

CEF4 Grid Modernization Solicitation Q&A

Submit all questions to the RFA Coordinator at cef@commerce.wa.gov. Commerce will post answers weekly through 6/11/2021. Questions must be submitted by 6/8/2021.

Week 1:

- 1) Q: Our organization does not have direct experience working with projects like the ones covered by this grant, but we are interested in applying. Do we have any chance of getting funded?**

A: One of the desired outcomes of this funding opportunity is to provide equitable support to Retail Electric Utilities in pursuing these goals, regardless of their level of previous engagement with relevant technologies. Commerce welcomes applications from all eligible applicants, and staff attempted to simplify Track 1 application requirements in particular to minimize the burden on applicants. For more information on past projects that have been funded through this program, please see project profiles linked on the sidebar of the program website.

- 2) Q: I'm trying to decide which application track to apply for. Which track should I choose for my project?**

A: Applicants should generally select the track that best represents the readiness of their project to undergo the activities listed under the Minimum Scope of Work for that track. Track 1 projects should already have an early stage concept developed and a site selected, while applicants applying for Track 2 funding should generally have already completed Track 1 activities for their project to be competitive.

If applicants have questions about their specific project, they are welcome to submit them via the Q&A process for Commerce to address.

- 3) Q: We're considering a project that would be installed at a customer's property, behind the meter. Is this allowed? Would the program allow for transfer of ownership from the applicant to a private sector party or must installations occur on property controlled by the applicant?**

A: Customer-sited projects are not explicitly ruled out, and in certain circumstances have been granted funds in previous rounds. Applicants should keep in mind that the purpose of the Clean Energy Fund is to fund projects that "provide a public benefit to communities in Washington State through deployment of clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions, or otherwise increase energy independence for the state."

Commerce recognizes that there may be a variety of equipment ownership arrangements that will allow applicants to best pursue Grid Modernization program objectives. Commerce's standard procedure is that

the primary applicant would have ownership of the assets. Other arrangements would have to be considered on a case by case basis. A transfer of ownership may be considered acceptable, provided the plans conform to all other program requirements, fulfills contractual obligations, and that the arrangements allow for compliance with all applicable funding requirements. Ownership arrangement is subject to contract negotiation and review as to compliance with contractual terms and conditions.

- 4) Q: Past grant programs have required applicants to include a “Letter of Submittal” with their application, but I’m not seeing that requirement for this grant. I just wanted to confirm that there is not “Letter of Submittal” requirement for either Track 1 or Track 2 applications.**

A: There is no requirement that applicants include a “Letter of Submittal” with their application for this funding opportunity. In an effort to streamline the application process and respond to stakeholder feedback, Commerce has incorporated the vital information requests previously included under a “Letter of Submittal” into each application form. Applicants are still required to submit a “Certifications and Assurances” form with a scanned signature of the individual within the organization authorized to bind the Applicant to the offer.

- 5) Q: Why does this program focus on renewable energy rather than decarbonization? The definition of the word “renewable”, and therefore eligible for project applications is less precise.**

A: The language discussing the purpose of this program in RFA Section 1.1 PURPOSE AND BACKGROUND, and including references to renewable energy, is based closely on the following language from the enabling budget proviso language for this program:

\$6,107,000 of the state building construction account—state appropriation is provided solely for grid modernization grants for projects that: Advance clean and renewable energy technologies and transmission and distribution control systems; support integration of renewable energy sources, deployment of distributed energy resources, and sustainable microgrids; and increase utility customer options for energy sources, energy efficiency, energy equipment, and utility services.

- 6) Q: Do you have a link yet for either of the upcoming pre-application meetings?**

A: Links and call-in information for each pre-application conference were posted as of 3/18/2021.

Week 2:

- 7) Q: I noticed that the second Pre-Application Conference is listed for a date that doesn’t exist: Thursday, March 30, 2021. Would you please advise as to the correct date? Perhaps it is supposed to be Tuesday, March 30, 2021, but just want to be sure.**

A: The correct date for the second Pre-Application Conference is Tuesday March 30, 2021. The website information has been edited as of 03/23/2021.

- 8) Q: For the grant applications can we partner with an industry provider who’s technology is key/proprietary into the scope of the project or do we have to go out to bid?**

A: The language in RFA Section 1.3 MINIMUM QUALIFICATIONS states that the primary eligible Applicant may partner with other organizations. As stated in RFA Section 4.7 (A) Requirements of Successful

Application, Applicants “Must follow all state and/or local procurement requirements that apply.” The inclusion of the term “procure” under Track 1 and Track 2 Minimum Scopes of Work is not intended as an additional requirement that applicants competitively procure any necessary services, nor is it intended to be a prohibition against sole source or other procurement methodologies where otherwise allowable under state and local requirements.

9) Q: Our organization has worked with a lot of utilities on these types of projects providing various types of support, is there any provision or avenue for reaching out to interested utilities that are applying for the program?

A: Commerce has not established a formal process for this kind of exchange. Any Washington retail electric utility is eligible, so your organization could reach out to interested participants. As stated under RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK, Commerce is prioritizing partnership with Federally Recognized Tribal Governments or non-profit organizations serving Tribal Communities or Vulnerable Populations. Other partnerships may be beneficial to the project to the extent that it creates a more robust project team.

10) Q: Can you provide a link for the recorded video for Pre-Application Conference that occurred on March 22, 2021?

A: All recording of the Pre-Application Conferences will be available on the Grid Modernization [program website](#). The link for the March 22 conference is now live on the website.

11) Q: How does Commerce define “Tribal Communities” as mentioned in RFA Section 1.2 Objectives and Scope of Work?

A: The following definition will be applicable for scoring purposes. Tribal Communities: communities “located in census tracts that are fully or partially on “Indian country” as defined in 18 U.S.C. Sec. 1151”

Week 3:

12) Q: Are in-kind contributions counted towards the 1:1 match requirements?

A: Yes. As stated under RFA Section 1.4 FUNDING, “A minimum 1:1 match or non-state cash and/or in-kind resources is required”.

Week 4:

13) Q: Track 2 projects will primarily consist of detailed design and engineering efforts. Each project must, at a minimum, have completed the following activities (Track 2 Minimum Scope of Work) by the conclusion of its performance period: Procure consulting and/or other services necessary to completing the milestones starting in Track 2 and extending through project completion. Does this mean that all services need to be procured to complete the project construction (i.e. beyond detailed design, such as construction contractors, commissioning authority, inspections, etc.)?

A: As stated in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK, “each project must, at a minimum

have completed" the listed activities "by the conclusion of the performance period". All projects applying for Track 2 funding must "procure consulting and/or other services necessary to complete milestones starting in Track 2 and extending through project completion". The quoted text is not intended as a requirement that Track 2 applicants contract out any particular components of their scope of work. Rather, it is intended as a requirement that, by the conclusion of the performance period, the Track 2 applicant must have procured any external services that will be needed for them to complete their project.

14) Q: Track 2 projects will primarily consist of detailed design and engineering efforts. Each project must, at a minimum, have completed the following activities (Track 2 Minimum Scope of Work) by the conclusion of its performance period: Complete detailed plans for project construction, commissioning, and operations (including but not limited to, procurement of equipment and service, operations, permitting and compliance, and project schedules). I take this to mean detailed plans for construction, commission and operations, etc., and a plan for obtaining permits, but that permits are not required to be obtained. Is that correct?

A: Yes. Successful grantees for Track 2 funding are not required to obtain permits by the conclusion of the performance period, but are required to "complete detailed plans for project construction, commissioning, and operations", including detailed plans for permitting and compliance.

15) Q: Only 3 or 4 projects per year are listed - does this grant generally only fund three or four projects per cycle? Or are there projects that aren't profiled?

A: Commerce makes awards based on the available funds to be awarded and the applications that are recommended for award by an evaluation panel. All projects funded to date are listed on the Grid Modernization Program webpage. It is worth noting that due to this funding opportunity's maximum award size and total available funding, if all funding were awarded at the maximum award amounts for each application track, it would result in approximately 17 awards.

Week 5:

16) Q: Whatcom County PUD is investigating a project that would involve the insertion of a micro-turbine in one of the high capacity industrial water pipes that delivers water to our industrial customers within the Cherry Point area. We have determined the location for the micro turbine and discussed the project with a local turbine manufacturer. Further, based on our initial work, we have deemed the project to be feasible for the production of non-impact hydro energy. I want to know if the micro turbine project we are investigating would potentially qualify for track 1 funding under the Grid Modification solicitation? If so, then do we have enough documentation to be considered beyond the concept stage and ready to move to design for which we would be seeking funding assistance. Where we are currently at in the process is that we are looking at piggybacking the micro turbine installation on another retrofit project we intend to implement this year. We are working with the PUD's industrial water system consulting engineer on a scope and budget for the water system project. We know the site for the project and have a conceptual one line of where we want install the turbine.

A: Potential applicants should ensure they meet the eligibility criteria listed under RFA Section 1.3 MINIMUM QUALIFICATIONS. In particular, the primary eligible Applicant must be a Retail Electric Utility, as defined in RFA Section 1.7 DEFINITIONS. The project must also primarily address one or more of the

technology areas listed in Section 1.3 MINIMUM QUALIFICATIONS.

Applicants should choose the application track that best fits the project's readiness level, and, as stated in RFA Section 1.3 MINIMUM QUALIFICATIONS, must demonstrate a commitment to completing the minimum scope of work for the corresponding application Track as defined in Section 1.2 OBJECTIVES AND SCOPE OF WORK.

According to the language in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK, projects applying for Track 1 will primarily consist of earlier-stage predesign efforts and must, at a minimum, complete the Track 1 Minimum Scope of Work by the conclusion of the performance period. Applicants should generally have a sufficient concept of the project to address all mandatory fields of the Track 1 application. Track 2 projects will primarily consist of detailed design and engineering efforts and must, at a minimum, complete the Track 2 Minimum Scope of Work. Applicants should generally have already completed Track 1 activities for their project prior to applying for Track 2 funding in order to be competitive (See Question #2).

17) Q: Can funds already expended for a project be applied towards match funding? For instance, an entity applying for funding for Track 2 would have already invested in pre-development activities. Can these costs be considered match?

A: According to RFA Section 4.7 SUCCESSFUL APPLICANTS, successful applicants are responsible for all costs incurred prior to execution of a contract and do not have the expectation for reimbursement of those costs. Commerce has the ability to permit reimbursement for project costs incurred as early as the date that award letters are issued to successful applicants, however this is subject to contract negotiation and successful applicants have no expectation of reimbursement for these costs. Successful applicants interested in reimbursing for expenditures incurred prior to contract execution should notify their Commerce contract manager at their earliest convenience so that this can be addressed.

18) Q: Section 4.04 of the Track 2 Application states, "Please provide a clear and concise budget narrative to identify what costs are planned to be funded through this grant. Use the table below to identify Scope of Work, Milestones, estimated costs per Milestone, and estimated start/end dates." Should the numbers entered into the table only add up to the grant amount requested in the application, or should it reflect the full cost of the project components in the categories listed, even if portions of those costs would be covered by matching funds?

A: The costs that applicants will enter in Section 4.04 of the Track 2 Application should reflect the full cost of the project. This will include grant funded and match funded costs.

19) Q: Is it possible that the application deadline could be extended?

A: 5/14 update: Please see the response to Q&A Question #23 - the deadline has been extended compared to the original schedule. Previous answer: Commerce does not currently anticipate extending the deadline listed in RFA Section 2.2 ESTIMATED SCHEDULE OF PROCUREMENT ACTIVITIES. However, as stated in the RFA, COMMERCE reserves the right to revise the estimated schedule of procurement activities.

Week 6:

20) Q: If an entity serves as an “aggregator” for other entities, can funds expended by those entities (actual spend and/or in-kind) be considered toward the match requirement?

A: RFA Section 1.4 FUNDING states that "all costs must be necessary and reasonable to accomplish the proposed project." Funds expended by subcontractors may be considered toward the match requirement if the costs are considered to be eligible (as outlined in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK). However, this program is not intended as a “pass-through” program, and depending on the specifics of the application, there may be limitations placed on the type of entity or the scope of such allowable match. In particular, limitations may be placed on the allowability of such partnerships to ensure that the project a) is implemented by the primary eligible applicant, and b) provides a public benefit to communities in Washington State.

21) Q: What are some examples of activities that fall under “Demand Management”? What are some examples of activities that fall under “Transactive Controls”?

A: Previous Grid Modernization program projects have included elements of each of these technology areas. Fact sheets and other information about ongoing projects are available on the Grid Modernization program website, and applicants may find it useful to review these materials for more context on the types of technologies that would be considered eligible. One example incorporating both technologies is the [Shared Energy Economy Model Pilot](#). Additional specific questions on eligible technologies or past projects may be asked via the Q&A process.

22) Q: Please advise of next steps if an organization is selected for funding from Track 1 or Track 2. Would a successful applicant have preference for future funding opportunities (Clean Energy Fund 5)? Would a successful applicant be required to apply for additional funding? For instance, if an organization received funding for Track 1 or Track 2 but ultimately did not pursue implementation of a project, would there be any requirement to return the funding?

A: Successful applicants for this current funding opportunity would still be subject to the application requirements of future funding opportunities as additional funding becomes available, and would need to apply based on the requirements of future RFAs. Grantees would not be required to apply for future funding. As described in RFA Section 4.7 SUCCESSFUL APPLICANTS, by the end of the performance period, the applicant must have completed all mandatory activities for their Track. They must also complete any other milestones included in their application’s scope of work. While it is Commerce’s expectation that applicants present capital projects that they ultimately intend to implement, Commerce does not intend to implement mechanisms to recover funds based on the completion or lack of completion of milestones beyond the grant scope of work (for example, if a Track 2 applicant’s application only committed to completing the Track 2 Minimum Scope of Work, and not equipment procurement or installation, then the grant contract would not obligate them to procure or install equipment).

Commerce has not yet determined whether successful awardees of this procurement would receive preference for any future applications. This determination would be subject to the requirements of future funding sources (including competitive procurement requirements, as applicable) and the program development process. As part of the program development process, Commerce typically requests input on

prioritization criteria and other program features from program stakeholders, Tribal partners, and/or the general public.

Week 7:

23) Q: Can the project deadline be extended? Ideally for 4 weeks. Projects such as these requiring collaborations with Tribal communities and/or vulnerable populations require discussion and agreements. Tribal councils meet monthly and Covid-19 presents issues with face-to-face meetings, site visits and meaningful discussion. This can extend the time for coming to agreement on project specifics. Projects such as these are not standard for utilities and/or vulnerable populations therefore the right contacts must be established and then time is required for all parties to understand and agree on the details.

A: Commerce has revised the program to extend the application deadline. Please see Section 2.2 of the updated RFA for more information on the updated program schedule.

24) Q: Can a project idea be submitted without the exact location determined? For instance – can we submit an idea for a renewable energy powered microgrid for powering a critical facility for a Tribal Community but leave the exact location to be determined. The exact location would be determine during the first step of the feasibility study and then the rest of the study would follow?

A: According to RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK, project site acquisition or site selection activities are ineligible activities for both tracks. The Site Information Data Sheet is a mandatory attachment for both application tracks, and must be completed for an application to be considered. Acknowledging that the application tracks pertain to earlier-stage predesign and design activities, it is not a requirement of this RFA that the intended site be secured and ready for construction. However, the readiness of a given site may be included as a consideration in review panel evaluations. Any changes in a site location at the contracting stage would be subject to contract negotiation and to the competitive procurement process, and there is no guarantee that a change in site would be approved by Commerce.

25) Q: Is there any possibility that the latest round of CEF Grid Modernization funding can be extended? Even 6 months would allow our utility to apply. As you well know, many utilities are dealing with waves of retirements and our availability of staff resources is strained right now as we transition to a younger less experienced group.

A: Please see the response to Q&A Question #23, above.

26) Q: Also, will there be an opportunity to apply for a CEF Grid Modernization grant next year?

A: The 21-23 Biennial Capital Budget as passed by the legislature is currently pending approval by the Governor, and includes \$11 million in new funding for the Grid Modernization program. After it becomes clear whether additional funding has been formally approved via this process, Commerce will be able to better determine timelines for future funding opportunities.

27) Q: Can images/figures be included in the word document? For example diagrams in the Concept section?

A: If applicants wish to include images, figures, or diagrams, they should include them in PDF format as optional additional attachments to their application. Optional additional attachments should be included as separate attachments to the applicant's email submission, and should not be vital to reviewers' understanding of the project.

28) Q: PSE is considering piloting hydrogen fuel cell or RNG/hydrogen mix fuel backup genset at Tenino high school microgrid to guarantee 3-day continuous operations. Would it be considered outside of the CEF 3 PSE scope and eligible for applying for CEF 4 Track 1 support? PSE will do 1:1 matching and have ownership of the equipment.

A: Capital projects that are co-located and/or which integrate equipment with existing Clean Energy Fund capital projects may be considered as outside of the scope of an existing grant project if they align with certain principles for differentiation. These principles include but are not limited to: a) the capital project proposed in the GRID2021 application demonstrates clear additionality with respect to the objectives and expected outcomes of the previously funded project; b) scopes of work and project costs are clearly differentiated to avoid the possibility of commingled funds. Any applications to this solicitation which include co-location of equipment with previous Clean Energy Fund scopes of work should clearly demonstrate how the scopes of work are differentiated and how the projects would be managed to maintain a clear delineation and avoid comingling of funds. The novel scope of work that is contemplated under the GRID2021 grant application would still have to fulfill all eligibility criteria as a standalone project.

29) Q: Could you please clarify whether the project management section 2.03 refers to the project team and relationships for the Track 1 grant itself or if it is for the proposed capital project that will be developed during the Track 1 grant?

A: Track 1 Application Section 2.03 Project Management asks applicants to provide a description of the proposed project team structure and internal controls to be used during the course of the grant project. This may, but is not required to, include significant overlap with the team that will implement the proposed capital project.

30) Q: Along the same vein, one of the outcomes of track 1 projects is to “form project team and preliminary contractual relationships between partners, as well as preliminary commercial terms of the project”; can you please confirm that in this case it is the project team and contractual relationships of the proposed capital project being developed?

A: Correct, this Track 1 activity references the project team and preliminary contractual relationships between partners, as well as preliminary commercial terms of the proposed capital project.

31) Q: The application states that the document should be saved with the following file structure: <Name of Submitting Entity>_GRID2021 TRACK 1 APP. If an organization is submitting more than one application under a single track, should we utilize the same naming convention for each application, or some method of differentiating them? If we should differentiate, please provide instruction on the correct naming convention for multiple applications.

A: Each application should be submitted via a separate email submission with all mandatory attachments. Assuming this is done, no further naming conventions should be required. However, if applicants wish to

further differentiate their applications, they may adjust the email subject line to use the format: "<Name of Submitting Entity>_GRID2021 TRACK 1 APP <Number of application>". <Number of application> should be "1" for the first application submitted under Track 1, "2" for the second, etc.

32) Q: The application asks for information about subcontractors. We have several partners/customers that we are coordinating with for these efforts. Are these partners considered "subcontractors"?

A: Yes.

33) Q: In the Track 1 Application, Section 3.03, the application states, "Costs for subcontractors are to be broken out separately." Should those costs be included in the "Contractor/Consultant Services" line item, or is the expectation that those would be broken out into a different category?

A: Costs for subcontractor services should be included under the "Contractor/Consultant Services" line item. For example, salaries for subcontracted work should be included under "Contractor/Consultant Services" rather than being included under the "Salaries & Benefits" category.

34) Q: Should we include drawings to supplement the project concept descriptions?

A: Please see the response to Q&A Question #27, above.