



## **Clean Energy Fund** **Research, Development and Demonstration Match Program**

### **Program Summary & Application Guidelines**

#### **SUMMARY**

The Department of Commerce, Energy Office is seeking applications for the Research, Development and Demonstration (RD&D) Match Program from entities seeking to obtain match required by non-state funders for clean energy technology projects. For the purposes of the RD&D Match Program a “clean energy technology” is defined as one that increases energy efficiency, reduces energy consumption, improves energy utilization, enables integration of intermittent forms of renewable energy, or generates renewable energy.

Non-state funds being sought will match state RD&D funds at a 1:1 or greater ratio. A higher ratio is desired and will be considered during competitive prioritization and ranking. Program funds must be used to develop and acquire capital assets having a 13+ year lifespan. It is expected that the projects will be completed within 24-36 months of the RD&D match award.

#### **RD&D PROGRAM OVERVIEW**

The program was created by the Washington State Legislature through the Clean Energy Fund (CEF) to support Washington’s research institutions, organizations, and clean energy technology companies. The primary goals are to:

- Provide a benefit to the public through development, demonstration, and deployment of clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions, or otherwise increase energy independence for the state;
- Increase the competitiveness of Washington-based research entities by providing cost-share funding assistance, without which they could not compete for non-state funding sources;
- Bring in new non-state funding to help grow Washington’s clean technology sector; and
- Develop and strengthen relationships and new technologies in the clean energy sector.

Legislation mandates that eligible projects include, but are not limited to:

- Advancing energy storage and solar technologies,
- Advancing bioenergy,
- Developing new lightweight materials, and
- Advancing renewable energy & energy efficiency technologies.

#### **FUNDING**

- \$9,700,000 will be made available for Research, Development and Demonstration match grants
- \$7,500,000 will be made available in the solicitation opening May 20, 2016 and \$2,200,000 will be made available in the solicitation opening November 1, 2016
- \$1,000,000 is designated specifically to assist small businesses (<50 employees) although more may be awarded
- The **minimum** that may be requested is \$50,000
- The **maximum** grant award is \$2,500,000
- Commerce, at its sole discretion, may waive the maximum grant amount in order to enable a particularly compelling project or package of interrelated projects from collaborating entities.

## MATCH OVERSUBSCRIPTION

At the time of application, it is often unclear whether a project requesting RD&D match funds will be funded by the non-state funding source. Some projects may be fully funded, others only partially funded or not funded at all. Due to this uncertainty and to maximize funding opportunities, Commerce will oversubscribe match by awarding approximately double the amount of RD&D funding available for each round.

This means that if there is a fairly low success rate among the pool of RD&D grantees, or if awards are only partially funded, each applicant should receive RD&D funding at or near their requested amount. However, if there is a high success rate among RD&D grantees, final awards may be substantially lower than requested (i.e. up to 50% reduction). Contingency plans for this possibility need to be provided in the application. Contingencies could include reducing project scope, arranging for alternate funding (i.e., loans, venture capital), or other actions. Applicants may not submit an inflated budget to offset possible RD&D reductions.

- Commerce will award approximately double the amount of match funding available for each funding round.
- Applications must spell out contingency plans for how they anticipate moving forward with their projects should they be awarded only a portion of their RD&D match request.
- Applicants are expected to notify Commerce of all applicable non-state award decisions. Applicants who do not receive their non-state funding awards may reapply but will not retain their RD&D match award while in search of alternate funding.
- Commerce will execute contracts for 50% of the RD&D funding upon written notice of applicants being awarded non-state funding.
- Applicants that do not receive formal non-state funding award notification within 90 days of anticipated award dates may be withdrawn from the match award list or assigned a lower priority for funding.
- Once all projects have been approved or denied by non-state funders or withdrawn by Commerce, remaining match funds for each round will be divided among the RD&D awardees through contract amendments.
- Projects with reduced non-state funding awards will have their RD&D match funding reduced to provide no more than the minimum required (up to 50% maximum).
- In no case will more than 100% of the requested RD&D match be provided.
- Commerce reserves the right to award less than the RD&D match requested.

## SOLICITATION DEADLINES

- Round 1: No funding was awarded during this solicitation. Funds were rolled into Round 2.
- Round 2: \$7,500,000 solicitation opens May 20, 2016. **Phase 1** submittals are **due by June 3**; **Phase 2** applications are **due by July 15**. Non-state funding you are seeking to match must be awarded by December 30.
- Round 3: \$2,200,000 solicitation opens November 1, 2016. **Phase 1** submittals are **due by November 15**; **Phase 2** applications are **due by December 30**. Non-state funding you are seeking to match must be awarded by May 31.
- ZoomGrants allows submittals until midnight on due dates.

## ASSUMPTIONS

- Applicants may submit only one project per funding round.
- Each submission contains a single project.
- Commerce CEF funds will provide no more than the minimum match required by the primary non-state funding source and in no case will match exceed 50% of the total project cost.
- RD&D match will not provide match where it is only identified as being “encouraged” or “considered” and is not a condition of funding.
- Applicants proposing to match external private funds must show the requested match is the minimum required by the funding source.
- Applicants proposing to match their own funds must demonstrate need and/or compelling public benefit.
- Prioritization factors include but are not limited to, those found in the authorizing legislation (2EHB 1115 §1028), Washington State Energy Strategy, and Governor Inslee’s Executive Order 14-04.

- Applications must be submitted through the Zoom Grants application portal used by Commerce.
- Applicants are required to submit a project in Phase 1. Phase 1 submissions that pass threshold will be approved to apply in the Phase 2 application round.
- Submitting a project in Phase 1 does not obligate the applicant to continue to a Phase 2 application.
- Commerce will make all final funding award decisions.
- Awardees must conform to all state laws, regulations and policies.

#### MANDATORY ELIGIBILITY CRITERIA

- Applicant must be a Washington-based research institution, non-profit, private business, or other organization pursuing clean energy technology.
- Applicant (including project partners) must be able to demonstrate continuous and intensive engagement with the research community through relevant research, development, and/or demonstration projects;
- Applicant must show significant in-state presence by conducting primary research, development and demonstration and deployment in Washington State.
- Applicant must have current registration with the state’s Department of Revenue or Secretary of State.
- Applicants cannot request RD&D funding to supplant (displace) prior or existing match commitments.

Funding sources occasionally provide conditional approval subject to obtaining match that was not required with the original application, or provide additional funding subject to required cost-share (i.e., Phase 2(b) SBIR grants). A request to match an already awarded project must be approved in writing by Commerce prior to submitting an application. Submit requests to [energy\\_policy@commerce.wa.gov](mailto:energy_policy@commerce.wa.gov) and type “RD&D Eligibility” in the subject line.

Applicants who received notice of non-state funding award(s) after January 6, 2016 (Round 1 opening date) may reapply for Round 2 without submitting the eligibility determination request detailed above.

Projects must:

- Develop or acquire capital asset(s) with a 13+ year life, and be located in the state of Washington.
- Demonstrate benefit to Washington State and its citizens.
- Develop or demonstrate eligible clean energy technologies which:
- Have demonstrated viability but have yet to be commercialized; or
- Expand existing technologies through innovation such as novel configurations or increased efficiencies.
- Unambiguously enable access to new non-state funding.
- Involve a clean energy technology (see Table 3a).

Coal, oil, natural gas, or projects whose primary focus is on these fossil fuels (except when used in fuel cells, energy storage systems, or combined heat and power projects) are ineligible for Clean Energy Fund RD&D match funding.

### APPLICATION PROCESS

Once the solicitation period opens, applicants may not contact Commerce staff to discuss their projects. Non-project specific questions may be submitted by email to [energy\\_policy@commerce.wa.gov](mailto:energy_policy@commerce.wa.gov). Questions and answers will be posted on Commerce’s Clean Energy Fund webpage. Applicants will not be provided an opportunity for project presentations.

#### *Application Steps*

**Step 1:** Review guidelines thoroughly and note any unclear issues. Ask for clarification via webinar, bidder’s conference or [energy\\_policy@commerce.wa.gov](mailto:energy_policy@commerce.wa.gov). Review posted questions and answers (Q&A) &at the Clean Energy Fund website.

**Step 2:** Participate in or review recorded webinars and bidders conferences.

**Step 3:** Confirm project is an eligible clean energy technology (see table below).

<b>Clean Energy Technology Category</b>	<input type="checkbox"/> Demand response <input type="checkbox"/> Energy conservation <input type="checkbox"/> Solar power <input type="checkbox"/> Wind power <input type="checkbox"/> Geothermal <input type="checkbox"/> Wave/tidal/current energy <input type="checkbox"/> Advanced hydropower <input type="checkbox"/> Energy storage <input type="checkbox"/> Bioenergy (biofuels, biogas, biomass) <input type="checkbox"/> Renewable, biodegradable chemicals <input type="checkbox"/> Advanced thermal energy conversion	<input type="checkbox"/> Fuel cells <input type="checkbox"/> Carbon capture/sequestration <input type="checkbox"/> Energy monitoring <input type="checkbox"/> Demand-side management <input type="checkbox"/> Combined heat and power <input type="checkbox"/> Developing new lightweight materials <input type="checkbox"/> Other technology powered by the sun, wind, water, bioenergy, fuel cells, or any other renewable, non-depletable or recyclable fuel <input type="checkbox"/> Hydrogen
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**Step 4:** If eligible, open ZoomGrants Account.

**Step 5:** Review administrative documents and templates provided to assist you with developing your application.

**Step 6:** Complete and submit a Phase 1 proposal, including all required support documents. Commerce will review Phase 1 responses. A Phase 1 “approval” authorizes applicants to proceed to Phase 2. A “denial” means the project cannot proceed. A determination of ineligibility may be appealed within two business days by sending an email and any supporting documentation to [energy\\_policy@commerce.wa.gov](mailto:energy_policy@commerce.wa.gov). Type “RD&D Appeal” in the subject line.

**Step 7:** Complete and submit comprehensive proposal with supporting documentation for Phase 2. Commerce will review and prioritize projects. An external evaluation team will recommend projects for funding. No presentations, supplemental information, or documents not directly requested by Commerce will be allowed after the application deadline. Commerce reserves the right to request additional information as part of its due diligence and will make all final funding decisions.

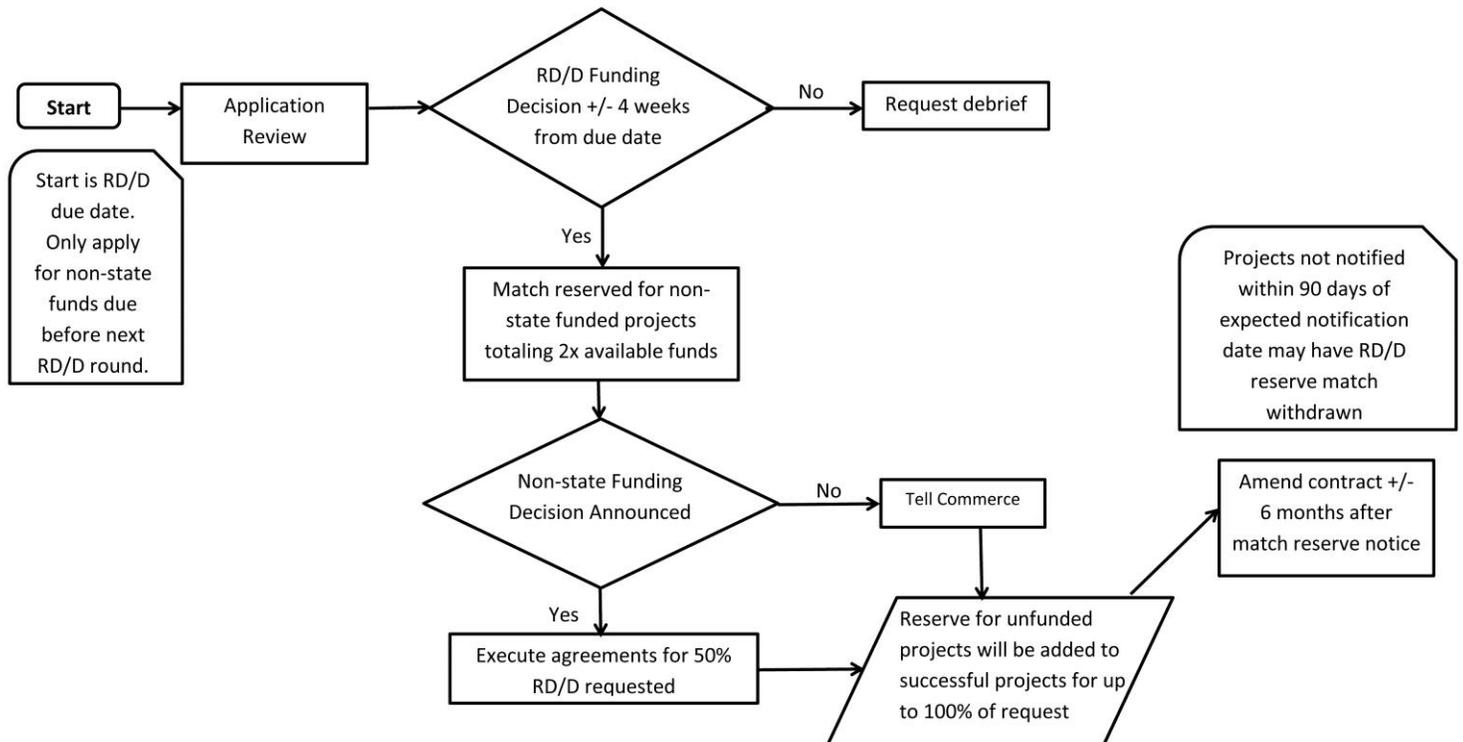
**Step 8:** Await notification of RD&D award/non-award (approximately four weeks after Phase 2 application due date).

## PROJECT EVALUATION, RATING AND AWARD

Reviews will be based solely upon documents provided as part of the application. There will be no opportunity provided for project presentations. Commerce reserves the right to request additional information.

RD&D Scoring Matrix	Points
<b>Project Technical Merit</b>	<b>40-43</b>
<p><u>1.0 Innovation/Advancement of Clean Energy Technology:</u> Highest scores will go to potentially “game changing” technologies that improve the economics of renewable sources of energy, maximize energy efficiency savings, and reduce environmental impacts. <i>(40 points maximum)</i></p> <ul style="list-style-type: none"> <li>• Research &amp; Development: New technologies with demonstrated viability that are not yet commercially available.</li> <li>• Research &amp; Development: Existing technologies advanced through novel configurations and/or increased efficiencies.</li> <li>• Demonstration Projects: Technologies have been demonstrated internationally but not yet domestically. Not intended to demonstrate technologies that are not yet available at a regional level.</li> </ul> <p><u>1.1 Priority RD&amp;D Topics:</u> Bonus points will be added to projects which advance one or more of the following categories: clean transportation (including lightweight materials if applicable), integration of distributed renewables into the state’s energy system, marine energy, and transition from fossil fuels to low carbon technologies. <i>(3 bonus points)</i></p>	
<b>Applicant/Team Evaluation</b>	<b>20-23</b>
<p><u>2.0 Demonstrated RD&amp;D Expertise:</u> Applicant demonstrates they (including partners) have the expertise needed to implement the proposed project (e.g., examples of past or present RD&amp;D projects, RD&amp;D partnership with research institutions or national labs, relevant patents or licenses, academic publication on RD&amp;D topic, etc.) <i>(10 points maximum)</i></p> <p><u>2.1 Demonstrated Commercialization Expertise:</u> Bonus points will be given to applicants that can show past research or demonstration has led directly to commercialization. <i>(3 points maximum)</i></p> <p><u>2.2 Education &amp; Skills:</u> Principal project participants have the education and skills needed to implement the project. Project is effectively organized with role(s) clearly defined. Demonstrates ability to manage all aspects of the project, including administrative and compliance with federal and state laws related to capital assets (i.e., prevailing wage requirements, competitive bidding). <i>(10 points maximum)</i></p>	
<b>Project Implementation</b>	<b>20</b>
<p><u>3.0 Project Management:</u> Does the Scope of Work and project timeline appear realistic? Will the project be completed within 24-36 months of award? Does the applicant have the organizational capacity (including partnerships) to implement the project? Does the time principal participants plan to dedicate to the project appear sufficient and reasonable? <i>(10 points maximum)</i></p> <p><u>3.1 Project Budget:</u> Is the budget detail sufficient and does it clearly identify the capital asset(s) (including ancillary costs) the RD&amp;D match funds will go towards? Can one reasonably expect the capital asset to have the required 13 year life span? Do they have a reliable contingency if less than 100% of requested RD&amp;D match is provided? <i>(10 points maximum)</i></p>	
<b>Washington Benefit</b>	<b>40-43</b>
<p><u>4.0 Public Benefit:</u> Potential benefit to Washington State, its residents, businesses and institutions, including such factors as involvement of and benefit to Washington research institutions and state businesses (especially manufacturing), projected cost savings for businesses and residents, environmental benefits, and potential for job creation. Do the estimates appear realistic? Are they well-substantiated or overly optimistic? Projects most relevant to our state’s energy mix, economy and environmental challenges will be rated higher. <i>(35 points maximum)</i></p> <p><u>4.1 Match Leverage:</u> Requested match leveraged by non-state funding at a higher ratio than the 1:1 minimum requirement. The required contingency plan for up to 50% match is not considered leverage. Of particular interest is a demonstration by the applicant that they have “skin in the game” through cash, in-kind contributions, cost-shared equipment, or other volunteered assets. For small businesses, other private or non-profit investments are of particular interest. <i>(5 points maximum)</i></p> <p><u>4.2 Expediency/Continuation:</u> Bonus points will be provided for projects which receive written notice of non-state funding award before or within 30 days of the application due date and/or that continue a phased RD&amp;D project. Commerce will consult with the non-state funder to determine whether this is a realistic expectation and/or that a phased project is ready to proceed to the next phase. <i>(3 points maximum)</i></p>	
<b>TOTAL POINTS</b>	<b>120 - 129</b>

## POST AWARD



### Contracting and Payment

Successful applicants will enter into a performance-based grant contract with Commerce upon confirmation of non-state funding. Payments will be made upon submittal of an A-19 invoice along with evidence that invoiced deliverable(s) and/or milestones have been met. RD&D grant recipients must agree to remain in-state for a specified minimum period (three-years, which may be adjusted upward based upon the RD&D award) or repay match funds provided by Commerce immediately upon notice.

### Recipient Reporting

Recipients of RD&D match funding will be expected to report to Commerce on no less than a quarterly basis regarding progress of the funded project, as well as project outcomes upon completion of the project. Reporting requirements may be met by providing Commerce with a copy of relevant reports submitted to the non-state funder(s).

## NOTICE OF PUBLIC DISCLOSURE

The applicant acknowledges that Commerce is subject to the Public Records Act and that the application and any future contract is a public record as defined in Chapter 42.56 RCW. Any specific information claimed by the applicant to be Proprietary Information must be clearly identified as such by the applicant. "Proprietary Information" means information owned by the applicant to which the applicant claims a protectable interest under law. Proprietary Information includes, but is not limited to, information protected by copyright, patent, trademark, or trade secret laws. To the extent consistent with Chapter 42.56 RCW, Commerce will maintain the confidentiality of all such information marked Proprietary Information. If a public disclosure request is made to view the applicant's Proprietary Information, Commerce will notify the applicant of the request and of the date that such records will be released to the requester unless the applicant obtains a court order from a court of competent jurisdiction enjoining that disclosure. If the applicant fails to obtain the court order enjoining disclosure, Commerce will release the requested information on the date specified.

## DISCLAIMER

This solicitation does not commit Commerce to award any funds, pay any costs incurred in preparing an application, or procure or contract for services or supplies. Only responses meeting all Mandatory Eligibility Criteria will be approved for further evaluation in Phase 2. Commerce reserves the right to determine at its sole discretion whether proposer's response to Mandatory Eligibility Criteria in the Phase 1 review is sufficient to pass. Commerce reserves the right to modify award amount from that requested, negotiate with qualified applicants, cancel or reissue at any time without obligation or liability, or change the application guidelines for subsequent funding rounds. If there are changes to the proposed award notification schedule, applicants will be notified via email to the contacts identified in ZoomGrants.

These guidelines have been posted electronically using Commerce's [Clean Energy Fund website](#) and are provided as a reference document in the [ZoomGrants](#) application portal. Any amendments and addenda to this document will be posted on the same site.

This solicitation has been distributed electronically to subscribers for Energy of Clean Technology [email updates](#) and by posting on Commerce's [Clean Energy Fund website](#). It is the sole responsibility of proposers to check the website for updates, amendments and addenda. Commerce accepts no liability and will provide no accommodation for applicants who submit an application based on an out-of-date solicitation document.

## CONTACT INFORMATION

RD&D Program Manager: Patti Miller-Crowley  
Department of Commerce  
State Energy Office  
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Please submit all questions via email to [energy\\_policy@commerce.wa.gov](mailto:energy_policy@commerce.wa.gov). "RD&D Question" should appear in the subject line. Answers will be posted on the Clean Energy website.