

DOCKETED

| | |
|-------------------------|---|
| Docket Number: | 21-TRAN-05 |
| Project Title: | Zero Emission Vehicle-Related Manufacturing |
| TN #: | 240170 |
| Document Title: | Presentation - Pre-Solicitation Workshop for Zero-Emission Vehicles and Zero-Emission Vehicle-Related Manufacturing |
| Description: | N/A |
| Filer: | Spencer Kelley |
| Organization: | California Energy Commission |
| Submitter Role: | Commission Staff |
| Submission Date: | 10/28/2021 4:39:18 PM |
| Docketed Date: | 10/28/2021 |



Pre-Solicitation Workshop

Zero-Emission Vehicles and Zero-Emission Vehicle-Related Manufacturing

Jonathan Bobadilla - Fuels and Transportation Division
October 29, 2021 | 10:00 am



Housekeeping

- Workshop is being recorded.
- Virtual Participation through Zoom
 - Raise Hand or Q&A feature
 - Telephone participants dial *9 to raise your hand
- Written Comments to Docket # 21-TRAN-05:
<https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=21-TRAN-05>
Deadline: By 5:00 p.m. on November 17, 2021.



Commitment to Diversity

The CEC adopted a resolution strengthening its commitment to diversity in our funding programs. The CEC continues to encourage disadvantaged and underrepresented businesses and communities to engage in and benefit from our many programs.

To meet this comment, CEC staff conducts outreach efforts and activities to:

- Engage with disadvantaged and underrepresented groups throughout the state.
- Notify potential new applicants about the CEC's funding opportunities.
- Assist applicants in understanding how to apply for funding from the CEC's programs.
- Survey participants to measure progress in diversity outreach efforts.



Workshop Purpose

Stakeholder feedback to inform the development of grant incentives for in-state manufacturing of:

- Zero-emission vehicles (ZEVs) and components
- ZEV infrastructure equipment
- ZEV batteries



Workshop Agenda

10:00 am Welcome and Introductions

10:10 am Staff Presentation

Background

- Clean Transportation Program
- Budget Act of 2021 (SB 129) Appropriations

Overview of ZEV-Related Manufacturing Solicitation Concepts

- Proposed Funding and Eligibility
- Proposed Evaluation Criteria
- Timeline



Workshop Agenda Continued

10:30 am Public Partners Panel

10:50 am Private Business Panel

- ZEV and ZEV component manufacturers
- ZEV infrastructure equipment manufacturers
- ZEV battery manufacturers

11:30 am Round Table Discussion

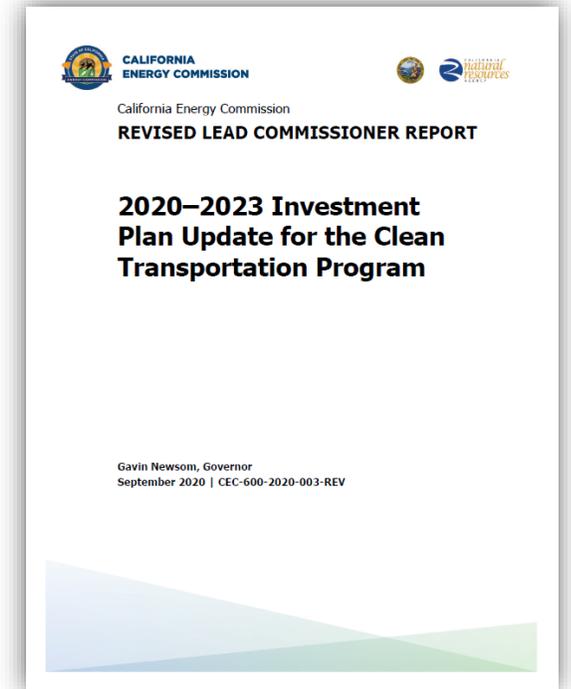
12:30 pm Public Comment

1:00 pm Adjourn



Clean Transportation Program (CTP)

- Established in 2007 by Assembly Bill 118 (2007).
- Extended to January 1, 2024 by Assembly Bill 8 (2013).
- Provides approximately \$95 million of funding per year through 2023.
- Investment Plan to determine funding allocations across various categories.
- Past awards for manufacturing: \$55 million for 27 projects





California Budget Act of 2021

- Senate Bill 129 (Skinner, 2021)
 - \$118.75 million for FY 2021-2022 (after admin costs)
 - Available for encumbrance until **June 30, 2024.**
 - Available for liquidation until **June 30, 2026.**
 - \$125 million for FY 2022-2023 (pending Legislative approval)
 - *"...shall be used to support manufacturing grants to increase in-state manufacturing of zero-emission vehicles, zero-emission vehicle components, and zero-emission vehicle charging or refueling equipment."*



SB 129 Legislative Guidelines

- Projects should, among other criteria, be selected based on the following criteria:
 1. Likelihood that manufacturing activities would not have otherwise occurred in-state either in terms of the entity's presence in CA or at the scale that may not otherwise be achieved without the manufacturing grant.
 2. Number and quality of direct and indirect jobs created.
 3. Economic impact to the state.
 4. Ability of the project to contribute to California's goals of zero-emission transportation.
- ...shall not award more than \$50 million in ZEV manufacturing grants per awardee



Proposed Solicitation Concepts for FY 2021-2022 Funds

- \$118,750,000 available in funding
- Funding requests must be between \$5 million and \$30 million
- Projects are eligible for up to half (50%) of a project's total budgeted costs or \$30 million, whichever is less.
- At least 10% of the project's total budgeted costs must come from cash match share. The remainder of match share may come from documented in-kind contributions.
- Public grants, public financing, tax incentives/credits from local, state, or federal programs will not count as match.
- Eligible match expenditures can only occur after the issuance of the solicitation's Notice of Proposed Award. Such expenditures are at the applicant's risk until an agreement with the CEC is formally executed.



Proposed Eligible Applicants

- Open to only private, for-profit businesses.
- Must have a business presence in California, or an executed lease/purchase agreement establishing a manufacturing facility in California prior to entering into an agreement with the CEC.
- Agree to CEC's Terms and Conditions
- Required to be registered and be in good standing with the [California Secretary of State](https://www.sos.ca.gov), <https://www.sos.ca.gov>, to enter into an agreement with the CEC.



Proposed Eligible Projects

Manufacture/Production/Assembly in California of:

- 1) Complete and vertically integrated zero-emission vehicle (ZEV), including light-, medium-and/or heavy-duty vehicles; on-, and/or off-road plug-in electric vehicle or fuel cell electric vehicle.
- 2) ZEV components, batteries, parts, and/or systems (excluding software/firmware).
- 3) ZEV infrastructure including electric vehicle chargers and hydrogen fueling stations and/or their components, systems, or parts, including on-site energy storage.



Proposed Funding Categories

Category A (\$60 million)

- Complete ZEVs
Manufacture a complete light-, medium-, or heavy-duty ZEV.
- ZEV Components
Manufacture ZEV components where the manufactured final product is an integral component of a complete ZEV.

Category B (\$28.75 million)

- Electric Vehicle Supply Equipment (EVSE)
Manufacture complete off-board EVSE, and/or EVSE components.
- Hydrogen Refueling Station Equipment (HRSE)
Manufacture complete HRSE and/or HRSE components.

Category C (\$30 million)

- ZEV Batteries
Manufacture batteries for complete ZEVs, and/or for EVSE systems (inc. on-site battery storage)

If an insufficient number of passing applications are received in one of the categories noted, the CEC may transfer unused funding from one category to another category.



Proposed Eligible Activities

- Establishing a new facility that manufactures eligible products.
- Re-equipping or expanding an existing facility that manufactures eligible products.
- Establishing manufacturing line processing methods, designing, engineering, testing, and developing plan specifications.
- Acquisition of 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.



Proposed Eligible Activities, Cont.

- Labor required for installing, testing, and certifying manufacturing tools and equipment.
- Labor, including non-recurring engineering for software, firmware, and hardware product(s) or service(s) for commercial sale.
- Workforce training and development to support manufacturing operations.
- Building and facility modifications that support the manufacturing process.



Proposed Evaluation Criteria

Provide description and documentation of:

- Team Qualifications
- Manufacturing Operations
 - Inc. existing and proposed manufacturing lines, supply chain, staffing plans
- Project Implementation
 - Inc. site control and readiness



Proposed Evaluation Criteria, cont.

- Financials
 - Three years' audited and CPA-certified financial statements of the manufacturing entity (not a parent or holding company)*
 - Pro forma information and assumptions for five-year projections*
- Project Budget
 - Reduced amount of CEC funding requested
 - Demonstration of need for requested amount
 - More private (non-public) match funding

*Will allow for confidential submission



Proposed Evaluation Criteria, cont.

- Project Benefits
 - Contribution to state's ZEV transformation
 - Number and quality of jobs
 - Economic impact to the state
 - Impacts to local community
 - Impacts to low-income or disadvantaged communities, locally and/or statewide



Proposed Evaluation Criteria Scoring

| Scoring Criteria | Points |
|------------------------------------|------------|
| Team Qualifications | 10 |
| Manufacturing Operations | 15 |
| Project Implementation | 10 |
| Financials | 10 |
| Project Budget | 25 |
| Project Benefits | 30 |
| TOTAL POSSIBLE POINTS | 100 |
| MINIMUM PASSING SCORE (70%) | 70 |



Proposed Schedule

| Activity | Action Date (Tentative) |
|---|-------------------------|
| Solicitation Release | December 2021 |
| Pre-Application Workshop | January 2022 |
| Deadline to Submit Applications | March 2022 |
| Anticipated Notice of Proposed Awards Posting | April 2022 |
| Anticipated CEC Business Meeting Approval | June-July 2022 |



Public Partners Panel Remarks





Private Business Panel Remarks





Discussion #1: Proposed Funding and Eligibility

Zoom Participants

- Use the “raise hand” feature to make verbal comments

Telephone Participants:

- Dial *9 to raise your hand
- Dial *6 to mute/unmute your phone line.

1. Is creating funding categories appropriate? Are the categories’ respective funding amounts appropriate?
2. Is a maximum project award of \$30 million appropriate? Is a minimum project award of \$5 million appropriate?
3. How should we accommodate applicants new to California?
4. Is anything missing from the list of eligible costs?



Discussion #2: Match Funding

Zoom Participants

- Use the “raise hand” feature to make verbal comments

Telephone Participants:

- Dial *9 to raise your hand
- Dial *6 to mute/unmute your phone line.

1. What would be an appropriate match share requirement?
2. What forms of match should be included or excluded?
3. Should the match share requirement differ based on:
 - a. The type of applicant? (New manufacturer considerations?)
 - b. The funding category?
 - c. The locations of project sites in disadvantaged/low-income communities?
 - d. The amount of CEC funding requested (e.g. a progressive increase)?



Discussion #3: Proposed Evaluation Criteria

Zoom Participants

- Use the “raise hand” feature to make verbal comments

Telephone Participants:

- Dial *9 to raise your hand
- Dial *6 to mute/unmute your phone line.

1. Is there anything missing from the proposed scoring criteria?
2. Is the allocation of evaluation points appropriate?
3. How can we encourage projects that maximize access to new high-road jobs for Californians?
4. What other tools could be employed to ensure projects benefit disadvantaged or low-income communities?



Discussion #4: Manufacturing in California

Zoom Participants

- Use the "raise hand" feature to make verbal comments
- Use the Q&A feature to type in your question

Telephone Participants:

- Dial *9 to raise your hand
- Dial *6 to mute/unmute your phone line.

1. What are some of the barriers to expanding or establishing manufacturing operations in California?
2. How should this manufacturing solicitation be deployed to alleviate some of those barriers, while maximizing in-state job creation?



Thank you for participating!



Submit Comments to Docket 21-TRAN-05

Electronic Commenting System

Visit the comment page for this docket at:

<https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=21-TRAN-05>

Comment by E-mail

E-mail: docket@energy.ca.gov

Subject Line: "21-Tran-05 Zero Emission Vehicle-Related Manufacturing"

All comments due by 5:00 pm on November 17, 2021