

**Research Development and Demonstration RDD 2021
Questions and Answers - Updated July 28, 2021**

The following are responses for non-project specific questions submitted via chat during the July 21 Bidders' Conference for the Reissued RFA or emailed during the Q&A period to cef@commerce.wa.gov by COB July 23, 2021. Some edits may have been made to avoid project-specific details in the original question, but otherwise, questions are presented as submitted. All questions related to the RD&D competitive process are required to be in writing to cef@commerce.wa.gov to ensure an equitable process. Questions from the last posting have been highlighted in grey.

Questions received up to COB July 23, 2021 (including Q&A from July 21 Bidders' Conference)

- 1. Q. Does the Dept. of Commerce accept in-kind match as cost share? In our proposed project, the utility will provide power and land for the project.**

A. In-kind match is eligible as cost share.

- 2. Q. A) I struggle with the capital asset requirement in these proposals. For a startup, a cloud service feels like a capital asset. Several of the below ideas somehow feel wrong, and yet my limited understanding of how you might interpret capital asset sets poor incentives for companies optimizing existing infrastructure via cloud services. Can a cloud service count [as a capital asset]?**

B) Does the capital asset need to be useful & a substantial portion of the budget? IE, can I buy a folding chair for the state, in addition to doing the R&D work we need to do? I previously tried making a case that many capital assets have a non-zero CapEx and a service contract, with a sizable ongoing OpEx. Seems that a cloud service with near 0 CapEx and a higher OpEx isn't too different financially. I don't think I heard an opinion on what counted as a capital asset.

C) Alternately, maybe we can add a charging station to our proposal, for between \$4K and \$150K (plus ongoing \$1K-5K/year OpEx), and probably another 6 months of engineering costs (~100K-150K?). We can find a legitimate R&D purpose for it and it wouldn't be a waste of money. But it's an expense we possibly wouldn't have paid for & an R&D topic we might not have explored without the capital asset requirement, at least not on this timeline. Would that solve the problem adequately?

A. A) Under most circumstances, software is not an eligible expenditure unless it is dedicated to the control of a specialized system supporting a program. Software may be an allowable component of a capital asset if the following conditions are met:

- The asset has a 13+ year useful life
- There is an expansion of commercially available software to customize for project use; or
- If dedicated to the control of a specialized system supporting a program; or
- Developed internally for a specific approved project

B) The creation of the capital asset does need to be a substantial portion of the budget. Funding can be spent on other items than the capital asset as long as they are directly tied to a task for the project and the creation of the capital asset. Your example of funding a folding chair would be hard to justify unless it was a core part of the work required to develop the capital asset. In contrast, funding lab or other equipment would be a justifiable expense if it is related to the project. We have attempted to define a high level definition of a capital asset in the DEFINITIONS section of the RFA, but would like to reiterate that eligible capital assets will depend on the type of project and will be considered on a case by case basis.

C) We can't address project-specific questions and will evaluate costs on a case by case basis

3. Q. Can you tell us whether our proposal passed the initial screening, and whether we need to re-do the application or can resubmit as is?

A. We cannot provide individual feedback to applicants on whether they passed the individual screening. However, as mentioned in the Bidders' Conference, we would like to point out that the most commonly missed issue in the initial application was the Department of Revenue (SOR) and Secretary of State (SOS) screenshot requirement. Please note that 24 out of 39 applicants (62%) did not pass the administrative review overall, and 13 out of 39 applicants (33%) did not pass because they missed the screenshot requirement. The screenshot is no longer a requirement, as Commerce will now verify whether applicants are registered with the DOR and SOS.

Applicants who did not pass the first time had incomplete or missing answers to mandatory sections or missing mandatory documents. A few applicants did not meet the Minimum Qualifications as stated in SECTION 1.3 of the RFA. We recommend reading the list of commonly missed sections and comparing it to your previous application to ensure it was compliant.

4. Q. Are you only accepting revised applications from those who already applied, or are you also accepting new Phase One applications?

A. We are accepting new Phase One applications.

5. Q. If accepting new applications, is the due date for Phase One applications July 30?

A. The due date is July 30 for all applicants.

6. Q. If accepting new applications, is the rest of the schedule the same as previous, with full applications due August 20?

A. The schedule has been revised and updated in the RFA.

7. Q. Is there any way to know if any submissions were considered fully compliant so that I can simply plan to re-submit what I did initially? That would really help to save a lot of time.

- A. In order to ensure a fair and equitable process, Commerce cannot offer individual feedback to previous applicants at this time. Please see Question 3 in the Q&A for more detail.
- 8. Q. Is a project considered "encouraged" simply if they meet the minimum qualifications in phase one, or is it also based on the content of the applications?**
- A. No, a project must meet the minimum qualifications to move onto the Phase One B evaluation by Evaluation Team 1. Phase One Part A will be screened to see if the minimum qualifications have been met. Part A applicants that do not pass the minimum thresholds will be disqualified and will receive an email stating they are non-responsive. Only projects that meet the mandatory eligibility criteria will have their Part B: Concept Paper evaluated based on the contents of the applications. Please review SECTION 3.1 of the RFA for more information on the two phase process and SECTION 4 of the RFA for the evaluation process.
- 9. Q. Do we need to identify the disadvantage community partners at this stage or we can leave later?**
- A. You are not required to identify the partnerships in Phase One. However, Question 6d in Application Part One B asks applicants to list and describe partnerships with Vulnerable Populations and Tribes. This is an optional question, with a relatively low weight, but it will still be part of the evaluation by Evaluation Team 1 for the "Encouraged" vs. "Discouraged" decision. Identifying potential partners in Phase One will strengthen your application. Phase Two Part A asks for more detail on partnerships including providing partnership letters. Please see RFA SECTION 4 for an overview of how Phase One and Phase Two will be evaluated.
- 10. Q. Will EV infrastructure projects in non-metro qualify?**
- A. Although Electric Vehicles are an eligible technology, the intent of the RD&D program is for research, development and demonstration of new and novel configurations of clean energy technologies. Projects that simply install existing technologies without improving on those systems are ineligible. Simply installing EV infrastructure would unlikely qualify, unless you could prove that installing in a non-metro area was some way novel, or if your project improved on a current system. Otherwise, we would encourage you to consider programs like the CEF Electrification of Transportation.
- 11. Q. Is this deck you are presenting going to be available to us?**
- A. Yes, the slides have been posted to the website. The webinar recording and the summary of changes document will provide the most accurate information.
- 12. Q. Please explain more on the 6-month minimal requirement.**
- A. Six months is the minimum operating time period for the applying entity. All applicants must be registered with WA DOR for at least 6 months prior submitting the application on July 30, 2021 (the applicant would have to be registered by January 30, 2021). As outlined below, in RFA SECTION 1.3 MINIMUM

QUALIFICATIONS, some applicants must be registered with WA SOS for a minimum of 6 months.

“All applicants are required to be registered with the Department of Revenue for a minimum of six months at the time of application. Limited liability companies, corporations and limited liability partnerships are required to have a Secretary of State registration for a minimum of six months at the time of application. Other entities (including but not limited to sole proprietorships, general partnerships, non-profits, public entities and Tribes) are exempt from the Secretary of State registration requirement.”

13. Q. Is it sufficient to certify that the members of the project team did not previously work for the State of Washington? We work in a large organization and can't know for sure for everyone there.

A. Please mention members on the immediate project team, and members at least one level above the immediate project team. If possible, please mention members two levels above the immediate project team.

14. Q. Can you clarify the questions on the Ethics in Public Service Form? Some of the checked boxes appear to overlap, so should we check multiple if they apply? Also, It doesn't specify which role the "Title" or "Separation Date" prompts apply to.

A. Yes, you can check multiple boxes if they apply. You will not be penalized for checking multiple boxes in the Ethics in Public Service Form as the instructions do not limit the number of boxes to check.

15. Q. Where is 6 month DOR requirement in application?

A. The requirement to prove the 6 month DOR requirement through a screenshot has been removed from the application, but being registered is a minimum qualification. We ask applicants to self-certify that they are registered with the DOR for a minimum of six months before applying. As part of the Administrative review, Commerce will be checking each applicant's DOR registration (and SOS registration if the applicant is an entity that requires one).

16. Q. A) Can you please clarify the correct way to fill out the Ethics in Public Service Form? Some of the boxes appear to overlap. For example:

- *“Currently, or within the past 24 months, there are/have been the following employees or governing board members who were employed by the State of Washington.”*
- *“Currently, or within the past 24 months, there are/have been no conflict or bias with an existing program employee.”*

I was employed by WA _____ until October 2020. While employed there, I was told that, should I depart _____, the only ethical concern I should have would be seeking employment with a company that I previously assisted with an SRF award from my role in _____. I am not listed as a member of the project team for this CEF

application nor will I formally participate in the in the technical development of the project.

As far as I'm aware, there should be no ethical concern related to my role at _____ and the company's ability to apply for an award. Additionally, both of the aforementioned boxes should apply and therefore be checked. Can you please clarify what the ethics threshold is for ineligibility and also clarify that it is not disqualifying to check more than one box on this form?

B) Additionally, it's not clear which role the "Title" and "Separation Date" questions are referring to for the relevant employee. Should these sections be completed with information relevant to the employee's current role or their role with the State of Washington?

A. A) This answer expands on Question 14. Even though the questions have overlap, please fill out both if they are applicable. You will not be disqualified for selecting multiple checkboxes in this form since the instructions do not explicitly ask you to select only one checkbox.

Your application would not automatically be ineligible for having a former employee who is employed at the current company. Please review RCW 42.52 as a whole, and 42.52.080 specifically, where it spells out prohibited employment and job duties. Unless you had direct involvement on preparing the grant while you were employed for the state of Washington, it would be unlikely for your application to be automatically disqualified. We work with the Chief Ethics Officer to review the Ethics in Public Service form and make a determination.

B) The "Title" and "Separation" Date questions are referring to the relevant employee. Please complete the "Title" for the employee's previous role with the State of Washington.

17. Q. Section 1.3 lists following -"Be able to demonstrate partnership through continuous and intensive engagement with the research community through relevant research, development, and/or demonstration projects or for other entities, partnership or connection with larger research institutions. Be affiliated with, or be a member of an identified research association. Federally Recognized Tribal Governments, and all organizations serving American Indian and Alaska Native (AIAN) primary service populations, including Tribal colleges, Tribal utilities and others are exempt from this requirement"

We are a privately held small business conductive extensive research in decarbonization of building sector. However, we are not affiliated to any of the above identified research associations. Would that disqualify our application?

A. Continuous and intensive engagement with the research community is a requirement, but it is not necessary to be affiliated with a research institution if your organization conducts extensive research in-house. Please see question 2 from the May Q&A, which has been reprinted below.

Applicants do not necessarily need to demonstrate this requirement through an affiliation with a university or involvement with academia as there are many other types of entities that conduct research. Whether the primary applicant is directly

involved with research, or the primary applicant is partnering with a university, or other entity that conducts research, applicants will need to clearly identify how they demonstrate continuous and intensive engagement with the research community.

- 18. Q. Use of natural gas as feedstock - Our technology uses natural gas as a feedstock that is converted to pure hydrogen with low carbon emissions. This results in 50 to 80% decarbonization for the building sector, a very difficult sector to decarbonize. This will greatly help accelerate the adoption of hydrogen as a fuel and help decarbonize this sector. My question is - "Since we use natural gas as feedstock" are we eligible to apply for this opportunity?**
- A. If the technology increases the efficiency of using natural gas as a feedstock for hydrogen production, without use of carbon capture, then it likely would likely be ineligible (please see the first bullet under "Examples of ineligible projects include" in section 1.2 of the RFA). If there is a carbon capture component to your technology, please review the Eligible Technology list in section 1.2 of the RFA. If your technology is not listed as a priority on the table, please explain how the technology supports state energy policy.
- 19. Q. A) Do you want the Application Phase One redlined version filled out and turned in with the redlining and all? B) Also, there were input boxes in part B where the font was grey when I typed into it and I wondered if that was an oversight or formatting issue? In other words, should all the type color be black or does it matter?**
- A. A) Please fill out the forms redlining and all. B) It might be a formatting issue. The font color should be black so you can make that change if it is showing up grey.
- 20. Q. Do you want us to resign the requested documents if we already had them wet signed and scanned?**
- A. No. You don't need to resign the forms if you already completed them correctly.
- 21. Q. I submitted a proposal to the U.S. Navy SBIR program for Phase-I funding in developing a new biocide with graphene for ship hulls and structures in water that will not be harmful to marine life or pollute the waterways/oceans and will last at least 5-years. This will result in significant fuel cost savings in less hull drag and in ship maintenance to perform dry dock de-fouling. They did not ask for matching funding, however, any additional funding will accelerate the development progress. Will the CEF4 program accept an application to match the SBIR Phase-I program if funded? If not funded by DOD, will WA-DOC continue to consider this application for funding?**
- A. If you are funded by SBIR, you could count this funding as match. If you did not receive funding by the DOD, you would have to find match from another source but you would still be eligible to apply. Please find additional information on match requirements and required proof of match in the RFA. Proof of match can be provided in Phase Two.
- 22. Q. Will CEF4 consider applications for funding without a funded federal grant?**
- A. Yes, you can apply without a federally funded grant in place.

23. Q. I am on vacation until July 26. Do I need to update and resubmit by July 30th? I ask this because the “Encourage” and “Discourage” decisions for proposals to move forward will be issued in early September is throwing me. Will you decide who should move on or do I update and resend and you will decide then?

A. Yes, you need to resubmit your application by July 30. Please review, RFA Section 3 for more information on the two phase process.

24. Q. I am emailing for a clarification on the Phase One Part A application, specifically regarding Question 2:

"The RDD funding requested will be used to develop or acquire a capital asset with a 13+ year lifespan to be located in the State of Washington. (See RFA SECTION 1.3 MINIMUM QUALIFICATIONS)". I have selected 'Yes' to that question. In the explanation field below am I required to elaborate on the 'Yes' selection or do I submit 'NA' instead?

A. The explanation box in Question 2 is for applicants who answered 'No' to that question. If you have answered 'Yes' to the question, please submit 'NA' in the explanation field. If you feel that an explanation is needed, you can use the explanation box to support your answer.