commission Agreement Manager (CAM) and other contact information.
- 5) Changes deemed to be minor enough for a Letter of Agreement (if allowed by the agreement terms and conditions)

With only one exception, all amendments must be executed prior to the implementation of the amendment and/or expiration date of the agreement. For example, amendments to extend the term of the agreement will not be allowed to occur after the agreement has expired. The one exception is for federal grant agreements. Extension of time will be allowed after the expiration date if the proper request has been submitted to the federal awarding agency within 120 days of the expiration of the federally-funded subaward.

The maximum term extension that may be requested is three months prior to the liquidation date of the funds and/or, if federally funded, three months prior to the approved end term of the supporting federal award.

CAM must submit all amendment requests to the Grants and Loans Office a minimum of 4 months prior to the implementation of the change or expiration of the award. **For all amendments, payment will not be authorized for work performed before Commission approval.**

For federally funded awards, amendments may also require prior written approval from the federal grantor agency. Contact the Grants and Loans Office for instructions.

A. Forms/Samples Available

- CEC-271 Loan Award Request Form

B. Procedure

Commission Agreement Manager (CAM)

1. Submit a completed CEC-271 along with all required attachments (hard copies and electronic versions) as specified on CEC-270 to Grants and Loans Office a minimum of four months prior to the implementation of change and/or expiration of the agreement.

Grants & Loans (G&L)

2. Log receipt of Amendment Request Package.
3. Assign amendment number.
4. Input amendment into Grants and Loans System (status = “pending”).
5. If applicable, confirm agreement term date is consistent with state and/or federal fiscal deadlines.
6. If necessary, add line numbers and page numbers on draft documents.
7. If necessary, schedule team meeting within 2 weeks of receipt of Amendment Package Request with Grants and Loans, Legal, and CAM to finalize agreement documents.
8. Provide Agenda Item information to Secretariat by the date specified on Business Meeting Schedule.
9. If applicable, review and comment on draft amendment documents prior to team meeting.

ALL TEAM
MEMBERS

10. If applicable, attend team meeting to finalize documents.
- G&L 11. Finalize amendment documents.
12. Route final amendment for internal signatures (CAM, Legal, Budgets, Accounting).
13. Create Commission resolution.
14. Forward final amendment documents to Secretariat by the date specified on the Business Meeting Schedule.
15. Post back up documentation (CEC-271, CEC-140, and Budget Details.) to P drive
<P:\Business Meeting Agenda Packets for Website>
16. Package final amendment.
17. Mail final amendment to Recipient for signature.
- CAM 18. Attend preliminary agenda review and final agenda review meetings in accordance with Business Meeting Schedule.
19. Present amendment at Commission Business Meeting for approval.
- Secretariat 20. Forward signed Energy Commission Resolution to Grants and Loans Office.
- G&L 21. Receive signed final amendment from Recipient.
22. Review signed amendment to ensure:
 - No unauthorized changes made to amendment.
 - Signature of Recipient Authorized Representative on all copies.
23. Upon receipt of signed Energy Commission Resolution, forward to Grants and Loans Office Manager for execution.
24. Enter or confirm entry in Grants and Loans System.
25. Prepare executed letter.
26. Distribute fully executed copies to: Recipient (1 original), CAM (1 copy), Accounting Office (2 copies), and Grant File (1 original).

AWARD TERMINATION

FOR LOANS

Recipients may cancel an Award for any reason prior to signing the Award documents by notifying the Commission in writing that they do not wish to accept the Award. Once the document is executed (i.e., signed by the Commission and Recipient authorized representative), the Award may be terminated for two reasons: (1) breach or (2) convenience.

A. Event of Breach

The Commission may terminate an Agreement in the event of any breach by the Recipient of the conditions of the Agreement. In the event of breach, the Commission Agreement Manager (CAM) should contact the Grants and Loans Office, who will work with the Commission's Legal Office on termination procedures.

For loan Agreements, on the occurrence of any event of default, the Commission, at its sole discretion, may declare all or any portion of the principal and accrued interest on the note to be immediately due and payable.

B. Termination for Convenience

The Commission may, at its option, terminate an Agreement in whole or in part, upon giving thirty (30) days advance notice in writing to the Recipient by certified mail, return receipt requested. The CAM should contact the Grants and Loans Office, who will work with the Commission's Legal Office on termination procedures.

The Recipient may terminate an Agreement in whole or in part when both the Commission and the Recipient agree that continuation of the project will not produce beneficial results commensurate with the further expenditure of funds. Both parties will agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated.

In the event of partial termination, the Commission will pay the Recipient for all allowable expenses incurred prior to notice of termination which could not by reasonable efforts of the Recipient have been avoided, but not in excess of Agreement maximum payable. The CAM will determine the disposition of real property, equipment, supplies, and materials resulting from the Award in accordance with the applicable federal rules or circular, which was included as part of the Award.

For loan Agreements pledged to the repayment of a revenue bond, termination of Award is subject to the requirements and restrictions contained in the bond agreements. Please contact the Grants and Loans Office for assistance.

The procedures below describe procedures for termination at the request of the Recipient.

C. Procedure

1. No Funds Disbursed (All Awards)

- | | |
|----------------------------|--|
| CAM | 1. Obtain written cancellation/termination request from Recipient, signed by Recipient's authorized representative. |
| | 2. Sign and date original letter and forward to Grants and Loans, indicating concurrence with cancellation. |
| G&L | 3. Prepare disencumber/liquidation request and forward to Accounting and Budgets with a copy of cancellation/termination letter. |
| | 4. Change Grants and Loans System status to cancelled or withdrawn. |
| ACCT./
BUDGET
OFFICE | 5. Disencumber/liquidate Award. |

2. Funds Disbursed (Loans)

- | | |
|-----|---|
| CAM | 1. Obtain written cancellation/termination request from Recipient, signed by Recipient's authorized representative . |
| | 2. If concur with cancellation/termination request, sign and date original letter and forward to Grants and Loans. Indicate effective date of termination on letter, if there will be energy savings, and amount of annual energy cost savings. |
| G&L | 3. If partial project will result in energy savings: <ul style="list-style-type: none">• Enter data into Grants and Loans System and generate final amortization schedule.• Mail amortization schedule to Recipient. |
| | 4. If partial project will not result in energy savings: <ul style="list-style-type: none">• Enter data into Grants and Loans System and generate payoff document.• Mail payoff document to Recipient. |

5. Prepare disencumber/liquidation request for loan balance and forward to Accounting and Budgets with a copy of cancellation/termination letter. For funds residing with Revenue Bond Trustee, prepare an Officer's Certificate to Transfer Excess Funds and forward to Accounting.
- ACCT./
BUDGET
OFFICE 6. Disencumber/liquidate loan balance.

AWARD CLOSE-OUT FOR LOANS

When the Recipient completes their project, they must submit the following documents in addition to any products listed in the work statement:

1. A final **administrative report** which meets the requirements outlined in the funding agreement.
2. A final **Financial Status Report and/or Payment Request** form requesting reimbursement for any expenses and/or for release of any retention withheld.
3. Any other documents that may be required by the specific program as outlined in the funding agreement.

Contingent awards have additional requirements. Contact the Commission's Grants and Loans Office.

A. Forms/Samples Available

- Progress Evaluation/Payment Authorization (CEC 84)

B. Procedure

Commission Agreement Manager (CAM)

1. Review final administrative report and any close-out documents that are required by the specific program. Provide comments to Recipient if necessary.
 2. Verify that all project tasks have been completed, any special conditions have been met, and all products have been received.
 3. Review and approve final Financial Status Report and/or Payment Request form in accordance with instructions detailed under "Payment Requests" in the Commission Agreement Manager's Manual.
 4. Forward approved final administrative report, Financial Status Report and/or Payment Request, Progress Evaluation/Payment Authorization form, and any other close-out documents to the Grants and Loans Office.
- G&L
5. Ensure final administrative report has been reviewed and approved by the CAM.

6. If applicable, process final payment request(s) in accordance with the procedures detailed under "Payment Requests" in the Commission Agreement Managers Manual.
7. If there is a balance of funds in the agreement, but no final payment request, send liquidation instructions to the Accounting and Budget Office.
8. Record final payment, final report date, and Actual Completion Date in Grants and Loans System.
9. Monitor the loan in the Grants and Loans System to see when the final disbursement is recorded as paid.
10. Check the Final Amortization Schedule against a hand done Final Amortization Schedule. Check the following:
 - a. Principle and Interest split of payments
 - b. Total loan amount
 - c. First payment date
 - d. Maximum number of repayments
 - e. Schedule reflects payment in full
11. When they match run the Final Amortization Schedule.
12. Prepare cover letter.
13. Mail cover letter and Final Amortization Schedule to Recipient.

Place file in "Pending" for maximum of 30 days to ensure receipt of Final Amortization Schedule.
14. Ensure Recipient acknowledges, by signature on cover letter, receipt of final amortization schedule.
15. Upon receipt of acknowledgement, mark loan file as "Repayment" and file on shelf. NO CHANGES IN GRANTS AND LOANS SYSTEM REQUIRED.
16. Once loan has been paid-in-full, inform accounting.
- ACCT. OFFICE 19. Generate paid-in-full letter
20. Signs letter, mails to Recipient, and provides copy to Grants and Loans Office.
- G&L 21. File letter in loan file and deliver entire file to Accounting Office.