



925.719.2704



anna@buildmomentum.io

Notice of Funding Opportunity

Title: California Energy Commission – Ultra-Low-Carbon Fuel: Commercial-Scale Production Facilities & Blending Infrastructure

Website: <https://www.energy.ca.gov/solicitations/2021-04/gfo-20-608-ultra-low-carbon-fuel-commercial-scale-production-facilities>

Funding: Total: \$8,000,000. Maximum awards: \$3M, depending on project.

Dates: Deadline for Written Questions: Phase 1 – April 21, 2021 and Phase 2 – July 28, 2021
Pre-Application Workshop: April 23, 2021 at 1PM
Pre-Application Abstract Due: June 11, 2021
Deadline to Submit Full Applications: September 22, 2021

Summary: The California Energy Commission's (CEC's) Clean Transportation Program announces the availability of \$8.0 million to support ultra-low-carbon fuel in two funding categories: commercial-scale production facilities and blending infrastructure. Up to \$6.0 million in grant funds is available for commercial-scale production facility projects (referred to in this solicitation as Fuel Production projects). Funding is available for new, ultra-low-carbon fuel production facilities, or for the expansion of existing ultra-low-carbon fuel production facilities. Up to \$2.0 million in grant funds is available for ultra-low-carbon fuel blending infrastructure projects (referred to in this solicitation as Fuel Blending projects).

Project Topic Areas:

The Fuel Production category contains two unique project types: New Facility and Expansion of an Existing Facility. A New Facility is a proposed project that: Constructs and operates a new, ultra-low-carbon fuel production facility; Produces at least 1.0 million Diesel Gallon Equivalents (DGE) of eligible fuel for transportation use; If the proposed project is located at an existing fuel production site, the new fuel production technology must be implemented as a stand-alone facility and be able to operate independently of the currently used fuel production technology. An Expansion of an Existing Facility is a proposed project that: Constructs, modifies or installs equipment to increase production capacity of fuel being produced at an existing fuel production facility; Increases production by at least 1.0 million DGE of ultra-low-carbon eligible fuel for transportation use.

For purposes of this solicitation, eligible feedstocks must be organic material not derived from fossil fuels or inorganic greenhouse gases, including but not limited to: Pre-landfilled waste-based biomass; Alternative purpose-grown crops; Agricultural residues; Biocrude; Woody biomass and forest residues; Animal manures; Food waste; The organic portion of pre-landfilled municipal solid waste (MSW). Biomass is defined as any organic material not derived from fossil fuels or inorganic greenhouse gases, including, but not limited to: Agricultural crops; Agricultural waste and residues; Rangeland maintenance residues; Biosolids; Sludge derived from organic matter; Landscape and right-of-way tree trimmings; Wood waste from timbering operations; Mill residues that result from milling lumber; Waste pallets; Crates; Dunnage, manufacturing, and construction wood wastes; Wood. Agricultural wastes and residues include, but are not limited to: Animal wastes; Remains and tallow; Food wastes; Recycled cooking oils. Landscape or right-of-way tree trimmings include all solid waste materials that result from tree or vegetation trimming or removal to establish or maintain a right-of-way on public or private land for the following purposes: For the provision of public utilities, including, but not limited to, natural gas, water, electricity, and telecommunications; For fuel hazard reduction resulting in fire protection and prevention; For the public's recreational use. Corn grain is NOT an eligible feedstock; however, this limitation does not apply to ethanol derived from corn stover, leaves, cobs, or other nonedible plant portions of the corn. If using municipal solid waste (MSW) as a feedstock, only the biogenic fraction of the waste stream is eligible. Landfill gas is NOT an eligible feedstock.

Funding:

A total of \$8.0 million is available for awards under this solicitation. Of this amount, \$6.0 million is available for Fuel Production projects and \$2.0 million is available for Fuel Blending projects. Applications must include a minimum 50 percent total match share of the total allowable project costs. Applications must include a minimum cash contribution equal to at least 50 percent of CEC funding. Applicants may submit multiple, separate and distinct applications under this solicitation. Costs incurred for the following activities are eligible for CEC reimbursement or as the Applicant's match share: Facility pre-engineering and design; Engineering plans and specifications; Building and facility construction, modifications, and/or commissioning; Asset and/or equipment acquisition, including terminal storage and blending infrastructure equipment; Feedstock development activities; Verification of advanced ultra-low-carbon fuel attributes and characteristics, and data collection and modeling; Enhancement of commercial ultra-low-carbon fuel production technology; Facility process efficiency improvements leading to reductions in GHG emissions;

801 K Street, Suite 2700
Sacramento CA 95814
buildmomentum.io



MOMENTUM

925.719.2704



anna@buildmomentum.io



Process improvements to accommodate lower carbon intensity feedstock and fuel production. The CEC will not reimburse for land acquisition or fueling infrastructure, but this may be counted towards match share. Costs of ultra-low-carbon fuel production from ineligible feedstocks are not eligible as reimbursed or match share costs and will not be considered in the scoring and evaluation of a proposed project. Costs incurred for operation of the facility, such as feedstock purchases, cost for transportation of feedstock, cost for transportation of fuel, costs of off-site fueling infrastructure, and vehicle purchases and vehicle-related expenses are ineligible for reimbursement and match share cost. Costs incurred prior to executing an agreement will not be reimbursed by the CEC.

Project Type	Max Award Amount	Total Available Funding
Fuel Production (New Facility)	50% of total project costs or \$3.0 million, whichever is less	\$6 million
Fuel Production (Expansion of an Existing Facility)	50% of total project costs or \$1.5 million, whichever is less	
Fuel Blending	50% of total project costs or \$2.0 million, whichever is less	\$ 2 million

Project Requirements:

This solicitation will follow a two-phase process. Pre-Application Abstract Screening and Technical Evaluation, and Full Application Screening and Evaluation. Applicants passing administrative and technical screening will compete based on evaluation criteria, and will be scored and ranked based on those criteria in ranked order for Fuel Production funding category and Fuel Blending funding category. To be eligible for funding, projects in both funding categories must meet all the following requirements: The proposed project must be located in California. Project construction and operations must also occur in California; The proposed project must reduce on-road motor vehicle air emissions through use as a transportation fuel.

To be eligible for funding in the Fuel Production funding category: 1) The proposed project must construct a new, ultra-low-carbon fuel production facility or expand an existing, ultra-low-carbon fuel production facility. For purposes of this solicitation new and expansion production projects are defined as: Fuel Production (New Facility). Construction and operation of a new fuel production facility that is at either a new project site or at an existing fuel production site; Fuel Production (Expansion of an Existing Facility). Facilities that are making modifications to or installing equipment to increase production capacity of the fuel being produced; 2) The proposed project must result in at least 1.0 million DGE annually of new ultra-low-carbon fuel production; 3) Eligible ultra-low-carbon fuels for fuel production include diesel substitutes, gasoline substitutes, biomethane, and electricity for transportation use. For purposes of this solicitation, eligible ultra-low-carbon fuels include the following: Diesel substitutes. These include renewable diesel, biodiesel, or other suitable substitutes, including Dimethyl Ether (DME). These products can be used in pure form or blended; Gasoline substitutes. These include ethanol, biobutanol, renewable gasoline or other suitable substitutes. These products can be used in pure form or blended; Biomethane. Biomethane is renewable natural gas produced from organic material; Electricity for Transportation Use. Electricity must be produced from an eligible feedstock and dedicated for use in transportation; Renewable hydrogen, non-renewable hydrogen, aviation fuel, marine fuel and other off-road fuel are not an eligible ultra-low-carbon fuel for this solicitation. For scoring purposes, the evaluation committee will only consider the eligible portion of the project; 4) The proposed project must produce fuel using an eligible, renewable feedstock, as discussed in the subsequent section on Eligible Feedstocks; 5) The proposed project must produce a fuel with a calculated carbon intensity of 30 gCO2/MJ or less.

To be eligible for funding as a Fuel Blending funding category: 1) The proposed project must install and operate ultra-low-carbon fuel blending infrastructure at a new or existing facility; 2) Eligible ultra-low-carbon fuels for fuel blending include biodiesel and/or renewable diesel and must have a calculated carbon intensity of 30 gCO2/MJ or less; 3) The proposed project must blend fuel produced from an eligible, renewable feedstock, as discussed in the subsequent section on Eligible Feedstocks; 4) The proposed project must result in a net increase of blending capacity of at least 1.0 million DGE annually of ultra-low-carbon fuel. If infrastructure is located at an existing fuel blending facility, the project must expand blending capacity by the minimum amount required; 5) If an applicant is submitting an application for both a fuel production and fuel blending project, if the fuel blending project proposes to use fuel from the fuel production project, the fuel and benefits will only be eligible for the fuel production project.

Eligible Applicants:

This solicitation is open to all public and private entities. To be eligible, applicants must have a business presence in California.

801 K Street, Suite 2700
Sacramento CA 95814
buildmomentum.io