Clean Energy Fund Building Electrification Grant Program

Pre-Application Conference 2

Aaron Dumas
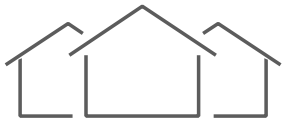
PROGRAM MANAGER

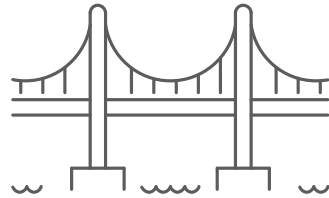11/1/2022

Washington State
Department of
Commerce

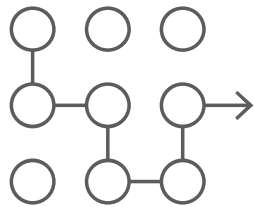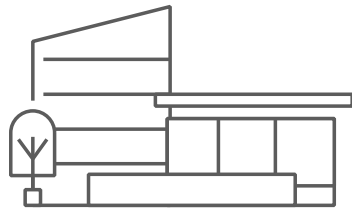# We strengthen communities

HOUSING HOMELESSNESS

INFRASTRUCTURE

BUSINESS ASSISTANCE

ENERGY

PLANNING

COMMUNITY FACILITIES

CRIME VICTIMS & PUBLIC SAFETY

COMMUNITY SERVICES

Conference logistics

- This webinar is being recorded
- Please mute your microphones
- Submit questions via text chat during the presentation
- Answers to questions, slides and the recording will be posted to the program webpage: https://www.commerce.wa.gov/growing-the-economy/energy/clean-energy-fund/building-electrification-grant/
- Confirm attendance: Name and organization to cef@commerce.wa.gov

Conference agenda

- Program and solicitation overview
- Minimum qualifications
- Application
- Funding and awards
- Program timeline
- Q&A

Overview

Program overview

- Advance the goals of the 2021 State Energy Strategy
  - Decarbonize the buildings sector
- Desired outcomes include:
  - Reducing greenhouse gas emissions from buildings
  - Accelerating the path to zero-energy buildings
  - Demonstrating early adoption of grid integration technology
- Eligible projects include but are not limited to:
  - Shifting from fossil fuels to high-efficiency electric heat pumps and other electric equipment
  - Control systems that enable grid integration or demand control
  - On-site renewable generation and efficiency measures that significantly reduce building energy loads

Program objectives and scope of work

- Building electrification projects that:
  - Demonstrate innovative approaches to deploying and increasing access to grid integration technology

  - Reduce energy use and greenhouse gas emissions from new and existing residential and commercial buildings

  - Advance technology solutions to accelerate the deployment of zero-energy, all-electric buildings

  - Support the integration of distributed energy resources

Program project tracks

- Applications will be evaluated under two tracks
  - Grid-Interactive Buildings
  - Electric Equipment and Fuel Switching

- Each applicant can only submit **one** application for a Track 1 project and **one** application for a Track 2 project

- See RFA Section 1.2 for more information

Program project tracks

Track 1: Grid-Interactive Buildings	Track 2: Electric Equipment and Fuel Switching
• Install grid-interactive control systems that allow building or electric grid operators to reduce, shift or modulate building energy use • Must partner with the local retail electric utility to demonstrate, or enroll in, a grid-integration utility program • New or existing buildings	• Install high-efficiency electric heat pumps or other equipment to replace or reduce use of existing fossil fuel systems or inefficient equipment or systems • Projects may install other measures to reduce energy use to accompany high-efficiency electric equipment or systems • Existing buildings

Program project tracks – eligible expenses

Track 1: Grid-Interactive Buildings	Track 2: Electric Equipment and Fuel Switching
• Grid-interactive control systems and other smart technologies • Labor costs to install, commission or distribute such technologies • Defined percentage of program administration costs for program administrators	• High-efficiency electric equipment or systems • Other measures to reduce energy use to accompany high-efficiency electric equipment or systems • Labor costs to install, commission or distribute such equipment and technologies; or decommission or remove existing equipment • Defined percentage of program administration costs for program administrators

All track requirements

- Grants funded under both tracks **must** meet the following:
    - Projects completed within 24 months of execution of the contract
    - Provide workforce development opportunities
    - Submit rent increase schedule for applicants with low-income tenants
    - Provide all tenants with information about the project and the option to opt out or receive mitigation if energy costs increase
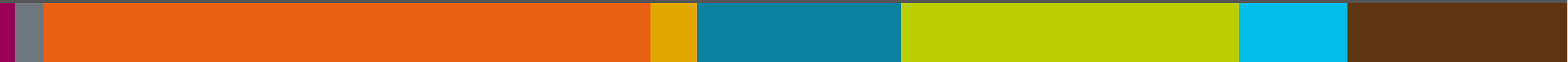
All track priorities

- Commerce prioritizes projects that achieve the following:
  - Reduce energy burden
  - Located in highly impacted communities
  - Reduce GHG emissions – reduce cost per ton of GHG emissions
  - Demonstrate meaningful community engagement or co-creation
  - Include letter of support from a low income weatherization program
  - Demonstrate hard-to-electrify technology solutions, new technology or other innovative approaches

- See RFA Section 1.2 for more information

All track ineligible activities

- Fleet electrification or standalone EVSE
- Energy efficiency measures or on-site renewable energy systems that are not installed as part of the minimum scope of work
- Acquisition or development of off-site renewable energy systems or purchasing RECs or carbon offsets
- Project site acquisition or selection activities
- Grant proposal development for future state or other funding applications

Minimum Qualifications

Who can apply?

- Primary eligible applicant must be one of the following:
  - **Building owner or tenant** of a multifamily residential or commercial building
    - Tenants must occupy at least 50% of the units or gross square footage of the building, with a letter of support from the building owner
    - Owner or tenant must not participate in a program administered by another eligible applicant receiving funding under this solicitation
  - **Program administrator** serving multiple retail electric utility customers in Washington

Who can apply?

- **Building owner or tenant includes:**
  - State and local government
  - Federally recognized tribal government
  - Housing authority
  - 501(c)(3) non-profit
  - For-profit company
  - Individual owner of multifamily residential or commercial building

- **Program administrator includes:**
  - 501(c)(3) non-profit
  - Local government
  - Federally recognized tribal government
  - Housing authority
  - Retail electric utility

Who can apply?

- Licensed to do business in the state of Washington
  - Commit to becoming licensed within 30 calendar days of selection as the Apparently Successful Grantee

- In good standing with all applicable federal, state and local laws and requirements, including with Commerce

- See RFA Section 1.3 for definitions

Minimum project qualifications

- Located at one or more new or existing single-family, multifamily, or commercial buildings owned or leased by an eligible applicant located in Washington
  - Include at least 50% of the total units or gross square footage

- Administer a program that serves multiple retail electric utility customers in Washington
  - Work performed at one or more new or existing single-family, multifamily, or commercial buildings

Minimum project qualifications

- Projects proposed for existing buildings must agree to not increase rents for existing tenants due to improvements funded by this program

- Demonstrate commitment to completing the minimum scope of work for the corresponding application track, as defined in RFA Section 1.2

Minimum qualifications and your application

- All of the listed minimum qualifications must be met to advance to application scoring

- Application must be complete with all mandatory attachments and complete the application form for your application track

- See RFA Section 1.3 for more information

Application

Overview

- Due by **4 p.m. January 9, 2023**

- Submitted via email (PDF or Word) to the RFA coordinator at cef@commerce.wa.gov

- Application materials available on the program website

- Please review RFA Section 2.4 for more information

Application contents

Mandatory	Optional	Scored
• Must be included in the application	• Not required, but some materials are scored as part of the evaluation	• Awarded points as part of the application evaluation • Both Mandatory and Optional materials

Refer to RFA Section 3 for a complete list of application contents

Application contents

- **Applicant summary**
  - Information about the applicant and proposed subcontractors
- **Project summary**
  - Information about the proposed project
- **Technical proposal**
  - Technical information, including emissions reductions
- **Equity narrative**
  - Energy burden reduction, community engagement and rent provisions
- **Management proposal**
  - Work plan, estimated schedule and risks
- **Cost proposal**
  - Match, identification of costs and budget narrative

Application contents

- Additional documents
  - Certifications and assurances (Mandatory)
  - Diverse business inclusion plan (Mandatory)
  - Workers' rights certification (Mandatory, Scored)
  - Project site information (Mandatory, Scored)
  - Partner letters of support (Optional, Scored)
  - Owner's letter of support (Mandatory, Not scored)
  - Letter from retail electric utility (Mandatory) (*Track 1 only*)
  - Low-income weatherization program provider letter of support (Optional, Scored)
  - OMWBE Certification (Optional, Not scored)
- See RFA Section 3 for more information

Equity narrative

- Describe how the project …
  - Reduces energy burden, including specific project cost figures dedicated to priority communities
  - Meaningfully addresses barriers to equity and inclusion in adoption of building electrification technology
  - Provides workforce development opportunities during and after project deployment
  - Has or will engage priority communities
- Applicant agrees to not increase rents for existing tenants
- Tenant provisions to mitigate increases to tenant energy costs

Evaluation of applications

- Policy priorities
  - Commerce prioritizes project that align with state policy goals
- Workers' rights certification
  - 3% bonus to overall score
- RFA sections
  - Policy Priorities – Section 1.2
  - Scoring Criteria – Section 4.2

Scoring categories:

Category	Points available
Equity & Energy Burden Reduction	120
Technical Innovation	60
Emissions Reductions	90
Management Proposal	40
Total Points Available	310

Funding

Available funding

- $9.7 million total across both tracks
  - $4,850,000 initially reserved for Track 1
  - $4,850,000 initially reserved for Track 2
  - Commerce may choose to allocate funding for one track to the other if funding remains after reviewer recommendations
- Only 1 award per applicant per application track
- Minimum award: $50,000 / Maximum award: $1 million
  - Applications not within these amounts will not be evaluated
- Refer to RFA Section 1.4 for more information

Match

- Applicants must have minimum match funding from other, non-state sources
  - Program administrators may use program participant matching funds

- Match funds must be secured before contract execution

- Commerce will adjust the award to meet the minimum match requirements

Match

- Reduced match based on the percent of total project costs dedicated to reducing energy burden for priority communities, low-income/affordable housing, low-income households, or organizations or businesses serving these populations

Eligible applicant	Match ratio	Match based on percent of total project costs dedicated to energy burden reduction		
		Match ratio with 10% - 25%	Match ratio with 26% - 75%	Match ratio with more than 75%
Federally recognized tribal government	1:10	1:10	1:10	1:10
K-12 public school districts (local government)	1:5	1:5	1:5	1:10
All other eligible applicants	1:3	1:4	1:5	1:10

Estimated timeline

Question & answer period	Oct. 17 – Dec. 19, 2022
Answers to Q&A posted	Weekly, through Dec. 23, 2022
Pre-Application Conference 1	2 p.m. PST Oct. 24, 2022
Pre-Application Conference 2	10 a.m. PST Nov. 1, 2022
Applications due	**4 p.m. PST Jan. 9, 2023**
Evaluate applications	Jan. 10 – Feb. 21, 2023
Conduct oral interviews with finalists, if required	Scheduled as needed
Announce "Apparent successful grantees" and send notification via e-mail to unsuccessful applicants	**Feb. 28, 2023**
Hold debriefing conferences (if requested)	Feb. 28 – March 7, 2023
Negotiate contract	March 13 – June 30, 2023
Begin contract work	**No later than June 30, 2023**

Conclusion

- Refer to the Request for Application (RFA)

- Program website
  - Weekly Q&A updates
  - Webinar recording
  - Application materials

- Submit questions to RFA Coordinator at cef@commerce.wa.gov

- **Applications due 4 p.m. January 9, 2023**

Questions?

Thank you!

Aaron Dumas

PROGRAM MANAGER

cef@commerce.wa.gov

Washington State
Department of
Commerce

www.commerce.wa.gov