

FOREST BIOMASS TO CARBON-NEGATIVE BIOFUELS PILOT PROGRAM SOLICITATION GUIDELINES

SEPTEMBER 1, 2022

CALIFORNIA NATURAL RESOURCES AGENCY
DEPARTMENT OF CONSERVATION
NATURAL AND WORKING LANDS FRAMEWORK

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1 INTRODUCTION

The Department of Conservation received a \$50,000,000 budget allocation in the Fiscal Year (FY) 21-22 budget – made available in July 2022 – focused specifically on creating carbon-negative hydrogen and/or liquid fuel from forest biomass. This solicitation will award up to \$4,000,000 of those funds to Phase 1 (project development) proposals. These funds are being offered as a competitive solicitation.

The budget language from the FY21-22 budget is as follows, as extracted from Senate Bill 155 (2021, Committee on Budget):

SEC. 50: Upon appropriation by the Legislature, fifty million dollars (\$50,000,000) shall be available in the 2022–23 fiscal year to the Department of Conservation, in coordination with the State Air Resources Board and the State Energy Resources Conservation and Development Commission, for pilot projects in the Sierra Nevadas to create carbon-negative fuels from materials resulting from forest vegetation management. All eligible projects shall identify a California use of the hydrogen or liquid fuel to be created and have a lifecycle analysis of the carbon emitted and sequestered from the project, including any emissions from related transportation needs of bringing the feedstock materials to the facility and delivering resulting fuels and carbon dioxide to its end uses. The Department of Conservation shall notify the Joint Legislative Budget Committee of proposed projects to be funded 30 days prior to the funds being issued.

1.1 Purpose

The California Department of Conservation (DOC) is soliciting proposals under this grant solicitation to fund technology demonstration and deployment (TD&D) activities that simultaneously manage catastrophic wildfire risks and develop carbon negative fuels. Developed in collaboration with other agencies, departments, boards, and commissions, including the California Energy Commission (CEC), California Air Resources Board (CARB), California Natural Resources Agency (CNRA), California Department of Forest and Fire Protection (CalFIRE), Governor’s Office of Planning and Research (OPR), Governor’s Office of Business and Economic Development (GOBiz), California Infrastructure and Economic Development Bank (iBank), and Sierra Nevada Conservancy (SNC), this solicitation is responsive to the [Governor’s Wildfire and Forest Resilience Action Plan](#), contributing to the objectives of increasing forest resilience, improving community fire safety, and sustaining economic vitality in rural forested areas. This solicitation also contributes to the policy goals of [Executive Order N-82-20](#), focused on the importance of natural and working lands to the state’s climate resilience, economic growth, and environmental sustainability.

California’s forests are suffering because of many combined stressors including drought, a lack of investment, and decreased economic vitality in rural communities. These conditions have been contributors to the extreme increase in large scale, catastrophic wildfire in the last decade. While fire is a natural and beneficial part of forest ecosystems, catastrophic wildfires burn at much higher temperatures and with greater severity across the landscape. These catastrophic wildfires can destroy entire forests and sterilize soils, even

permanently altering the post-fire landscape vegetation type, with long-term economic and environmental implications for local communities and the state as a whole.

Sustainable forest management activities can help reduce the chances of catastrophic wildfires while providing energy, wood products, and other uses. Biofuels from woody biomass can provide an important source of renewable, non-fossil-based fuels. However, this technology is in its infancy in California, and pilot investments are required to demonstrate projects are both financially and environmentally sustainable, providing carbon-negative fuels for use in the State of California.

Furthermore, this program responds to the state's goals, as stated in Executive Order (EO) B-55-18, mandating that California be carbon neutral by 2045, and state and US Forest Service's Agreement for Shared Stewardship of California's Forest and Rangelands (Executed August 12, 2020), committing California to sustainably treat at least 500,000 acres of forests and wildlands annually.

The DOC anticipates that the process of developing liquid fuels and/or hydrogen from woody forest biomass will utilize non-combustion thermal or biological conversion technologies, such as gasification, pyrolysis, or fermentation. Unlike traditional combustion technology – burning biomass to make electricity – these advanced conversion technologies involve extreme heat with little to no oxygen, decreasing or completely eliminating particulate matter that usually comes from burning, and instead producing a gaseous or liquid product that can be further refined into various biofuels, including hydrogen and renewable gasoline, diesel, and jet fuel substitutes.

The state is aware that this field – the technology, utilization of forest biomass, financing models, transportation logistics, carbon capture and sequestration, and more – is not yet fully developed. Therefore, the state is playing a role in investing, identifying technical and market barriers, advancing policy, and showcasing the potential benefits of this industry to communities in the Sierra Nevada and beyond. The nature of this program – a pilot effort – indicates its novelty in the state, and associated risks associated with implementing advanced carbon-negative bioenergy pathways in the Sierra Nevada. The DOC understands risk is inherent in any project investment in this space, stemming from factors such as relatively new business models, technologies and permitting processes. In order to maximize public accountability in the expenditure of these significant funds, the DOC has integrated a number of risk-reduction measures, including but not limited to: rigorously evaluating projects via a multi-agency, multi-party application review process; issuing grants through a multi-year and phased down-selection approach; prioritizing applicants with a track record of delivering complex and capital-intensive projects; and requiring system elements to have previously demonstrated success wherever possible.

More on the opportunities for and importance of developing markets for forest biomass can be found with [the Joint Institute for Wood Products Innovation](#) (a state organization housed with the CA Board of Forestry and Fire Protection), which is dedicated to providing California forest product information, research, and analysis to increase economic drivers for healthy forests; more information is available on their web site and particularly in their 2022 report, [Advancing Collaborative Action on Forest Biofuels in California](#).

1.2 Key Words, Terms, and Acronyms

Table 1: Key words, terms, and acronyms

Word/Term	Definition
Applicant	The respondent to this solicitation
Application	An applicant’s formal written response to this solicitation
California Native American Indian Tribe	Any tribe on the California Native American Heritage Commission list, available at California Native American Heritage Commission . The word “tribe” or “tribes” is used throughout this document to indicate any California Native American Indian Tribe on the California Native American Heritage Commission list.
Biochar	Biochar is a lightweight, porous, carbon-rich, charcoal-like material, produced by exposing biomass to heat in a low-oxygen environment. According to the IPCC (2018) biochar addition to soil is a form of carbon dioxide removal that can store carbon for decades to centuries and improve soil fertility.
BECCS	Bioenergy with carbon dioxide capture and storage (BECCS) is the application of carbon dioxide capture and storage (CCS) technology to a bioenergy facility. Note that depending on the total emissions of the BECCS supply chain, carbon dioxide (CO ₂) can be removed from the atmosphere resulting in carbon dioxide removal (CDR), also referred to as negative emissions.
CARB	California Air Resources Board
CCS	Carbon capture and sequestration (CCS) is a process by which large amounts of CO ₂ are captured, compressed, transported, and sequestered. CCS projects are paired with a point source of CO ₂ emissions.
CDR	Carbon dioxide removal (CDR) refers to a set of anthropogenic activities that remove CO ₂ from the atmosphere and durably store it in geological, terrestrial, or ocean reservoirs, or in products. It includes anthropogenic enhancement of biological or geochemical sinks and direct air capture and storage, but excludes natural CO ₂ uptake not directly caused by human activities.
CEC	California Energy Commission
CEQA	California Environmental Quality Act
CI	Carbon intensity is the quantity of a life cycle greenhouse gas emissions per unit product produced.
Days	Days refers to calendar days
Disadvantaged Community	Communities where the median household income is 80% or less of California’s average, as defined in PRC Section 75005(g) . A mapping tool is available at Community FactFinder to help in identifying your community status.
DOC	Department of Conservation
FEL 1, 2, and/or 3	“FEL” stands for Front End Loading and is indicative of significant up-front planning at an early stage in a project’s development, at a time when the ability to influence changes in design is relatively high and the cost to make those changes is relatively low.
Forest Biomass Waste	Non-merchantable forest biomass that is removed for wildfire mitigation, to reduce the risks to public safety or infrastructure from falling trees, creation of defensible space, or for forest restoration projects.

Word/Term	Definition
GHG	Greenhouse gas
Integrated project	The concept of an “integrated project” is included throughout this solicitation and is meant to refer to the entirety of a project, from feedstock collection and transport, to biofuels processing and transport, to carbon dioxide end use or sequestration (e.g., biochar or CCS).
LCA	Life Cycle Analysis – an accounting methodology used to assess the overall impacts of a product or process, including each stage of raw material extraction, production and end use. For the purposes of this program, LCA refers to the use of life cycle methods to assess the net greenhouse gas emissions resulting from a process.
LCFS	The Low Carbon Fuel Standard is designed to decrease the carbon intensity of California's transportation fuel pool and provide an increasing range of low-carbon and renewable alternatives, which reduce petroleum dependency and achieve air quality benefits. More information about it may be found at California Low Carbon Fuel Standard .
Program (or Pilot Program)	The Forest Biomass to Carbon Negative Biofuels Pilot Program
Project Manager	Individual of record submitting the application
Severely Disadvantaged Community	Communities where the median household income is 60% or less of California's average, as defined in PRC Section 75005(g) . A mapping tool is available at Community FactFinder to help in identifying your community status
Sierra Nevada	For the purposes of this solicitation the Sierra Nevada is defined by any combination of 1) the region of California served by the Sierra Nevada Conservancy, (Sierra Nevada Conservancy ; PRC section 33302(f)); GIS-based map available here), plus 10 miles out from that boundary in any direction, with the exception of anywhere outside of the State of California; 2) the geologic definition of the Sierra Nevada, maps for which are available online, including the California Geological Survey ; 3) additional considerations, including feedstock sourcing, workforce location and capacity building, and other demonstrable investment in Sierra Nevada resources and communities.
Solicitation	This entire document, including all attachments and exhibits (“solicitation” may be used interchangeably with “Grant Funding Opportunity”).
State	State of California
System boundary	A delineation of activities/processes that are considered part of the applicant's project when analyzing emissions as part of the LCA outlined in the carbon negative section.
TEA	Techno-economic Assessment: a method of analyzing the economic performance of an industrial process, product, or service using software modeling to estimate capital cost, operating cost, and revenue based on technical and financial input parameters.
TRL	Technology Readiness Level (as defined by the Department of Energy in the Technology Readiness Assessment Guide).

1.3 Applicants' Admonishment

This solicitation contains application requirements and instructions. Applicants are responsible for carefully reading the solicitation, asking appropriate questions in a timely manner, ensuring that all solicitation requirements are met, submitting all required responses in a complete manner by the required date and time, and carefully rereading the solicitation before submitting an application. In particular, applicants should carefully read the Screening/Scoring Criteria, as well as information regarding application eligibility and eligible costs (Sections 1.4, 3, and 4), and the sample grant agreement located Appendix C.

Applicants are responsible for the cost of developing applications. This cost cannot be charged to the state. With the exception of the proprietary information submitted in accordance with the description and instructions provided in Sections 1.8 and 3.4, all submitted documents from all applicants will become public records upon the posting of the Notice of Proposed Award.

1.4 Eligibility

Applicant Eligibility

All applicant types – including local government, tribal nations, academic institutions, non-profit organizations, and for-profit businesses and corporations – are encouraged to apply. The scoring rubric favors applicants with a track record of success in delivering similar scale projects, working collaboratively with communities, and meeting or exceeding environmental standards.

Project Eligibility

Projects eligible under this solicitation must be designed to create carbon-negative hydrogen and/or liquid fuel from forest biomass waste in the Sierra Nevada. Based on legislatively defined program requirements, planned projects must meet the following minimum criteria to be eligible for funding:

- a. The project must use 60% or more forest biomass waste as feedstock, sourced from the Sierra Nevada (see Table 1: Key words, terms, and acronyms, above); note that reviewers will take into account total tonnage sourced from the Sierra, in addition to overall percent sourced, in the scoring process.
- b. A majority of the capital expenditures associated with an integrated project, including the processing facility and associated infrastructure, must be located within the Sierra Nevada, with transparent reasoning provided by the applicant, as outlined in Section 2.3.
- c. All projects receiving grant funding shall identify a California use of the hydrogen or liquid fuel to be created.
- d. The fuel produced must be carbon negative on a life cycle basis, meaning that the greenhouse gases (GHG) sequestered must exceed the GHGs emitted from the project. The DOC anticipates that the geologic sequestration of biogenic CO₂ (often referred to as “carbon capture and sequestration,” or CCS), the co-production and use of biochar as a soil amendment, and co-production of durable products are potential pathways to achieve carbon negativity (Section 2.5).

Additional criteria are described in Sections 2, 3, and 4 of this solicitation.

1.5 Award Timeline and Phases

DOC is providing support to projects that can meet DOC's robust technical, economic, and environmental criteria. The funds will be dispersed in two phases: Phase 1 (project development), and Phase 2 (construction); applicants do not need to have received a Phase 1 award to be eligible for Phase 2. Due to the urgency of managing intense wildfires and the timelines provided by the state legislature, the DOC is planning on encumbering funds allocated for this program beginning in the 2022-23 fiscal year.

The DOC recognizes many projects are in different phases of development and, because of this, anticipates Phase 1 funding going to support a diverse range of development and planning activities. This includes but is not limited to activities related to life cycle analysis, engineering, and environmental permits. Favor will be given to applicants with the most mature qualifying technologies, and integrated projects with specific technologies and host sites identified (as applicable). Making a clear business case with a robust, realistic, and defensible path forward toward commercial operations by no later than June 2027 will distinguish an application for a project that may not be as developed as another, or for which the critical path is not clearly defined or described. For more information on Phase 1 expectations, see Section 2.

The solicitation for Phase 2 awards is anticipated to be released no sooner than Winter 2023/2024 and Phase 2 selections made no sooner than Winter/Spring 2024. Phase 2 is a construction phase with large financial commitments to individual projects. The DOC expects top applicants to have detailed engineering complete, relevant permits in hand, and site agreements in place. For more information on Phase 2 expectations, see Section 7. While these criteria are ideal, the lack of one or more may not categorically disqualify an applicant if there is a reasonable pathway toward commercial operations by no later than June 2027. Projects will be judged holistically, as well as evaluated against other applicants, and awards may be made contingent upon any project element being completed prior to expenditure allowance.

1.6 Key Activities Schedule

Key activities, dates, and times for this solicitation and for agreements resulting from this solicitation are presented below. An addendum will be released if the dates change for activities that appear in bold.

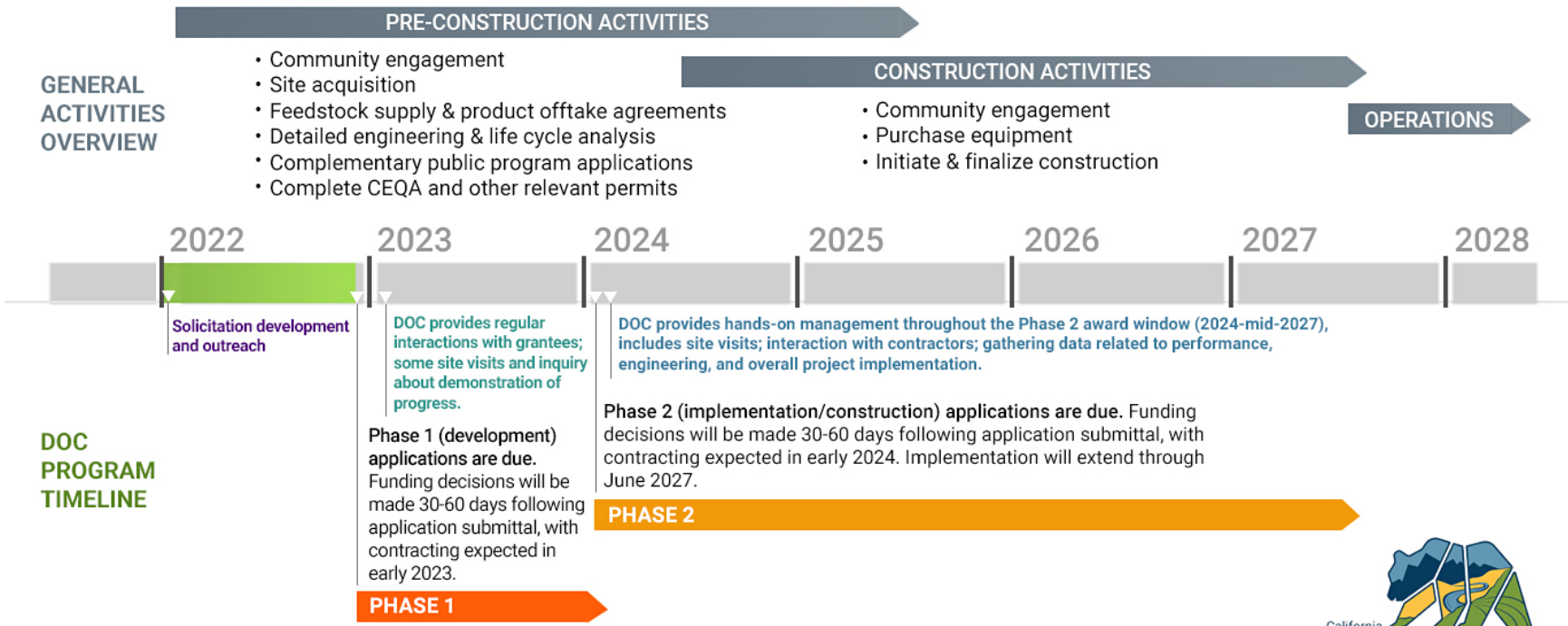
Table 2: Key Activities Schedule

ACTIVITY	DATE	TIME <i>(Pacific Standard Time or Pacific Daylight Time, whichever is being observed.)</i>
Phase 1 Solicitation Release	8/26/2022	
Pre-Application Workshops	9/15/2022	1:00 p.m. to 3:00 p.m.
Deadline for Written Questions <i>This deadline does not apply to non-technical questions (e.g.: questions concerning application format requirements or attachment instructions) or to questions that address and ambiguity, conflict, discrepancy, omission, or other error in the solicitation. Such questions may be submitted to the DOC e-mail address at any time prior to the application deadline. Please see Section 1.10 for additional information.</i>	9/22/2022	5:00 p.m.
Anticipated Distribution of Questions and Answers	week of 9/26/2022	n/a
Deadline to Submit Phase 1 Applications	10/31/2022	5:00 p.m.
Anticipated Phase 1 Awards List Available	11/9/2022	n/a
Anticipated Phase 1 Agreement Start Date	January 2023	
Anticipated Phase 1 Agreement End Date	December 31, 2023	
Anticipated Deadline to Submit Phase 2 Applications	December 2023	5:00 p.m.
Anticipated Phase 2 Awards	January/February 2024	
Anticipated Phase 2 Agreement Start Date	February/March 2024	
Anticipated Phase 2 Agreement End Date	06/30/2027	

CALIFORNIA DEPARTMENT OF CONSERVATION

Forest Biomass to Carbon-Negative Biofuels Pilot Program

Provides funding for the creation of biofuels – liquid fuel or hydrogen from Sierra Nevada-sourced forest biomass to help offset fossil fuel use, increase forest health, and build rural economies.



1.7 Funding Availability and Goals

There is up to \$47,500,000 available for grants awarded under this solicitation (Phases 1 and 2). The total, minimum, and maximum funding amounts for each project group are listed below. DOC reserves the right to amend the available funding in each phase based on the number and quality of applications it receives in Phase 1.

Table 3: Funding Availability and Phasing

Solicitation Phase:	Phase 1 (development)	Phase 2 (construction)
Available Funding:	\$4,000,000	\$43,500,000
Minimum Award Amount:	\$10,000	\$1,000,000
Maximum Award Amount:	\$500,000	\$43,500,000
Minimum Match Funding Amount:	No minimum match is required, but a demonstration of applicant investment is required.	Match will be required of at least a 1:1 match, or 100% match demonstration, per dollar requested of the DOC.
Description:	Applicants will submit up to 15 pages of narrative, plus required attachments, describing their project (see Section 2), including the required Attachments. Out of these applications the DOC anticipates awarding up to \$4,000,000. These awards will advance concepts and projects suited for Phase 2 applications.	Applicants will use the resources awarded in Phase 1 to develop more commercial business plans and Phase 2 applications, guided by the required detail outlined in Section 2. While applicants who did not apply for and/or receive funding via Phase 1 awards are eligible to apply for Phase 2, special consideration will be given to those Phase 2 applicants who received Phase 1 awards. Funding in addition to the \$43,500,000 may be available depending on awards made in Phase 1. All remaining funds will be available to be awarded in Phase 2. DOC anticipates at least 2 awards, and no more than 4, will be made in Phase 2.

It is expected that full project cost will be well beyond the resources available in this solicitation. Therefore, while match funding is not required to be demonstrated in Phase 1, a full accounting of the investment the applicant has made thus far is required (see the financial feasibility description in Section 3). The DOC anticipates requiring demonstration of match in Phase 2, depending on the anticipated full budget needed to complete the project and the maximum award available. Applicants will need to show ability to meet the full budget requirements, beyond the grant award amount and match requirements, as applicable.

1.8 Additional Considerations

In addition to the instructions contained in this solicitation package, please also remember the following:

1. **Permitting and encumbrance timelines:** Prior to approval and encumbrance, the DOC must comply with the California Environmental Quality Act (CEQA). To comply with CEQA, the DOC must have CEQA-related information from applicants in a timely manner. Even with timely information, the DOC may not be able to complete its CEQA review prior to the encumbrance deadline for every project. For example, the completion of an Environmental Impact Report, if required, can require significant time. For these reasons, it is critical that applicants organize project proposals in a manner that enhances the ability of DOC to comply with CEQA and provide all CEQA-related information to the DOC in a timely manner.
2. **Reservation of right to cancel proposed award:** In addition to any other right reserved to it under this solicitation or that it otherwise has, if the DOC determines, in its sole and absolute discretion, that the CEQA review associated with a proposed project would not likely be completed prior to the disbursement of grant funds, the DOC may cancel a proposed award (or an award conditioned upon satisfactory completion of CEQA) and award funds to the next highest scoring applicant and/or issue a new solicitation, regardless of the originally proposed applicant's diligence in submitting information and materials for CEQA review. Examples of situations which may arise related to CEQA review include but are not limited to:
 - a. **Example 1:** If another jurisdiction, such as a city or county, has taken the role of lead agency, the DOC's review may be delayed while waiting for a determination from the lead agency.
 - b. **Example 2:** If the proposed work is part of a larger project for which a detailed environmental analysis that has been or will be prepared by another agency, the DOC's review may be delayed as a result of waiting for a supplemental or initial analysis, respectively, from the other agency.
 - c. **Example 3:** If the nature of the proposed work is such that a project is not categorically or otherwise exempt from the requirements of CEQA, and an initial study or other detailed environmental analysis appears to be necessary, the DOC's review, or another lead agency's review, may take longer than the time available to encumber the funds.

If the proposed project clearly falls under a statutory or categorical exemption or is work for which another agency has already adopted a CEQA finding, the project will likely have greater success in attaining rapid completion of CEQA requirements.

3. **Reservation of right to change funding amount:** The DOC reserves the right to increase or decrease the available funding and the group minimum/maximum award amounts for each phase described in this section; allocate any additional or unawarded funds to prior applications; and revoke Phase 2 funding in the case that the project is not proceeding according to plan (e.g.: is not on schedule and has no expectation of meeting project goals; doesn't accomplish CEQA or other environmental permitting as expected; loses contracts, land use permission/ownership, or other authorities needed to complete the project; etc.).

4. **California Secretary of State Registration:** California business entities and non-California business entities that conduct intrastate business in California and are required to register with the California Secretary of State must do so and be in good standing in order to enter into an agreement with the DOC. If not currently registered with the California Secretary of State, applicants should contact the Secretary of State's Office as soon as possible. For more information, visit the [California Secretary of State's web site](#).
5. **Proprietary Information:** Responses to this solicitation are generally considered public records subject to public disclosure in response to a request under Public Records Act (California Government Code Section 6250, et seq.). If any materials submitted to the DOC contain information the applicant considers to be trade secrets, confidential, privileged or otherwise exempt from disclosure under the Public Records Act (as defined in Government Code Section 6254.7), the applicant shall assert a claim of exemption at the time of submission by identifying in an accompanying letter each of the items to be restricted. The asserted claim shall indicate the specific information within the application or other materials submitted to the DOC to which the claim is made. All documents (including spreadsheets and other items not in a standard document format) that are designated to contain confidential business information must prominently display the phrase "Contains Confidential Business Information" above the main document title and in a running header.

Upon receipt of a Public Records Act request for documents that may include information the applicant has identified as trade secret, confidential, privileged or otherwise exempt from disclosure, the DOC shall provide notice to the applicant and provide the applicant with three (3) business days to provide the DOC with an explanation as to why the information is not subject to disclosure pursuant to the Public Records Act. The DOC shall consider a claim of exemption and the basis for it, but retains the authority to make the final determination as to what information will be released under the Public Records Act. Applicants will be notified by the DOC prior to release of any such information.

As an alternative to submitting trade secrets, confidential, or privileged materials to the DOC, applicants may retain such information and provide the DOC with limited, read-only access for review purposes. It is important to designate only the specific information that is confidential as a "trade secret" and not to over-designate all information as a "trade secret" or otherwise confidential. The DOC may, at its sole discretion, disqualify applications where agreement cannot be reached over the amount of information subject to public disclosure.

1.9 Pre-Application Workshop

DOC staff will hold a Pre-Application Workshop to discuss the solicitation with prospective applicants. Participation is optional but encouraged. The workshop will be held via Zoom, and applicants may attend remotely/online or via phone/conference call (see instructions below) at the date and time listed below. This workshop will be recorded and posted to [the DOC's Forest Biomass to Carbon Negative Biofuels Pilot Program web page](#).

Date and time: September 15, 2022

Zoom Instructions: Register in advance for this webinar:

https://us06web.zoom.us/webinar/register/WN_T92snMTiScifxSTgesjppQ

- Upon registration, you will be given a unique access code.
- Registration information will also include a phone number in the case that participants would rather dial in by phone than participate via the online webinar.
- In the webinar:
 - You will be muted until it is your turn to speak. While muted, you will be able to hear the meeting and can continue watching via the remote meeting service if you have connected from a computer or mobile device.
 - Unless you are registered anonymously, participating agency staff and other public commenters will be able to see your name (and if you call in, the last three digits of your phone number).
- Translation services are available. Please convey any need for translation services at least ten working days prior to the workshop by contacting Sarah Rubin, Outreach and Engagement Coordinator (e-mail: Sarah.Rubin@conservation.ca.gov; phone: (916) 214-5731).

1.10 Questions

During the solicitation process, direct questions to the DOC program e-mail address; your question will be at least acknowledged, if not directly answered, via e-mail within 5 business days:

DOCForestBiofuelsPilot@conservation.ca.gov.

Applicants may ask questions at the Pre-Application Workshop and may submit written questions via mail and e-mail. However, all technical questions must be received by the deadline listed in the “Key Activities Schedule” above (Section 1.6). Non-technical questions (e.g., questions concerning application format requirements or attachment instructions) may be submitted at any time prior to the application deadline.

A question-and-answer document will be e-mailed to the program listserv following the Workshop (you may sign up for the listserv on the [Program web page](#)). The questions and answers will also be posted on the DOC’s program web page (above). Please see Table 2, in Section 1.6, above, for deadlines associated with these events.

Any verbal communication with a DOC employee concerning this solicitation, including over the phone, is not binding on the state and will in no way alter a specification, term, or condition of the solicitation. Therefore, all communication should be directed in writing via the e-mail above.

2 PHASE 1 APPLICATION PACKAGE

Each of the application requirements listed below can be found described in greater detail throughout this solicitation, with scoring criteria provided in Section 6. Please refer to the specific solicitation section with questions prior to contacting the DOC.

- A written narrative of at least 10 pages and no more than 15 pages total is required. A brief overview of the required components is described below, with a more detailed explanation of each component in subsections 2.1 to 2.7. Note that each of these sections is required; applicants will be scored based on the information provided (and as described in the scoring criteria presented in Section 6).
 - **To-be-funded Activities.** No more than two pages including and itemized list(s) of activities to be conducted with Phase 1 support, including description of those activities, as necessary. In addition to the description of eligible funding activities described in this section, see Sections 1.4, 3, and 4 for more on eligible and ineligible costs.
 - **Project Team.** No more than 2 pages, including an organizational chart highlighting application leads and key partners, such as investors, contractors and entities providing in-kind support.
 - **Community.** At least 1 page describing how the applicant is interacting with the host community(ies).
 - **Engineering.** At least 1 page describing how the technology works, its operational history, and development trajectory. Provide information validating the technology.
 - **Carbon Negativity.** At least 1 page of narrative describing the proposed life cycle greenhouse gas analysis (LCA) and how the applicant proposes achieving a carbon negative fuel.
 - **Financial Feasibility.** At least 2 pages describing project financial feasibility, including an assessment of potential capital availability, from public and private sources, to support the full deployment of the proposed project; and a description of out-of-market revenues (e.g., Low Carbon Fuel Standard or other environmental credits) and other project co-benefits that the applicant plans to monetize.
 - **Execution.** At least 2 pages including anticipated project timelines, feedstock aggregation and energy offtake plans, and general permitting strategies for commencing construction on and operating a facility. Note that feedstock sourcing and reliability are an integral component of this Program, and reviewers expect a commensurate investment of applicants' effort in communicating these plans in the application narrative.
- The following Attachments are required, except where noted; more information on each of them can be found in the reference section as noted for each. Where a template is provided, it must be used, and templates may be found in Appendix A (and Appendix B, where noted). Information in the Attachments should be complementary to the project narrative, not duplicative. These Attachments do not count toward narrative page limit.

- **Attachment 1:** Application Form (from Section 3.1) – a coversheet for the application, provided as the first page in the application package
- **Attachment 2:** Project Budget (from Section 2.1) – an Excel spreadsheet describing the activities and/or expenses for which an applicant is seeking Phase 1 funding
- **Attachment 3:** Project timeline (from Section 2.1)
- **Attachment 4:** Techno-economic Analysis (TEA) (from Section 2.4) - provides information about the project’s expected operational costs, technical performance, revenue streams, and their overall impact on financial sustainability.
- **Attachment 5:** Life cycle analysis (LCA) calculations (from Section 2.5) - an Excel spreadsheet providing the calculations that demonstrate the project’s expected net GHG emissions
- **Attachment 6:** CEQA Compliance Form (from Section 2.7)
- **Attachment 7:** Permit Approval Status Form (from Section 2.7)
- **Attachment 8:** Applicant Declaration (from Section 3.1)
- **OPTIONAL - Attachment 9:** Letters of support: letters of support from community organizations, tribes and other stakeholders may be submitted with the package. (From Section 2.3)
- **OPTIONAL - Attachment 10:** Letters of interest from financial institutions and/or investors, outtake agreements and/or contracts: this information is not required but supports a strong case for a project’s readiness and financial sustainability. (From Section 2.6)
- **OPTIONAL –** There are two attachments included as optional in Appendix B: the “Land Tenure / Property Data / Site Control Sheet” (**Attachment i**) and the “Risk Analysis” (**Attachment ii**). These attachments will be mandatory for Phase 2, but in the event that applicants to Phase 1 are able to complete and submit any of this information, reviewers will consider the inclusion favorably. Both attachments in Appendix B are discussed further in Section 7.

2.1 To-Be-Funded Activities

Purpose: The program is intended to support a wide range of projects that can support the development of integrated carbon-negative, forest biomass waste projects that can be reasonably built by 2027. Funding to be made available under this solicitation is purposefully inclusive of the variety of stages and needs integrated projects may require. Reimbursable Phase 1 expenditures include but are not limited to:

- Feedstock development studies;
- TEAs and engineering design (e.g., completing FELs 2 and/or 3);
- Life cycle analysis;
- Carbon sequestration feasibility analysis; and
- Site analysis and due diligence (e.g., land purchase or lease, utilities recruitment, and/or permitting).

Activities that will not be considered for Phase 1 funding include but are not limited to:

- Any development activities associated with a project that would rely primarily on stationary combustion or incineration technologies to produce biofuel;
- General business development, lobbying, or consulting activities not aligned with project objectives;
- Advertising and marketing; and
- Legal costs related to project lawsuits.

Section 5 contains a description of additional terms and conditions relating to more general DOC reimbursement guidelines and restrictions.

Phase 1 Application Requirements

- Briefly describe the amount of funding and types of activities/expenses included in the applicant's Phase 1 funding request. Please also include a description of how these Phase 1 activities will lead to the ultimate construction and operation of the facility.
- An explanation of how the requested award will support development of a commercial facility in the Sierra Nevada by June 2027.
- Estimate the amount of funding from other sources for activities requested for Phase 1 funding (note that this may be considered "cost share" if it were required; we are not requiring it here, but only requesting an estimate of the additional funding needed to complete the activities identified for Phase 1 implementation).

Attachments

- Complete Attachment 2: Project Budget, with descriptions and amounts of each expenditure, and including in general terms those items essential to project success but on which the applicant does not expect to utilize DOC grant funds. Include an estimate of the fully completed project (e.g.: what the applicant expects to request in Phase 2).
- Complete Attachment 3: Project Timeline

2.2 Project Team

Purpose: Deploying and operating a pilot project requires the integration of advanced energy technologies, complex forest biomass supply chains, robust community engagement, and a host of other activities that have not yet been replicable to date. Furthermore, the pandemic, inflation, and other ongoing macroeconomic uncertainties will likely be complicating factors facing project developers throughout the scope of this program. Therefore, applicants are asked to provide background on their team (lead applicant, partner organizations, and other individuals) and their prior project development experience.

While there is not a set-aside for any particular community, the whole of the grant funds will be spent on activities that support the development of commercial projects in the Sierra Nevada (see definitions provided in Section 1.2), as defined and explained by the applicant (see Section 2.3). All applicant types – including

local government, tribal nations, academic institutions, non-profit organizations, and for-profit businesses and corporations – are encouraged to apply. Reviewers are looking for competence and a track record of success in similar scale projects, as well as strong inter-organizational collaboration with the objective of a project that strengthens the host community and restores the surrounding environment.

Phase 1 Application Requirements

The Project Team section of the Phase 1 application should include:

- **Project Team Roster:** A description of the applicant team’s roster and bios, including experience with similar past projects and relevant state assistance and/or federal (e.g.: USDA, Department of Energy, etc.) awards. The ideal project team has experience delivering complex, multi-party projects in California, such as in energy development and forest management.
- **Lead and Partner Organizational Chart:** Describe the entities involved with the application and clearly indicate the lead applicant having the capacity to and responsibility for accepting and managing any awarded grant funds, and relationships between this lead applicant, partner organizations, and/or individuals.
- **Prior or Ongoing Public Partnerships:** Applicants should describe prior relevant federal, state, or other government partnerships relevant to the project, such as direct financial support or participation in programs such as the Low Carbon Fuel Standard. Applicants should provide the contact information for each listed entity and/or program.

2.3 Community

Purpose: Partnerships can increase the effectiveness of projects involving land management by expanding the scope of information, perspectives, and resources available. Cross-sector collaboration has consistently emerged as a potential source of adaptation and resilience in social-ecological systems. Developing communication, trust, and boundaries with and between partners such as local governments, Tribes, non-profit organizations, industry groups, or grassroots activists can generate more comprehensive and sustainable solutions to forest health problems. These frameworks and protocols for collaboration increase the long-term resilience of communities and ecosystems.

Partnership Building

These biofuels facilities are expected to bring significant economic benefit to the communities in which they are located; they also could significantly affect community dynamics, traffic patterns, and zoning requirements. For this reason, a statement of support from the host community – whether it be county, city, or on Tribal land – is required.

Because of California Native American Tribes’ history in California, as well as their long-term and legacy knowledge of the landscape, scoring criteria will favor applications actively involving and/or led by California Native American Tribes and Tribal Organizations. Recognizing that Native Americans have inhabited and cared for the land of present-day California since time immemorial, the DOC strongly encourages

engagement with California Native American Indian Tribes (“tribes”) as early as possible in the development, planning, and implementation of projects.

Scoring criteria will favor applications located in, led by, and/or actively involving disadvantaged and severely disadvantaged communities, as defined in Section 1.2. The active involvement may be in the form of staffing support, materials purchase, subcontracts for services, lead contractor, land provider, and/or other quantifiable project needs.

To increase workforce and structural capacity throughout the state, it is important to build local capacity to address long-term forest management needs. Strong partnerships with local land managers, agencies, industry, academia, and organizations are needed to meet the scale of the challenge facing the State’s forests and rural forested communities. Beyond increasing capacity for project implementation, supporting local authority over forest management and fire risk can increase community involvement in planning and preparedness, build trust in agencies and social license for management, and lead to more locally adapted solutions.

Projects may demonstrate this by:

- Providing local employment and support for local economies;
- Supporting or instituting job training in forest health and restoration; and
- Sourcing biomass from a mix of landowners including public and private non-industrial sources.

Long-term Commitment

Sustained investments are critical to the safety of our forests and communities, and they are important both for ecosystems and rural economies. Building economies on maintenance of forest health moves away from the boom-and-bust of conventional resource extraction and towards a more sustainable climate-forward economy. Long-term job opportunities that fulfill needs such as monitoring landscapes, implementing treatments, convening and organizing stakeholders in resource-based decision making, and otherwise increasing local capacity to manage surrounding forests are an investment in the future of our ecosystems and economies. Further, the DOC is interested in a project invested in long-term operations (e.g.: more than a decade) within the host community.

A project may demonstrate this by:

- Including the expectation of repeat of vegetation treatments, providing long-term maintenance on a variety of forest resource locations;
- Maintaining local community support by creating ongoing public engagement opportunities and education;
- Leveraging programs that advance complementary state goals (e.g., engaging with recipients of [CalFIRE’s workforce development grant program](#), or the California Public Utilities Commission’s SB 1440 Renewable Natural Gas program);

- Ensuring institutional commitment from participating agencies to demonstrate that projects are not relying on one or two dynamic individuals, but on community-wide support and investment; and
- Including project benefits that go beyond the basics of forest health and diversifying the economy.

Community Co-Benefits

The DOC may establish favorable consideration for any projects which address benefits meeting Program goals as well as a broader array of project co-benefits, including but not limited to projects which:

- Address fire recovery objectives, including community-scale response;
- Engage a workforce development effort, including but not limited to tribal workforce programs, CalFIRE workforce development awards, California Conservation Corps, or other training programs;
- Were developed under the Regional Forest and Fire Capacity program;
- Employ a collaborative approach in project development or implementation
- Leverage private, federal, or local resources; and/or
- Enable the equitable geographic distribution of grant resources.

The applicant may choose to call these out in the financial feasibility section, particularly in the identification and evaluation/quantification of co-benefits.

Sierra Nevada Location

The enabling statute for this biofuels program requires investment in "... pilot projects in the Sierra Nevadas..." [error in original]. While definitions exist for what the Sierra Nevada is, and includes – cultural, legislative, and scientific – those definitions are not in total agreement. The DOC is taking the approach of providing an inclusive definition of "Sierra Nevada" (see Section 1.2), while also inviting project applicants to identify their desired location and provide transparent and comprehensive explanatory text as to why their project is located in, benefits, or otherwise should be considered "in the Sierra Nevada." The DOC will score applications based on the project's connection to the Sierra Nevada and reserves the right, in its sole discretion, to determine whether proposed projects meet the requisite location threshold to be eligible for consideration.

Phase 1 Application Requirements

- **Partnership Building:** Applicants should note prior partnerships and support from local government, community organizations, academic institutions, and/or tribes (as applicable).
- **Long-term Commitment and Environmental Sustainability:** Describe how the project will improve the climate resilience of a Sierra Nevada community (or multiple communities) by June 2027, including economic resilience and diversification, as well as environmental health and climate resilience.
- **Local Capacity Building:** Describe how the project will support local employment in the host community, as well as other forms of capacity building, by June 2027.

- **Sierra Nevada Location:** Include at least one paragraph regarding the location/possible locations of the planned project, and how it meets the statute's intent of being in the Sierra Nevada.

Attachments

- **Support Letters.** Listed as Attachment 9, letters of support from community organizations, tribes and other stakeholders may be submitted with the package. Note that letters of support are optional but will be considered favorably if they are provided.

2.4 Engineering

Purpose: The DOC recognizes technologies of interest are at a relatively early stage of development here in California: there are no known commercial facilities in operation in California utilizing forest biomass residues, to produce biofuels, nor performing CCS. Therefore, this solicitation is seeking Phase 1 applications intended to address engineering requirements for deploying biomass to liquid fuel or hydrogen technologies that have been previously demonstrated at pre-commercial scales or at commercial scales outside of California (with feedstocks comparable in composition to California forest biomass).

Technology and Systems Maturity

Both phases are aiming to fund integrated systems and components that have been previously demonstrated at the pilot scale, approximating the Department of Energy's Technology Readiness Level 6 and above (for more details regarding technological readiness, please see the DOE's [Technology Readiness Assessment Guide](#)). This program is intended to tailor proven technologies to the California forest feedstocks and operational environments, rather than a fundamental R&D program. Any project proponent can gauge their TRL by reviewing the guide linked above and answering some simple questions about where and how the technology has been applied (see Appendix F of the DOE's Technology Readiness Assessment Guide).

Phase 1 Application Requirements

The goal of this element of the solicitation is to evaluate the robustness of the applicant's proposed technology and progress toward implementation, including:

- **Basic technology description:** Basic technical feasibility, including operational history and process flow diagrams. Description of major energy and material flows including: amount and types of biomass expected to be processed; amounts and types of fuel and co-products expected to be produced; and energy conversion efficiency. A complete description of the components of the facility through narrative and process flow diagrams. That includes:
 - Feedstock receiving and handling with description of feedstock restrictions (clean chips, moisture content, ash content). Describe the storage and feedstock processing for feeding the facility. For example: chipping/grinding, screening, moisture content testing and correction.

- Conversion process proposed for decomposition of biomass and balance of plant. Synthesis or refining processes used to produce finished fuels including major non-feedstock inputs (for example: catalyst, steam, fossil fuels, enzymes, etc.).
- Waste management (wastewater, ash collection/disposal, etc.) and pollution control technologies.
- Carbon capture, transport, and sequestration process

Note that the information provided here may be relevant in other sections of the application. Where this is the case, please provide the reference section; there is no need to provide the same information multiple times.

- **Technology maturity:** Technological approach and readiness for integrated system commercialization (i.e., TRL metric). Where possible provide examples of commercially operating facilities using the proposed technologies or data from pre-commercial facilities that demonstrate performance and continuous operation. If an existing example is not possible, provide peer-reviewed scientific journal article(s), and a letter from/by an uninterested third-party expert validating the technology.
- **Site development:** Progress in engineering design and readiness for commercial implementation. Site design and/or adequacy evaluations: where appropriate, describe existing infrastructure that will be used by the proposed facility or site development and preparations needed to construct proposed bioenergy facility.
- **Environmental footprint:** Describe the impacts to water, air, and land resources including: water consumption and throughput, land requirements, criteria and toxic air pollutants, and control technologies or mitigation measures. Greenhouse gas emission impacts are addressed in Section 2.5 and do not need to be covered here, though a reference is welcome.

Attachments

- **Techno-economic Analysis (TEA).** A preliminary Techno-economic Analysis (TEA), Attachment 4, should be included as an attachment. The summary TEA results should provide: (i) mass and energy balances, (ii) estimates of heating and cooling duties and electric power requirements, (iii) cost of production of the carbon negative fuel, including the carbon sequestration process, and (iv) the estimated land and water usage. The preliminary TEA included in the application should be prepared based upon prior engineering design and costing work.

2.5 Negative Carbon Accounting

Purpose: Projects receiving Phase 2 funds are required to create carbon-negative fuels from materials resulting from forest vegetation management, as determined based on a life cycle analysis (LCA) of the greenhouse gases (GHG) emitted and sequestered from the project.

Applicants in Phase 1 are required to submit the results of a preliminary screening-level GHG-only LCA. The Carbon Negativity narrative and calculations must include, at minimum, estimated emissions from energy

inputs, material flows (feedstock, product, and co-product), and transportation activities, and carbon sequestration activities. Projects in Phase 1 that have not completed an adequately detailed TEA may rely on data found in peer-reviewed literature to develop a preliminary LCA. Assumptions and references relied upon for any values used in calculations (such as emission factors, energy demand, yields, transportation distances, etc.) must be clearly documented in the LCA report. Phase 2 applicants are required to demonstrate carbon-negative fuel through robust accounting of full life cycle emissions, and applicants must plan for performing ongoing LCA throughout the project.

LCA Methodology and System Boundary Guidelines

The following guidelines are provided to assist applicants with developing the LCA. Methods other than those suggested below may be used with appropriate justification.

The fuel system boundary may exclude emissions from the manufacturing of capital goods and infrastructure, and fossil fuel emissions associated with vegetation treatment activities that generate biomass waste (in-forest equipment such as engines for chainsaws, yarders, and loaders). To qualify as a waste, the biomass feedstock must have no feasible or economic alternative market and would otherwise be disposed. The system boundary must include biomass transport from field to facility gate and delivering resulting fuels and carbon dioxide to its end uses. Carbon must be stored for a minimum of 100 years to be considered a negative emission.

- **Allocation Method for Material Co-products:** materials (i.e., products not used for energy) that are co-produced with the primary product (liquid fuels or hydrogen) may be assessed avoided emissions associated with the displacement of conventional products using the substitution method.
- **Allocation Method for Energy Co-products:** fuels or electricity that are co-produced with the primary product, and exported for use outside the system boundary, must be assessed avoided emissions using the energy-allocation method.
- **GHG emissions** of CO₂, CH₄, and N₂O should be expressed in SI units of mass (grams, kilograms, or metric tons) CO₂-equivalent using the 100-year global warming potential (GWP) characterization factors from the Intergovernmental Panel on Climate Change's Fourth Assessment Report. LCA results should be normalized to 1 megajoule fuel, lower heating value basis (gCO₂e/MJ).

Standard assumptions for use in life cycle analysis calculations

Where direct measurement is not possible or site-specific data is not available, the following assumptions may be utilized in preliminary LCA calculations:

Table 4: Suggested Assumptions and Parameters for Preliminary LCA Calculations

Parameter	Value/Assumption
Forest biomass feedstock carbon content	50% by mass (0.5 MT C/MT dry biomass, 1.8 MT CO ₂ /MT dry biomass)
Forest biomass feedstock energy density	17,500 MJ/MT dry biomass (LHV)
Biochar carbon content and persistence	See IPCC (2019): Method for Estimating the Change in Mineral Soil Organic Carbon Stocks from Biochar Amendments
Transportation vehicles	Class 8 heavy duty diesel, 8 miles per gallon, round trip with empty backhaul
Transportation vehicles capacity (chip vans or other solid material transport)	20 short ton capacity
Transportation vehicle capacity (liquid or hydrogen fuel)	30,000 L liquid fuel 0.4 MT gaseous hydrogen
Life cycle emission factor (EF) – Diesel	100 gCO ₂ e/MJ (13.5 kgCO ₂ e/gallon)
Life cycle EF – California grid electricity	77 gCO ₂ e/MJ (0.28 kgCO ₂ e/kWh)
Life cycle EF – utility fossil gas	71 gCO ₂ e/MJ (75 kgCO ₂ e/MMBtu)

Phase 1 Application Requirements

Note that some descriptions and background information may have been provided in other sections, such as in “Engineering,” above. Where this is the case, a reference to that section is adequate.

- **Carbon Negativity Narrative.** A detailed explanation of how the proposed process will result in a permanent reduction in greenhouse gas emissions is required. This should include a description of the complete fuel life cycle, including assumptions, references, and the following information:
 - The fuel production and carbon sequestration process, including any pre-processing to which feedstocks are subject, and any post-processing of fuels/intermediate chemicals, materials, or wastes generated, including operations that may occur at a facility separate from the primary fuel production facility;
 - A schematic (flow chart) depicting the system boundary showing all processes or operations and all material, energy, and carbon flows across the system boundary including geologic CO₂ sequestration, biochar application, etc.

Attachments

- **Life Cycle Analysis (LCA).** The application must include an LCA, identified as Attachment 5. Provide an Excel spreadsheet detailing the calculations, assumptions, and emission factors used by the applicant to calculate the project’s expected net GHG emissions, including:
 - **Types and quantities of energy utilized** throughout all phases of the fuel life cycle;
 - **Carbon balance:** Expected feedstock quantities processed and yields of fuels, co-products, and carbon sequestered; and

- **GHG emissions** (CO₂, CH₄, and N₂O) from all stages of the process including the end uses (or disposal) of products, co-products, and by-products.

2.6 Financial Feasibility

Purpose: Financial readiness is an important metric for evaluating a project's readiness and potential for long-term success.

Phase 1 Application Requirements

The following will be considered as part of the economic evaluation determining a grant award, with associated evaluative metrics to guide an applicant in application preparation.

- **Project financial analysis:** provide as full a picture as is possible about the financial status of a commercial project envisioned in the Phase 1 application. Provide a financial pro forma that will give reviewers as full an understanding as is possible about the anticipated costs and revenues associated with the project, existing or pending financial commitments, and any proposed fundraising plans. Please provide the expected breakdown of public-vs-private funding. Reviewers recognize that this exercise will involve a significant amount of speculation at this point in the project development process.
- **Business model:** provide information regarding the proposed product markets into which the project will be selling, and the applicants' plans for market development activities. Include information specific to feedstock sourcing and costs (note that reviewers do not expect duplicative information, so if adequate feedstock information is available elsewhere, please include a reference to that section and provide any additional detail needed for a full understanding), as well as any feedstock agreements currently in place or contemplated.
- **Project co-benefits:** document the project's co-benefits and include any cost of production and financial benefit expected (such as the monetization of carbon credits, such as through the LCFS, Federal Renewable Fuel Standard, or voluntary carbon offsets). Where existing, quantified financial benefit values don't exist, an estimate of benefit would be helpful to reviewers in evaluating the project overall.
- **Financial sustainability of carbon sequestration:** while applicants may not yet be at the stage of contracting for operations such as biochar placement or geologic carbon sequestration, Phase 1 applications should include an estimate of the quantities of the carbon commodities (e.g., quantities of biochar produced and its carbon content, CO₂ sequestered, etc.) expected from the project as it matures. The applicant's financial feasibility section should address the basic costs and revenues expected for this element of project implementation. Applicants should identify a carbon price (or range of expected prices) for use in their pro-forma and TEA and include a transparent explanation of how the applicant arrived at that estimate. In the case of a bounded estimate, the lower bound should be considered in the financial analysis.

Attachments

- **Demonstration of Financial Interest/Investment.** Provide letters of interest and/or offtake agreements and contracts as an optional Attachment 10.

2.7 Execution

Purpose: As further described below, applicants must submit a description of project readiness, including a status and timeline for design plans, compliance with the California Environmental Quality Act (CEQA) and other environmental review laws as applicable, permitting, commitments from project partners, land access and tenure agreements, and property restrictions or encumbrances. The description of project readiness should include possible factors which could significantly delay the implementation and/or completion of the project and how these factors will be addressed (e.g., permitting delays, seasonal restrictions, etc.).

The DOC is required to comply with CEQA (Public Resources Code Section 21000 et. seq.), a law that requires state and local agencies in California to identify and mitigate the significant environmental impacts of their actions. Grant applicants should consider whether their proposed project will trigger the need for an environmental impact report or negative declaration, or whether a CEQA exemption applies. In addition, activities funded under this grant program must be in compliance with applicable federal, state, and local laws and regulations, including the National Environmental Policy Act (NEPA), and other environmental permitting requirements. How CEQA and such other laws apply and the status of compliance must be addressed in proposals for both Phase 1 and Phase 2 funding. Applicants must submit the “CEQA Compliance Form,” included as Attachment 6, with both Phase 1 and Phase 2 applications.

Applicants for projects conducting on-the-ground work must submit documentation showing that they have adequate tenure to, and site control of, the property/properties to serve as the project location. Proof of adequate land tenure includes, but is not necessarily limited to:

- Fee title ownership.
- An easement or license agreement.
- Other legally enforceable license and agreement between the applicant and the fee title owner, or the owner of an easement in the property, sufficient to give the applicant adequate site control for the purposes of developing the project and long-term management.
- For projects involving multiple landowners, all landowners or an appointed designee must provide written permission to complete the project.

Phase 1 Application Requirements

The DOC recognizes that planning activities conducted by projects funded during Phase 1 may not require permitting and may be exempt from CEQA (see Cal. Code Regs., tit. 14, section 15262 [“A project involving only feasibility or planning studies for possible future actions which the agency . . . has not approved, adopted, or funded does not require the preparation of an [environmental impact report] or negative declaration but does require consideration of environmental factors”].)

- **CEQA Obligations.** Phase 1 applications should address how and to what extent CEQA applies to activities for which Phase 1 funding is requested and provide a brief description of permitting and CEQA compliance for the project anticipated to be the subject of their Phase 2 application. Phase 1 proposals should also address the project team’s capability and experience to complete the project, including securing all necessary permits and CEQA compliance. Note: Preparation of environmental review under CEQA and similar laws is eligible for Phase 1 funding.
- **Permit Requirements.** Phase 1 applications should include an initial description of permit requirements for their anticipated Phase 2 project, even though the DOC recognizes that a complete list of permits may not be identifiable prior to completion of project design, feasibility, and scoping analyses expected to be part of Phase 1.
- **Land Access, Use and Ownership.** Land tenure/site control is not a pre-requisite for Phase 1 funding. In their Phase 1 applications, applicants should, however, discuss their land tenure/site control, or their plans to secure land tenure/site control prior to Phase 2.
- **Feedstock Supply Description.** Applicants should provide as much detail regarding feedstock sources as possible. If feedstock sourcing agreements have not been secured, applicants should discuss anticipated feedstock availability and provide evidence that it is reasonable to expect that feedstocks will reliably meet the demands of the proposed project size. Applicants should describe any communication they have had with potential feedstock suppliers, forestry professionals, or land owners/managers. The applicant should not plan on managing any part of any forest specifically for harvesting biofuels feedstock or acquiring feedstock from harvest operations executed primarily for the production of biofuel feedstock. Note that Phase 1 funds can be used for feedstock development studies; detailed feedstock plans are not a pre-requisite for Phase 1 funding.

Attachments

- **CEQA Compliance Form** (Attachment 6). The DOC requires the information on this form in order to facilitate its evaluation of proposed activities under CEQA. The form will also help applicants determine CEQA compliance obligations by identifying which proposed activities may be exempt from CEQA and which activities may require additional environmental review. If proposed activities are exempt from CEQA (such as paper studies), the worksheet will help to identify and document this. This form must be completed regardless of whether the proposed activities are considered a “project” under CEQA.
- **Permit Approval Status Form** (Attachment 7). Applicants must submit this no matter the stage of their project.

3 SOLICITATION ELIGIBILITY, REQUIREMENTS, PREPARATION, AND SUBMITTAL

3.1 Applicant Eligibility

Project partners, contractors, subcontractors, offtake purchasers, and other roles may be filled by any public and/or private entity and/or individual. While there should be a single applicant who is responsible to the contract for grant administration and execution, multiple project partners and collaborative teams are encouraged. Special consideration will be given for applicants demonstrating competence in previous similar endeavors, a track record of success in similar scale projects, as well as strong inter-organizational collaboration and a project that strengthens the host community and surrounding environment (as described in previous segments of this solicitation; narrative on this section is not required).

Attachments

- **Application Form** (Attachment 1).
- **Application Declaration** (Attachment 8). All applicants must submit the Applicant Declaration, Attachment 8, for both Phase 1 and Phase 2 funding. This form requests the applicant declare that they: are not delinquent on taxes nor suspended by the California Franchise Tax Board; are not being sued by any public agency or entity; are in compliance with the terms of all settlement agreements, if any, entered into with the California Natural Resources Agency, any of its Departments, or another public agency or entity; are in compliance with all judgments, if any, issued against the applicant in any matter to which the California Natural Resources Agency, any of its Departments, or another public agency or entity is a party; are complying with any demand letter made on the applicant by the California Natural Resources Agency, any of its Departments, or another public agency or entity; and are not in active litigation with the California Natural Resources Agency, any of its Departments, regarding the applicant's actions under a current or past contract, grant, or loan with the California Natural Resources Agency, any of its Departments. The declaration must be signed under penalty of perjury by an authorized representative of the applicant's organization.

3.2 Application Organization

Applicants, please organize your project narrative in the order presented in Section 2, and throughout this solicitation document. These files should be named as follows:

Application Narrative

File Name: ApplicationNarrative-FBP_ApplicantName

This should include all narrative information provided and be compliant with the page number restrictions (all as described in Section 2).

Attachments

File Name: AttachmentXX_AttachmentName_ApplicantName

Attachments 1 through 8 are required; Attachments 9 and 10, as well as those offered in Appendix B, are optional. These should be attached to the submittal e-mail in the order of their numeric designation, as outlined in Section 2.

3.3 Submittal Formatting Requirements

The review team has opted not to require formatting conditions, however: applications must be formatted such that they can be read on a computer screen without changing the “view” zoom by any more than 20%. Margins should exist – please do not set your type to the very edge of any page – but a minimum has not been set.

3.4 Application Delivery

Applications are due to the DOC in electronic format no later than 5:00 p.m. Pacific Daylight Time on October 31, 2022.

Applicants must send all materials – with file names per the directions provided above – to the DOC’s Program e-mail address for submittal: DOCForestBiofuelsPilot@Conservation.CA.gov. Applications submitted via any other method will not be accepted. The e-mail will be time/date stamped and anything submitted after 5:00 p.m. on October 31, 2022 will not be accepted.

Files too large to include as e-mail attachments may be uploaded into cloud services (e.g.: Box.com, Dropbox, FTP site, etc.), with a link to the documents included in the application e-mail sent to the DOC. These documents should be downloadable by the DOC and other reviewers, to support Public Records Act access; the only exception to this is if the document(s) is specifically noted as confidential, in which case view-only access is allowed. NOTE: access to all materials must be sent within a single e-mail, including all attachments, cloud service links, and any confidential (i.e., not downloadable) documents.

4 STANDARD GRANT TERMS AND CONDITIONS

Each grant agreement resulting from this solicitation will include terms and conditions that set forth the recipient's rights and responsibilities. By signing the Application Form (Attachment 1), each applicant agrees to enter into an agreement with the DOC to conduct the proposed project according to the grant agreement. A sample grant agreement is attached as Appendix C. Failure to agree to the terms and conditions by taking actions such as failing to sign the Application Form or indicating that acceptance is based on modification of the terms will result in rejection of the application. Applicants must read the terms and conditions carefully. The DOC reserves the right to modify the terms and conditions prior to executing grant agreements.

No project will be funded at either Phase 1 or Phase 2 without completion of an executed grant agreement. The grantee must sign the grant agreement and comply with all of its conditions in order to receive funds. An electronic copy of the grant agreement is sent to the grantee for signature via DocuSign and must be electronically signed and sent back to the DOC. The DOC's Executive Director electronically signs the grant agreement, and then a fully signed and executed agreement is returned to the grantee.

All funding is contingent upon appropriation, and applicants acknowledge through the submission of an application that no vested right or other entitlement, either implied or express, is created as a result of execution of the grant agreement or any amendment thereto. Prior to the completion of project construction (or project completion as described in a fully executed agreement), either party may terminate the grant agreement by providing the other party with thirty (30) days written notice of such termination. The state may also terminate the grant agreement for any reason at any time if it learns of or otherwise discovers that there are allegations supported by some reasonable evidence that a violation of any state or federal law or policy by the grantee or the grantee has performed unsatisfactorily which affects performance of this or any other grant agreement or contract entered into with the state. Work performed prior to an executed grant agreement will not be reimbursed.

For summarization purposes, typical grant agreement provisions are:

- Actual awards are conditional upon funds being available from the state.
- Grantees must submit a detailed project work program and budget.
- Grant funds will only be paid in arrears on a reimbursement basis (the grantee pays for services, products or supplies, submits and invoice that must be approved by the grant manager, and is then reimbursed), unless grantees qualify for advanced payments.
- Grantees may be required to reimburse the DOC for some or all of the disbursed grant funds if the project is not completed.
- Grantees must have liability insurance.
- Grantees must agree to indemnify the state for certain claims, including lawsuits challenging environmental compliance under the California Environmental Quality Act.
- Typically, 10% of each invoice will be withheld in order to ensure timely completion of all grant deliverables. The last remaining 10% will be paid upon confirmed receipt of all grant deliverables.

All grantees should expect to be audited by the State of California. It is the grantee's responsibility to maintain all necessary records to substantiate and document all payments made pursuant to a DOC grant. If a grantee cannot provide adequate records when it is audited, the grantee may be required to repay grant funds. The grant agreement will describe these and other requirements in greater detail and will be the project's controlling document. Close review of and compliance with the grant agreement is essential and is the grantee's responsibility.

4.1 Eligible Costs

Eligible costs must be incurred during the Grant Term. All costs must be reasonable. Eligible costs are:

Staff costs

Grantees and their contractors' staff costs, including salary at an hourly rate, benefits, taxes, and leave. Administrative costs should not be included in the staff rate or salary. Administrative costs should be budgeted separately and must comply with the requirements outlined below.

Travel costs

In-state travel for grantees and their contractors' staff as necessary to fulfill the deliverables of the program. Costs must meet the requirements outlined below and in the Grant Agreement:

- Accommodation-related travel costs: maximum reimbursement rates based on county as shown at [CalHR's Travel Reimbursements web page](#), with no option for approval of an "excess lodging rate."
- Rental car or mileage for travel directly related to execution of scope of work will be reimbursed at the rental car or Reimbursement Rate Per Mile for Personal Vehicle as shown at [CalHR's Travel Reimbursements web page](#).
- Rental car, train, or airfare will only be reimbursed to attend those meetings outlined in the Administrative Activities section, and then only if it is the typical method used to get from one location to the other
- No other travel-related costs will be reimbursed through this grant program

Administrative costs

Administrative costs may account for no more than twenty percent (20%) of the total grant award and may include those costs incurred by the grantee to administer the grant to perform those tasks necessary to fulfill the grant deliverables outlined in these guidelines. Administrative costs include:

- Office space
- Supplies
- Legal or management oversight
- Prorated general liability, Workers' Compensation (may be included in payroll), and automotive insurance
- Equipment costs not included as direct costs in the budget.

(PHASE 1 ONLY) Project Development costs:

Grant funding may be used for project development costs, including:

- Preparing project plans, specifications and cost estimates to plan, design, and/or scope a specific project
- Acquiring permits for specific, future on-the-ground projects
- Analysis required to support complete CEQA (and NEPA if applicable) documentation
- Performing necessary cultural resources, biological, botanical, aquatic, soil, hydrologic, wildlife, timber, or other studies/surveys and/or developing necessary project designs related to a specific site or physical project
- Site analysis and due diligence (e.g., land purchase or lease, utilities recruitment, permitting, etc.)

Other Project costs

Other Project costs include:

- Preparation of bid packages and contractor documents
- Performance costs within the scope of the project including materials, supplies, and equipment
- Labor and other costs necessary for the physical implementation of the project
- Pre- and post-project monitoring and adaptive management, including preparation of long-term management plan

4.2 Equipment

For any equipment purchased or built with funds that are reimbursable as a direct cost of the project, as determined by DOC, the Grantee, Partner, or Subcontractor, as applicable, must be the sole owner on title. During the Project Completion Period, equipment must be dedicated to the described use in the same proportion and scope as was in the Grant Agreement, unless DOC agrees otherwise in writing. On completion or early termination of the Grant Agreement, the state will either require that the equipment be returned or authorize the continued use of such equipment at the Project Area; in making that determination, the state will consider the useful life of the equipment, and the Grantee may be required to refund the state for the fair market value of equipment that continues to have a usable life, but is no longer required for Project implementation. Grantee will be required to maintain an inventory record for each piece of non-expendable equipment purchased or built with funds provided under the terms of a Grant Agreement.

4.3 Vehicles

For any vehicles acquired with funds that are reimbursable as a direct cost of the project, the Grantee, Partner, or Subcontractor, as applicable, must be the sole owner on title. Vehicles acquired – including, but not limited to, cars, trucks, vans – must be maintained in a state of good repair and dedicated to the described use during the grant term and to public use for their full useful life.

4.4 Ineligible Costs

Ineligible costs are:

- Costs that are not related to the project;
- Costs that occur outside of the Grant Agreement term;
- Meals, incidentals, tips, per diems, or refreshments for meetings or travel;
- Incentive/participation gifts;
- Out-of-state travel and activities; and
- Equipment purchases must be identified in the budget/work plan or approved by the grant manager prior to purchase.

4.5 Cost of Developing Application

The applicant is responsible for the cost of developing an application, and this cost cannot be charged to the state. In addition, the DOC is not liable for any costs incurred during environmental review or as a result of withdrawing a proposed award or canceling the Solicitation.

4.6 Payment of Prevailing Wages

Under Labor Code section 1720, construction, alteration, demolition, installation, repair, or maintenance work funded with public funds may be considered “public works.” Public works projects require the payment of prevailing wages. Prevailing wage rates can be significantly higher than non-prevailing wage rates. Failure to pay legally required prevailing wage rates, when required, can result in substantial damages and financial penalties, termination of the grant agreement, disruption of projects, and other complications. Applicants may consult with the Department of Industrial Relations for additional information on prevailing wage rates and applicability.

5 EVALUATION AND AWARD PROCESS

5.1 Application Evaluation

Applications will be evaluated and scored based on responses to the information requested in this solicitation. To evaluate applications, the DOC will organize an Evaluation Committee that consists of staff from the DOC, other state agency staff, and university faculty. The Evaluation Committee may use technical expert reviewers to provide an analysis of applications, completed prior to formal scoring.

5.2 Ranking, Notice of Award, and Agreement Development

Applicants passing the “Critical Pass/Fail Criteria,” receiving at least 75 out of 100 points in the Core Scoring Criteria, and – including the “Project Status and Favorability Scoring Criteria” – receive at least 90 points out of 140 total, will be ranked for award. Thirty days prior to award, the DOC will communicate the list of expected awards to the Joint Legislative Budget Committee, as stipulated in the enacting statute. This list will include:

- The total proposed funding amount;
- The rank order of applicants; and
- The amount proposed for each applicant’s award.

This document will be made available on the DOC’s [Forest Biomass to Carbon-Negative Biofuels Pilot Program web page](#), as well, with an e-mail sent to the Program list-serv (sign up on the Program web page). Thirty days following this conveyance of information to the Joint Legislative Budget Committee, the awards will be made final and signed by the DOC Director.

5.3 Grounds to Reject an Application, Cancel an Award, or Other Withdrawal of Application

Rejecting an Application

Applications that do not pass the screening stage (critical pass/fail criteria) will be rejected. In addition, the DOC reserves the right to reject an application and/or to cancel an award if the following circumstances are discovered at any time during the application or agreement process:

- The application contains false or intentionally misleading statements or references that do not support an attribute or condition contended by the applicant.
- The application is intended to erroneously and fallaciously mislead the state in its evaluation and the attribute, condition, or capability is a requirement of this solicitation.
- The application does not literally comply or contains caveats that conflict with the solicitation, and the variation or deviation is material.
- The application does not contain sufficient information to enable a useful evaluation to be conducted.

- The applicant has not demonstrated that it has the financial capability to complete the project.
- The application is not submitted in the format specified in Sections 2 and 3.2 of the solicitation.
- The applicant fails to meet CEQA compliance within sufficient time for the DOC to meet its encumbrance deadline, as the DOC in its sole and absolute discretion may determine.

Solicitation Cancellation and/or Amendment

It is the policy of the DOC not to solicit applications unless there is a bona fide intention to award an agreement. However, if it is in the state's best interest the DOC reserves the right to do any of the following:

- Cancel this solicitation;
- Revise the amount of funds available under this solicitation;
- Amend this solicitation as needed; and/or
- Reject any or all applications received in response to this solicitation.

If the solicitation is amended, the DOC will send an addendum to the Program list-serv, and will also post it on [the Program web page](#). The DOC will not reimburse applicants for application development expenses under any circumstances, including cancellation of the solicitation.

Modification or Withdrawal of an Application

Applicants may withdraw or modify a submitted application before the deadline to submit applications by e-mailing the DOC at the program e-mail address: DOCForestBiofuelsPilot@Conservation.CA.gov. Applications cannot be changed after the due date. An application cannot be "timed" to expire on a specific date. For example, a statement such as the following is non-responsive to the solicitation: "This application and the cost estimate are valid for 60 days."

Solicitation Errors

If an applicant discovers any ambiguity, conflict, discrepancy, omission, or other error in this solicitation, the applicant should immediately notify the DOC of the error in writing and request modification or clarification of the solicitation. The DOC will provide modifications or clarifications via e-mail to the list-serv specific to this Program, as well as via an announcement on the Program web page. This will be done without divulging the source of the request for clarification or correction.

6 PHASE 1 SCREENING AND SCORING CRITERIA

Table 5: Pass/Fail Criteria

	Critical Pass/Fail Criteria	PASS/FAIL
1	Applicant Declaration: The Applicant Declaration (Attachment 1) is completely filled in and signed.	
2	Project Eligibility: The project meets all minimum eligibility criteria outlined in Section 1.4.	

Table 6A: Core Scoring Criteria

	Core Criteria	Points/Possible
1	Application status: At least 10 pages and no more than 15 pages are submitted, and individual topical limitations are complied with and in the order presented in the solicitation package.	/5
2	Proposed Phase 1 Spending Plan and Project Team: Includes detail about project costs, team makeup, and the experience held by the team and/or individuals on the team. An organizational chart is included, and the intent for the expenditure of Phase 1 funds is clear and all costs are eligible.	/10
3	Community: Community support is demonstrated, as well as a long-term commitment to the host community (if identified). Environmental sustainability is a stated goal, with clear considerations for reaching it. Capacity building is part of the way the applicant expects to do business. The applicant provides a clear, comprehensive, and compelling discussion making the case that their desired project location(s) be considered to be located “in the Sierra Nevada.”	/20 ¹
4	Engineering: Technology proposed meets expectations in maturity, preliminary TEA adequately describes all necessary facility components and demonstrates fuel production with acceptable resource use and environmental impacts. Some type of technology validation is provided, either through reference to other successful implementation sites around the world, or via a letter or website from an uninterested third party.	/15
5	Negative Carbon Accounting: Application contains a screening-level GHG-only LCA, including energy inputs, material flows, and transportation activities.	/15
6	Financial Feasibility: The applicant has provided adequate detail so that reviewers understand the financial sustainability plan, including a business plan and co-benefits of the project. The cost of the carbon negative requirement is factored in.	/20
7	Execution: All required forms are supplied, and the narrative includes reference to CEQA and other permitting obligations; selected site ownership status and access; and a description of expected feedstock source and supply reliability.	/15
CORE SCORE: <i>(must be at least 75 points to be considered for funding)</i>		/100

Continue cost scoring on next page

¹ The DOC may reject proposals outright if it can be reasonably concluded that the project is not in the Sierra Nevada.

Table 6B: Favorability Scoring Criteria

	Project Status and Favorability Criteria	Points/Possible
1	Tribal Involvement and Benefit: California Native American Indian Tribes are quantifiably involved, and a letter of support is included.	/10
2	Disadvantaged Community Involvement and Benefit: The project demonstrates significant positive effect(s) on a disadvantaged community in the Sierra Nevada, and a letter of support is included.	/10
3	Technology Level: The proposed technology is a TRL 8 or above, while still complying with all eligible and ineligible stipulations.	/10
4	Technology and the Future: Proposed project has a demonstrated potential to support the State’s Forest Health and Resilience, Climate Smart Strategy, and Carbon Dioxide Removal goals.	/10
TOTAL SCORE: <i>(Core Points plus Favorability Points)</i>		/140

7 EXPECTED PHASE 2 ELIGIBILITY CRITERIA

Although the DOC is not soliciting Phase 2 applications at this time (see Section 1.6 for timeline), a description of Phase 2 expectations and success metrics are described in more detail below to inform Phase 1 applications and development. Prior to providing cost-shares for construction activities (Phase 2), the DOC expects project developers and competitive applications to have demonstrated progress across multiple areas. A description of each of the idealized success metrics are described below. Note that they are *anticipated* and *idealized* success metrics, and not pass-fail evaluations; funding may be awarded to an applicant whose project has not yet met these metrics, but expenditure may not be allowed until progress in key areas has been achieved.

7.1 Community

- **Geography.** At least 60% of feedstocks come from the Sierra Nevada.
- **Workforce.** A practical and feasible workforce plan is in place, linking to an existing workforce development project (such as community college programs and/or other state-funded efforts, such as through CalFIRE's workforce development program).
- **Letters of support.** At least one letter of support from a tribal nation (council), local governments, and/or community organizations are provided specific to the project.

7.2 Engineering

- **Maturity.** Key components have successfully been demonstrated in an integrated system at the pilot scale or larger. The project is at FEL 2 or higher.
- **Validation.** An independent third party has validated key components and integrated system processes.

7.3 Financial Feasibility

- **Project finance analysis.** Fully developed pro forma showing (potential) sources and uses for full capital stack.
- **Business Model.** Well-specified plan with operating detail regarding revenue sources from the project, including contracted and spot market offtake, as well as modeling of feedstock and other input costs
- **Risk Analysis.** Identified as an Attachment in Appendix B, the applicant lays out potential project risks, evaluates those risks, and proposes risk mitigation action(s). Considerations should include: the project's supplier diversity and supply chain contingencies; the potential for alternate feedstocks in the event of necessity and/or seasonal needs; the availability of diverse transit options, including rail; storage capacity on site; and off-site processing and storage.

7.4 Execution

Any project funded in Phase 2 must either (1) be in full and complete compliance with CEQA, or (2) any funding will be contingent upon the applicant completing CEQA, in a timeframe consistent with an expected operational start state in June 2027, to the Department's satisfaction and the Department reserves the right to require modification to design, additional mitigation, and to ultimately find the project is not consistent with its program, and therefore remove it from the list of potentially eligible proposals for Phase 2 funding. No Phase 2 (implementation, including breaking ground and/or site work of any kind) funding shall be disbursed until CEQA compliance is completed.

- **Permits.** Applicant has identified and obtained all permits required for the project or, if not all permits have been obtained, a feasible and detailed timeline of that process is provided.
- **Land Tenure and Site Control.** Applicant has documented land tenure/site control of all properties to serve as the project location. See Appendix B for an attachment where this can be documented.
- **Site Infrastructure.** Applicant has documented the existence of sufficient capacity accessing all required off-site infrastructure (electricity, water, natural gas, road/rail as applicable).
- **Feedstock.** Feedstock sourcing plan demonstrates sufficient, reliable supply of waste residues over the project life is available, and facility is appropriately sized to availability. Additional criteria are described in the Table 7, at the end of this section.

7.5 Negative Carbon Accounting

Projects receiving funds are required to create carbon-negative fuels from materials resulting from forest vegetation management, as determined based on a life cycle analysis of the greenhouse gases emitted and sequestered from the project. See Appendix D for details on expected Phase 2 requirement for Negative Carbon Accounting and Life Cycle Analysis.

- **Life cycle analysis.** Engineering design is complete enabling a high-quality LCA of the facility stages; finished fuel use, technology provider, feedstock sources, etc. are established with strong certainty. If LCA is not yet complete, a feasible and detailed timeline of the expected process is included.
- **Geologic carbon sequestration strategy (if applicable).** Technology and site are "CCS-Ready." Project location has identified a CO₂ transportation strategy (included as part of LCA) and target geologic carbon storage site.
- **Biochar strategy (if applicable).** Anticipated properties of biochar are identified, based on the technology selected. Biochar will be used as a soil amendment or product component, not solid-fuel combustion.

Table 7: Feedstock Supply Scoring Table

Consideration	High Points	Medium Points	Low to No Points
Forest Treatment Types	A feedstock supply plan is developed to source forest biomass waste (see Section 1.2, Table 1, for definition) from exclusively non-clearcut forest treatments. Only non-merchantable residues (wastes) are utilized for fuel. Priority is given to projects that facilitate fire hazard reduction treatments or utilize forest biomass waste that would otherwise be infeasible or expensive to remove, leading to a reduction in on-site activity fuels and/or pile burning.	The majority of planned feedstock is forest biomass waste. Clearcuts are limited or nonexistent in the feedstock supply plan. There is limited evidence showing that the project would facilitate fire hazard reduction treatments or lead to a reduction in on-site activity fuels or pile burning.	Clearcut-sourced feedstocks are a primary source, feedstocks are not within the definition of non-merchantable forest biomass waste, or the feedstock supply plan lacks sufficient detail to evaluate forest treatment types.
Feedstock Type and Geography	Highest points will go to applications planning to use less than 20% agricultural waste, sawmill residues, or municipal solid waste, and with 80% or more of their woody biomass coming from the Sierra Nevada. Total tonnage of forest biomass waste processed per project will also be taken into consideration. Large projects may require a greater percentage of feedstock derived from outside the Sierra Nevada for financial feasibility but may still process a large volume of Sierra forest biomass waste relative to smaller proposed projects.	Medium points will go to those applications sourcing no more than 20% of their feedstock – over the long term of 10 years or more – from agricultural waste, sawmill residues, or municipal solid waste, and/or anywhere outside of the Sierra Nevada.	Lowest points will go to those applications utilizing more than 20% non-forest biomass (e.g., agricultural residues), sawmill residues and/or biomass originating from outside the Sierra Nevada. These metrics will be evaluated on a long term – 10 years or more – basis.

Consideration	High Points	Medium Points	Low to No Points
Supply Agreement Length	Secured supply agreements for 10 years or longer for 60% of supply capacity.	Secured supply agreements for 5 years or longer for 50% of supply capacity, or a longer term but lesser percent of capacity.	Less than 50% of supply capacity is met with supply agreements of 5 years or longer and no agreements of longer than 5 years exist. If the applicant has secured supply agreements for longer than 5 years, they exist for 20% or less of capacity.
Supply Agreement Landowners	The application includes proof of supply agreements from a mix of landowners including federal and/or private non-industrial.	Supply agreements from a mix of landowners, but majority of feedstock comes from private industrial timberland.	Supply comes 100% from private industrial timberland.
Risk Analysis	Risk analysis, Attachment ii in Appendix B, addresses feedstock contingencies, including: the project's supplier diversity and supply chain contingencies; the potential for alternate feedstocks in the event of necessity and/or seasonal needs; the availability of diverse transit options, including rail; storage capacity on site; and off-site processing and storage.	Risk analysis addresses feedstock contingencies but risk mitigation is incomplete or insufficient to ensure project success in the case of seasonal needs or unexpected events such as catastrophic wildfire or changes to supply agreements.	Risk analysis does not address feedstock contingencies.

APPENDIX A: REQUIRED PHASE 1 ATTACHMENTS

Attachment 1: Application Form – template included here

Attachment 2: Project Budget – applicant-supplied document

Attachment 3: Project timeline – applicant-supplied document

Attachment 4: Techno-economic Analysis (TEA) – applicant-supplied document

Attachment 5: Life cycle analysis (LCA) calculations – applicant-supplied document

Attachment 6: CEQA Compliance Form – template included here

Attachment 7: Permit Approval Status Form – template included here

Attachment 8: Applicant Declaration – template included here

Attachment 1: Application Form – Phase 1

This form provides the Department of Conservation (DOC) with basic information about the applicant and the project. Each applicant must complete and sign this form. Each form may address only one Project. If an applicant submits multiple applications that address the same project, each application must be for a distinct project (i.e., no overlap with respect to the tasks described in the Application Narrative, “to be funded activities” section).

A. Applicant’s Identification Information	
Legal Name	
Status	<input type="checkbox"/> Private Company <input type="checkbox"/> Non-profit <input type="checkbox"/> California State Agency <i>(includes the University of California and California State University)</i> <input type="checkbox"/> Government Entity <i>(e.g., city, county, federal government, air/water/school district, joint power authority, out-of-state university)</i>
Federal Tax ID #	
Project Manager <i>(serves as the point of contact for all DOC communications)</i>	Name:
	Street Address:
	City, State, and Zip Code:
	Telephone Number:
	Fax Number:
	E-Mail Address:

B. Project Title

C. Proposed Term. (Phase 1 awards have up to 12 months for completion.)	
Start Date:	End Date:

<p>D. Overall Project Requirements. <i>(Place a check in each box with which the project complies. See Section 1 of the solicitation for an explanation of the project requirements).</i></p> <p><input type="checkbox"/> The project must use 60% or more forest biomass waste as feedstock, sourced from the Sierra Nevada, with geography defined by the Sierra Nevada Conservancy’s boundary (described in PRC section 33302(f)).</p> <p><input type="checkbox"/> The planned facility must be located within the Sierra Nevada, as defined in the project definitions found in Table 1 of Section 1.2 of the grant solicitation guidelines.</p> <p><input type="checkbox"/> The project must produce a liquid fuel or hydrogen.</p> <p><input type="checkbox"/> Project applicant understands that the fuel produced must be carbon negative on a life cycle basis.</p> <p><input type="checkbox"/> The fuel produced must be used in California.</p>

<p>E. Project Location</p> <p>Street Address:</p> <p>City, State, and Zip Code:</p>
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<p>F. Funding. <i>(See the “Funding” section in Part I of the solicitation)</i></p>	
Amount Requested in Phase 1: up to \$500,000	\$
Amount Expected to be needed for full project implementation (estimate)	\$
<p>Match Funding</p> <p><i>While not required, match funding is expected to be needed. The amount stated here must be consistent with the amount presented in Attachment 2, Project Budget. More than one box may be selected, as applicable.</i></p>	<p>\$</p> <p><input type="checkbox"/> Cash in hand</p> <p><input type="checkbox"/> Equipment</p> <p><input type="checkbox"/> Materials</p> <p><input type="checkbox"/> Information technology services</p> <p><input type="checkbox"/> Travel</p> <p><input type="checkbox"/> Subcontractor costs</p> <p><input type="checkbox"/> Contractor/ project partner in-kind labor costs</p> <p><input type="checkbox"/> Advanced practice costs</p>

<p>G. California Environmental Quality Act (CEQA) Compliance. <i>(For an explanation of CEQA requirements, see Attachment 6, CEQA Compliance Form or CEQA: The California Environmental Quality Act.)</i></p>
<p>1. Are the proposed activities considered a “project” under CEQA (i.e., do they have the potential to cause a direct or a reasonably foreseeable indirect physical change in the environment)? See <i>California Public Resources Code Section 21065 and 14 California Code of Regulations Section 15378 for a definition of “project.”</i></p> <p><input type="checkbox"/> Yes: skip to question 2.</p> <p><input type="checkbox"/> No: complete the sentence below and Attachment 6. The activities funded by the agreement will not cause a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment because ... <i>[complete the sentence].</i></p>
<p>2. If the proposed activities are considered a “project” under CEQA and are not exempt, has the required environmental review been completed?</p> <p><input type="checkbox"/> Yes (provide the documentation required in Attachment 6, CEQA Compliance Form)</p> <p><input type="checkbox"/> No (explain why no documentation has been prepared where indicated on Attachment 6)</p>

<p>H. Subcontractors. <i>(If subcontractors will perform work for the project, insert the legal name of each subcontractor below.)</i></p>

<p>I. Certifications</p>
<p>1. I am authorized to complete and sign this form on behalf of the applicant.</p> <p>2. I hereby authorize the DOC to make any inquiries necessary to verify the information presented in this application.</p> <p>3. I hereby authorize the DOC to obtain business credit reports and make any inquiries necessary to verify and evaluate the financial condition of the applicant.</p> <p>4. I certify that this application does not contain any confidential or proprietary information.</p> <p>5. I hereby certify that I have read and understand the terms and conditions contained in this solicitation. I accept the terms and conditions contained in this solicitation on behalf of the applicant.</p> <p>6. I hereby certify to the best of my knowledge and under penalty of perjury that the information contained in this application is correct and complete.</p>
<p>Signature of Authorized Representative: _____ Date: _____</p>
<p>Printed Name of Authorized Representative: _____</p>

Attachment 2: Project Budget – applicant-supplied document

Attachment 3: Project timeline – applicant-supplied document

Attachment 4: Techno-economic Analysis (TEA) – applicant-supplied document

Attachment 5: Life cycle analysis (LCA) calculations – applicant-supplied document

Attachment 6: CEQA Compliance Form

All applicants must **complete** this form, regardless of whether the proposed activity is considered a “project” as defined below. Answer all questions as completely as possible. The Department may request additional information in order to clarify the responses provided on this form.

The California Environmental Quality Act (CEQA) (California PRC §§ 21000 et seq.) requires public agencies to identify the significant environmental impacts of their actions and to avoid or mitigate them, if feasible. For a brief description of CEQA, visit [Frequently Asked Questions About CEQA](#). Under CEQA, an activity that may cause either a direct or reasonably foreseeable indirect physical change in the environment is called a “**project**” (PRC § 21065). An activity funded by a contract, grant, or loan is considered a “project” under CEQA if it will cause a direct or reasonably foreseeable indirect physical change in the environment. Agencies must comply with CEQA before they approve a “project.” This may require the preparation of one or more of the following CEQA documents:

- A **Notice of Exemption** if the project is exempt from CEQA under an exemption identified in the CEQA statutes or regulations (14 CCR §§ 15061 and 15062);
- An **Initial Study** if the project may have a significant effect on the environment (14 CCR § 15063);
- A **Negative Declaration** if the Initial Study shows that the project will not have a significant effect on the environment, or a **Mitigated Negative Declaration** if any significant effects identified by the Initial Study can be avoided or mitigated to a level of insignificance (14 CCR §§ 15070 et seq.); or
- An **Environmental Impact Report** if there is substantial evidence that the project will have significant effects (14 CCR §§ 15080 et seq.).

If an initial study or environmental impact report has already been completed by a local jurisdiction, the applicant must ensure that such an analysis covers the work in the proposed project, or must obtain a revised analysis and determination from the local jurisdiction reviewing the proposed project.

The **Lead Agency** is the public agency that has the greatest responsibility for carrying out, supervising, or approving a project, and for preparing environmental review documents under CEQA (e.g., initial study, environmental impact report). Where the award recipient is a *public agency*, the Lead Agency is typically the recipient. Where the award recipient is a *private entity*, the Lead Agency is the public agency that has the greatest responsibility for supervising or approving the project as a whole (14 CCR §§ 15050 and 15051). The Lead Agency typically has general governmental powers (such as a city or county), rather than a single or limited purpose (such as an air pollution control district).

When issuing contracts, grants, or loans, the Department is typically a “**Responsible Agency**” under CEQA, which means that it must make CEQA findings based on review of the funded activities and any environmental documents created by the Lead Agency. If the Department is the only public agency with responsibility for approving the funded activities and the project is not exempt under CEQA, the Department must act as the Lead Agency and prepare its own environmental documents before approving the project.

This form will help the Department determine what type of CEQA review is necessary before it can approve the award, and which agency will perform any required environmental review as Lead Agency. It may also help the applicant determine the CEQA process necessary for the proposed activities.

***Note:** Applicants should submit this form as part of both their Phase 1 and Phase 2 funding applications. Except as specifically noted under Item 1, below, the form should be answered with respect to the activities proposed for funding during that Phase. For example, if an applicant’s Phase 1 project activities include only planning for a project expected to be constructed if Phase 2 funding is obtained, the responses on this form should be limited to the activities in Phase 1 and not include construction and other Phase 2 activities.

- Describe the permitting required for the project and whether or not the permitting has been completed. If complete, provide appropriate documentation. If local jurisdiction CEQA review and project approval is not complete, applications must include information documenting progress towards and a schedule for achieving compliance under CEQA within the timeframes specified in this solicitation (see Sections 1 and 7). All supporting documentation must be included in this Attachment. *NOTE: Phase 1 applicants should answer this question in relation to their proposed Phase 1 activities, but also for their anticipated Phase 2 project. Phase 1 applicants should also include here a discussion of their project team’s capability and experience to complete the project, including securing all necessary permits and CEQA compliance.***
- What are the physical aspects of the proposed activities?** (Check all that apply and provide a brief description of work, including the size or dimensions of the project). Attach additional sheets as necessary.

Type of Project	Yes	No	Project Description
Construction (including grading, paving, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	
Trenching	<input type="checkbox"/>	<input type="checkbox"/>	
New or replaced pipelines	<input type="checkbox"/>	<input type="checkbox"/>	
Modification or conversion of a facility	<input type="checkbox"/>	<input type="checkbox"/>	
New or modified operation of a facility or equipment	<input type="checkbox"/>	<input type="checkbox"/>	
On-road demonstration	<input type="checkbox"/>	<input type="checkbox"/>	
Paper study (including analyses on economics, feedstock availability, workforce availability, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	
Laboratory research	<input type="checkbox"/>	<input type="checkbox"/>	
Temporary or mobile structures (skid-mounted)	<input type="checkbox"/>	<input type="checkbox"/>	
Design/Planning	<input type="checkbox"/>	<input type="checkbox"/>	
Other (describe and attach sheets as necessary)	<input type="checkbox"/>	<input type="checkbox"/>	

3. **Where are the proposed activities located or where will they be located?** Attach additional sheets as necessary.

Street Address	City/County	Type of Work to Be Completed at Site

4. **Will the proposed activities potentially have environmental impacts that trigger CEQA review?** (Check one box and explain for each question).

Question	Yes	No	Unsure	Explanation
Is the proposed activity site environmentally sensitive?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is the site located on agricultural land?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are the activities part of a larger project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is there public controversy about the proposed activities or larger project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Will historic resources or historic buildings be impacted by the activities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Has the proposed site been identified by the Dept. of Toxic Substances Control and the Secretary of the Environmental Protection Agency as being affected by hazardous wastes or cleanup problems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Will the activities generate noise or odors in excess of permitted levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Will the activities increase traffic at the site, and by what amount?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

5. Will the proposed activities require discretionary permits or determinations, as listed below?

Permit Type	Number	Modified (M) or New (N)	Approving Public Agency	Reason for Permit, Summary of Process, and Anticipated Issuance Date
Air Quality		M <input type="checkbox"/> N <input type="checkbox"/>		
Water Quality		M <input type="checkbox"/> N <input type="checkbox"/>		
Conditional Use or Variance		M <input type="checkbox"/> N <input type="checkbox"/>		
Building Expansion		M <input type="checkbox"/> N <input type="checkbox"/>		
Hazardous Waste		M <input type="checkbox"/> N <input type="checkbox"/>		
Rezoning		M <input type="checkbox"/> N <input type="checkbox"/>		
Authority to Construct		M <input type="checkbox"/> N <input type="checkbox"/>		
Other (List types):		M <input type="checkbox"/> N <input type="checkbox"/>		

6. Has any agency listed in #5 indicated that it will be the lead CEQA agency for the project?

- No.**
- Yes.** Provide the name of and contact information for the lead agency (contact person, phone number, and email address):

7. **Has any agency listed in #5 prepared or indicated that it will prepare environmental documents (e.g., Notice of Exemption, Initial Study/ Negative Declaration/ Mitigated Negative Declaration, Environmental Impact Report) under CEQA for the proposed project?**

- No.**
- Yes.** Complete the chart below for each agency. **Cut and paste** the chart if more than one agency has prepared environmental documents. **Attach** any document identified below to this form. **Planned Completion Date must be prior to Department encumbrance deadline.**

Name of Agency: _____

Contact person: _____

Telephone number: _____

Email: _____

CEQA Determination/ Type of Document	Title of Document (Attach the document to this form)	State Clearinghouse Number	Completion Date	Planned Completion Date
Not a project <input type="checkbox"/> Email <input type="checkbox"/> Letter <input type="checkbox"/> Resolution <input type="checkbox"/> Other:		N/A		N/A
Exempt <input type="checkbox"/> Notice of Exemption <input type="checkbox"/> Resolution <input type="checkbox"/> Agenda item approving exemption		N/A		
Initial Study				
Negative Declaration				
Mitigated Negative Declaration				
Notice of Preparation				
Environmental Impact Report				
Master Environmental Impact Report				
Notice of Determination				
NEPA document (42 U.S.C. 4321 et seq.) <input type="checkbox"/> Environmental Assessment <input type="checkbox"/> Finding of No Significant Impact <input type="checkbox"/> Environmental Impact Statement				

8. **If any agency identified in #5 has indicated that it will prepare CEQA documents and has not done so, explain why no document has been prepared and provide an estimated date for approval (must complete the CEQA process within sufficient time for the Department to meet its encumbrance deadline, as the Department in its sole and absolute discretion may determine):**

Attachment 7: Permit Approval Status Form

This list is not all-inclusive. It is the Grantee’s responsibility to identify and comply with all applicable permits. If acquiring a long-term encroachment permit, evidence that the entity with jurisdiction over the project is aware of the project and willing to work with the Applicant to issue the permit, must be submitted with the application.

STATE PERMITS

Permitting Agency	Type of Requirement	Required?	Applied?	Acquired?	Date Anticipated
State Office of Historic Preservation	Cultural Resources-Submission of findings to State Historic Preservation Officer (National Historic Preservation Act, Section 106)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Native American Heritage Commission	Notification of proposed action to California Native American tribe with traditional lands located within project area.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Coastal Commission	Coastal Development Permit / Letter of Consistency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Caltrans	Encroachment Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Regional Water Quality Control Board	401 Water Quality Certification or Waste Discharge Requirement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
State Water Resources Control Board	Water Rights Permit/ General Industrial Storm Water Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
State Lands Commission	Permit required if using State owned property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
California Department of Fish and Wildlife	Scientific Collecting Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
California Department of Fish and Wildlife	Streambed Alteration Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FEDERAL PERMITS

Permitting Agency	Type of Requirement	Required?	Applied?	Acquired?	Date Anticipated
Native American Graves Protection and Repatriation Act (NAGPRA)	Return certain Native American cultural items to lineal descendants, and culturally affiliated Indian tribes and Native Hawaiian organizations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

LOCAL AND REGIONAL PERMITS

Permitting Agency	Type of Requirement	Required?	Applied?	Acquired?	Date Anticipated
City/County	Grading Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
City/County	Environmental Health Department	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
City/County	Building	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
City/County	Electrical	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
City/County	Plumbing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
City/County	Mechanical	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
City/County	Landscaping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
City/County	Sign Permits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
City/County	Demolition Permits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
City/County	Model Water Efficient Landscape Ordinance (MWELO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
San Francisco Bay Conservation and Development Commission	Any relevant permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Tahoe Regional Planning Agency	Any relevant permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Local Resource Conservation District	Consultation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Flood Control Districts	Floodway and Hydrological	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Attachment 8: Applicant Declaration

As of the date of the application deadline for the DOC solicitation Forest Biofuels/Gasification Pilot Program, the entity submitting this application (Applicant):

- Is not delinquent on any federal, state, or local tax payments; and
- Has not had its California business registration status suspended by the California Franchise Tax Board within the last 7 years; and
- Has not filed for bankruptcy in the last 10 years; and
- Is not currently planning to file for bankruptcy; and
- Is registered to do business in California, which typically means with the California Secretary of State, and such registration is in good standing; and
- Is not actively being sued nor to its knowledge, is being investigated by any government agency; and
- Is in compliance with the terms of all settlement agreements, if any, entered into with the California Natural Resources Agency or any of its departments, or another government agency or entity; and
- Is in compliance with all judgments, if any, issued against the Applicant in any lawsuit or other matter to which the California Natural Resources Agency or any of its departments, or another government agency is a party; and
- Is complying with any demand letter made on the Applicant by the California Natural Resources Agency or any of its departments, or another government agency; and
- Is not in active litigation with the California Natural Resources Agency or any of its departments regarding the Applicant's actions under a current or past contract, grant, or loan with the California Natural Resources Agency or any of its departments; and
- Has not failed to provide a final report under any agreement with the California Natural Resources Agency or any of its departments that has ended within the past five years.

For the Applicant, and having authority to do so, I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct:

(Date)

(Signature)

(Printed Name)

APPENDIX B: OPTIONAL PHASE 1 ATTACHMENTS

- i. Land Tenure – template included here
- ii. Risk Assessment – applicant-supplied document

Attachment B.i: Land Tenure / Property Data / Site Control Sheet

For “on the ground” projects, complete this form listing each parcel included in the proposed project, as well as the owner(s) of each parcel. Attach all required documents (deeds, tax records, county records, title reports etc.) to verify ownership. Attach additional sheets if necessary.

No	Owner Name	Assessor Parcel Number(s)	Acreage	If parcel(s) owned by Applicant(s), indicate type of ownership.			For all parcels, indicate document used to demonstrate ownership and attach a copy of each document-clearly labeled with the APN-to this document.	If parcel(s) not owned by Applicant(s), indicate document verifying long-term Permission to Develop and maintain project.					Entity to perform O&M	# of years O&M to be performed
				Fee Simple	Easement	Other (describe)		O&M Agreement	Lease	JPA	Letter from Owner	Other (describe)		
1														
2														
3														
4														
5														
6														
7														
8														
9														
10														
Comments														

Total Number of Parcels: _____ **Total Number of Acres:** _____

APPENDIX C: SAMPLE GRANT AGREEMENT

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Exhibit A, Scope of Work

1. Forest Biomass to Carbon-Negative Biofuels Pilot Program Background

The Forest Biomass to Carbon-Negative Biofuels Pilot Program seeks to fund technology demonstration and deployment activities that simultaneously manage catastrophic wildfire risks and develop carbon negative fuels.

The Department of Conservation (“Department”) released the Forest Biomass to Carbon-Negative Biofuels Pilot Program Solicitation Guidelines in August of 2022 ([Exhibit E](#)) (Solicitation). The “Project” is Grantee’s performance of the work set forth in the Work Plan ([Attachment 2](#)).

The Forest Biomass to Carbon-Negative Biofuels Pilot Program is administered by the Department, with assistance from the California Energy Commission (CEC), California Air Resources Board (CARB), California Natural Resources Agency (CNRA), California Department of Forest and Fire Protection (CalFIRE), Governor’s Office of Planning and Research (OPR), te Governor’s Office of Business and Economic Development (GOBiz), California Infrastructure and Economic Development Bank (iBank), and Sierra Nevada Conservancy (SNC).

2. Authorized Signers

The Department Director or designee is authorized to sign this Grant Agreement and grant-related documents.

Grantee’s Authorized Signatory or designee is authorized to sign this Grant Agreement and grant-related documents as shown in the Authorized Signatory Form ([Attachment 1](#)).

Grantee must keep Authorized Signatory Forms up to date. Within seven (7) working days of any change to the authorized signatory or to the delegated authorized signatory, Grantee shall notify the Department in writing of the change. The written notice shall be sent as an electronic mail (email) attachment to be filed with the Grant Agreement.

3. Project Representatives

The project representatives are the contact people for Agency and Grantee. The project representatives during the term of this Grant Agreement are:

Agency

Name	Title	Phone Number	Email
	Grant Manager*		

* Unless otherwise stated within this Grant Agreement, all correspondence and documents will be sent to the Grant Manager.

Grantee

Name	Title	Phone Number	Email

The Department and Grantee must keep the Project Representative(s) up to date. Any changes to the Project Representatives by either Grantee or the Department shall be made by providing seven (7) working days advance written notice to the other party. The written notice shall be sent as an electronic mail (email) attachment to be filed with the Grant Agreement.

4. Grantee Responsibilities

Grantee is responsible for:

- A. Using grant funds only as intended for the Project.
- B. Completing work on time and within budget. This includes meeting all milestones and deliverables, as described in the Work Plan ([Attachment 2](#)), and in accordance with the Budget Detail Worksheet ([Attachment 4](#)), unless otherwise agreed to by all parties through the amendment process described in [Exhibit B, Section 9](#).
- C. Submitting invoices for reimbursement using the Invoice ([Attachment 5](#)) template, including any supporting documents.
- D. Submitting a final report with the last invoice, using the Final Report template ([Attachment 3](#)).
- E. Complying with all terms and conditions of this Grant Agreement, including all incorporated documents.
- F. Complying with statutes, rules, and regulations applicable to this Grant Agreement.
- G. Maintaining an accounting system that accurately reflects all fiscal transactions and provides accounting information, retaining all records and required documents and providing all required documents during an audit, as specified in [Exhibit C, Section 4](#).

H. OTHER AS APPLICABLE]

5. Document Submission

- A. Electronic Mail

When this Grant Agreement requires Grantee to give invoices, reports, or other documents to the Department, Grantee must use email unless this Grant Agreement specifically requires that the document be sent by mail. All email must contain the Grant Agreement number and Grantee's name in the subject line.

6. Meetings and Reporting Requirements

- A. Grantee will participate in an orientation meeting. Attendance at the orientation is mandatory. The Department will notify Grantee of the time and place of the orientation. Grantee may invoice eligible expenses, including travel and lodging, incurred participating in the orientation.
- B. Grantee will provide monthly status updates. Updates will be provided during monthly meetings with Department staff. Department staff and Grantee will meet and confer on the time, place, manner (i.e., in person, conference call, video conference or other method), attendees, and agenda of the monthly status update. Other collaborating agencies may attend meetings.
- C. When the Project is completed, Grantee must submit a Final Report with the last invoice. To complete and submit the Final Report:
 - i. Submit the Final Report with the last invoice. If Grantee does not submit the Final Report with the last invoice, then the last invoice will be considered incomplete and returned following process specified in [Exhibit D, Section 7](#).
 - ii. Use the Final Report Template, which is attached as [Attachment 3](#).
 - iii. Make sure the Final Report is signed by the person authorized to sign on the most current Authorized Signatory Form ([Attachment 1](#)).
 - iv. Put enough detail in the Final Report to show that Grantee fulfilled the terms of the Grant Agreement and should be paid for completing the project.

7. Incorporation By Reference

Any federal, state, or local laws or regulations applicable to the project that are not expressly listed in this Agreement are incorporated by reference, and such laws or regulations shall be controlling in the event of a conflict with this Agreement.

Attachment 1: Authorized Signatory Form

I hereby verify that I am an authorized Grantee representative and signatory and, as such, can sign and/or delegate authorization to sign and bind Grantee as it relates to the above-referenced Grant Agreement and grant related documents.

Grantee Authorized Signatory:

Name: _____
(Type or Print Name)

Title: _____

Signature: _____

Date: _____

Delegated Authorized Signatories:

1. Name: _____
(Type or Print Name)

Title: _____

Signature: _____

Date: _____

Document(s) Authorized to sign: All Grant Related Documents **or** Grant Agreement
 Grant Amendments Budget Amendments Reports
 Invoices Other _____

2. Name: _____
(Type or Print Name)

Title: _____

Signature: _____

Date: _____

Document(s) Authorized to sign: All Grant Related Documents **or** Grant Agreement
 Grant Amendments Budget Amendments Reports
 Invoices Other _____

Attachment 2: Work Plan

Attachment 3: Final Report

Final Report	Date Submitted:
Grantee Name:	Grant Number:
Project Name:	

1. Based on your experiences with this grant program, please provide feedback about how the Department can improve future grant programs.
2. Briefly summarize the Project's results and outcomes, including how the goals and objectives were accomplished, findings or conclusions, and planned or potential future projects that may result from the Project. Include a list of other sources of funding that were secured, directly or indirectly, through this Project.
3. Describe and explain any differences between the planned results, as listed in the Work Plan ([Attachment 2](#)), and the actual results. Include a discussion of any problems, barriers, or issues that occurred during the Project, corrective actions taken, and the outcomes.
4. Explain plans for long-term operations, and the fiscal solvency, feedstock availability, workforce capacity, or other constraints or opportunities for the Project in the host community.
5. Attach any relevant documents to this report, including plans, photos, news articles, fliers, etc. If the documents cannot be sent electronically, notify the Grant Manager.
6. Equipment Inventory Record: Grantee must submit an inventory of all equipment acquired with grant funds at the end of the Project Completion Period using the template provided by the Department.

I certify that this Final Report is accurate and that this project complies with the Agreement. I further certify that any expenditure discussed in this report is allowed under the Agreement and that all funds were expended for the purposes of this Project.

Name: _____
(Type or Print Name)

Title: _____

Signature: _____

Date: _____

Exhibit B, Budget Detail and Payment Provisions

1. Payment

- A. Payment will be on a reimbursement basis for actual costs and expenses incurred. A grantee must have identified and accomplished progress metrics – as identified in the Work Plan – prior to expending funds and requesting reimbursement for the next stage of development.
- B. Advances may be permitted under this Grant Agreement at the Department's sole discretion. The Department may distribute up to 20% of the grant amount at a time in anticipation of the work to be performed in advance of actual expenditures; advance funds will not be expended for future stages of implementation until the current stage is judged complete and successful. Approval of an advance does not require the Department to approve future requests for an advance. If the Department does not approve a request for an advance, Grantee will submit invoices monthly in arrears unless a subsequent request for advance payment is made and approved.
- C. Except for permitted advances, invoices will be submitted monthly in arrears.
- D. Both invoices for advance payment and incurred expenses in arrears require submittal of an itemized invoice and supporting documentation. Supporting documentation for advance funds include cost estimates for performance of specified tasks within the Work Plan.
- E. Upon receipt and approval of an itemized invoice and required supporting documentation, the Department agrees to reimburse Grantee for actual expenditures for tasks completed, in accordance with the rates specified in the Budget Detail Worksheet ([Attachment 4](#)).
- F. The Department may withhold final payment until all terms of the Grant Agreement have been satisfied.
- G. Payment shall be made within forty-five (45) days upon receipt and approval of an invoice. Failure to comply with requirements may result in non-payment or delayed payment.
- H. For cost principles, see [Exhibit B, Section 5](#).

2. How to Submit Invoices

- A. Send the invoices to the Grant Manager by email. Include the Grant Agreement number and Grantee's name in the subject line.
- B. Send invoices regularly, to keep getting paid. Grantee shall submit invoices no more frequently than monthly, in arrears, to the Grant Manager.
- C. A request for payment shall consist of:
 - i. The Invoice ([Attachment 5](#)) on official letterhead and signed by the Authorized Signatory, or authorized designee on file with the Department ([Exhibit A, Section 3](#)), certifying the expenditures are for actual expenses for the tasks performed under this Grant Agreement.
 - ii. Each cost category and task must correspond to a cost category and task identified in the Budget Detail Worksheet ([Attachment 4](#)).
 - iii. Supporting documentation for reimbursement of funds.
- D. If Grantee receives advanced funds, it will report quarterly:
 - i. Eligible costs incurred and paid from advance funds and include supporting documentation (e.g., timesheets, activity logs, cancelled checks). Each cost must correspond to a category and task identified in the Budget Detail Worksheet ([Attachment 4](#)).
 - ii. Certification that the expenditures were for actual expenses for the tasks performed under the Grant Agreement.
 - iii. Remaining total of advance funds on hand.

- E. At any time, the Department may request hard copies of invoices, reports, supporting documentation, and evidence of progress.

3. Invoice Dispute

In the event of an invoice dispute, see [Exhibit D, Section 7](#).

4. Budget Contingency Clause

- A. If the Budget Act of the current year and/or any subsequent years covered under this Grant Agreement does not appropriate sufficient funds for the program, this Grant Agreement shall have no further force nor effect. In this event, the Department shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Grant Agreement, and Grantee shall not be obligated to perform any provisions of this Grant Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the Department shall have the option to either cancel this Grant Agreement with no liability occurring to the Department or offer an amendment to reflect the reduced amount.

5. Cost Principles

- A. All costs to be reimbursed must be consistent with the Grant Solicitation ([Exhibit E](#)). In addition to the “ineligible costs” described in the Grant Solicitation ([Exhibit E](#)), the following costs are also not eligible for reimbursement:
- Profits or losses
 - Contingency costs
 - Imputed costs (e.g., cost of money)
 - Fines and penalties
 - Excess profit taxes
 - Unapproved, increased rates and fees
- B. All costs to be reimbursed must be reasonable.
- C. The Department will reimburse Grantee only for actual expenses incurred during the term of this Grant Agreement, as specified in the Budget Detail Worksheet ([Attachment 4](#)). Any costs incurred outside of the Grant Agreement term are not eligible for reimbursement.
- D. Grantee shall place advance funds in a separate interest-bearing account, setting up and identifying such account prior to the advance. Interest earned on advances must be used solely on the Project. Unless spent on approved costs, the grant amount will be reduced by the amount of the interest earned. Unused advances will be returned to the Department within 30 days of completion of the Project or termination of the agreement.

6. Travel Reimbursement

Travel expenses directly related to the performance of this Grant Agreement will be subject to the State of California travel reimbursement rates in effect during the term of this Grant Agreement.

- A. The Department will only reimburse for actual expenditures incurred for in-state travel.
- B. Grantee shall maintain, and submit upon request, detailed travel records and supporting documents (e.g., travel request and approval forms, expense claims, invoices, receipts for lodging and transportation) showing the date and purpose of the grant-related travel, destination, and, in the case of travel by automobile, the number of miles driven. No reimbursement for food or beverages, incidentals, tips, or per diems will be made under this Agreement.
- C. Grantee shall ensure travel costs are included in the Budget Detail Worksheet ([Attachment 4](#)) and are tied to tasks and deliverables in the Work Plan ([Attachment 2](#)). Travel not listed in the budget requires prior written authorization from the Department Grant Manager.

- D. Grantee and any person traveling pursuant to this Grant Agreement shall indemnify and hold harmless the Department and State of California for any liabilities resulting from such travel.

7. Equipment

- A. The Grantee, Partner, or Subcontractor, as applicable and with concurrence of the Department, must be the sole owner on title for any equipment purchased with funds that are reimbursable as a direct cost of the Project, as determined by the Department. During the Project, equipment must be dedicated to the described use in the same proportion and scope as in this Grant Agreement, unless the Department authorizes otherwise following the amendment process, specified in [Exhibit B, Section 9](#).
- B. On termination of the Grant Agreement, the Department will either require that the equipment be returned or authorize the continued use of such equipment at the Project Area. In making that determination, the Department will consider the useful life of the equipment, and the Grantee may be required to refund the Department for the fair market value of equipment that continues to have a usable life but is no longer required for Project implementation.
- C. For any vehicles that were approved as equipment purchases, the vehicles acquired – including cars, trucks, vans – must be maintained in a state of good repair and dedicated to the described use during the grant term and to public use for their full useful life.
- D. Grantee must maintain an inventory record for each piece of non-expendable equipment purchased or built with funds provided under the terms of a Grant Agreement. Grantee must submit an inventory of all equipment acquired with grant funds at the end of the Project Completion Period using a template provided by the Department.
- E. As used in this Agreement, “equipment” means objects, machinery, apparatus, implements, or tools that are purchased or constructed with Department funds for the project, and that have a useful life of at least one year and an acquisition unit cost of at least \$5,000. “Equipment” includes products, objects, machinery, apparatus, implements, or tools that are composed by over thirty percent (30%) of materials purchased for the project. For purposes of determining depreciated value of equipment used in the Agreement, the project will terminate at the end of the normal useful life of the equipment purchased and/or developed with Department funds. The Department may determine the normal useful life of the equipment.

8. Budget Modifications

- A. Grantee must keep the Budget Detail Worksheet up to date.
- B. Changes up to twenty percent (20%) between tasks shall be made by providing written notice with or before submission of an invoice. If submitted before the invoice, the written notice shall be sent as an electronic mail (email) attachment to be filed with the Grant Agreement.
- C. Changes of more than twenty percent (20%) between tasks shall follow the amendment process, specified in [Exhibit B, Section 9](#).

9. Amendments

- A. This section applies to any changes to this Grant Agreement, excluding the following:
- i. Changes to the Authorized Signatory Form ([Attachment 1](#)). For changes to the Authorized Signatory Form see [Exhibit A, Section 3](#).
 - ii. Changes to project representatives, see [Exhibit A, Section 4](#).
 - iii. Changes to the Budget Detail Worksheet of up to twenty percent (20%) between tasks, see [Exhibit B, Section 8](#).
- B. Except as otherwise specified, Grantee must request and obtain prior written approval before any change (amendment) to this Grant Agreement is valid.

- C. Request for amendments must:
 - i. Be prepared, in writing, on official letterhead and signed by the Authorized Signatory or designee on file with the Department.
 - ii. Be submitted to the Grant Manager at least two (2) months prior to when the amendment is needed.
 - iii. Include the Grant Agreement number, a detailed explanation of the proposed amendment, reason for the amendment, and the effect of not approving the request.
 - iv. Include a copy of the document(s) requested for amendment that shows the requested changes.
- D. The Grant Manager will respond in writing within fifteen (15) working days from receipt of request to approve or deny the request for amendment, including the reason for the decision.
- E. The Grant Manager will process amendments within thirty (30) days of the approval date. The amendment will not be in effect until both parties have signed the Grant Agreement amendment.

Attachment 4, Budget Detail Worksheet

Total Budget Allocation

Attachment 5, Invoice

Date: _____

Email required invoice documents to: Grant Manager

XXXX@conservation.ca.gov

		Invoice Number:
Grantee Name:		Grant Number:
Project Name:		
Invoice Period	(Start Date)	(End Date)

Cost Category	Task #1	Task #2	Task #3	Task #4	Total
Staff					
Contractors					
Sub-grantees					
Current Total					
Cumulative Total					
Allocated Total					

Cost Category	Total
Administration (not to exceed 20%)	
Travel	
Cumulative Total	
Allocated Total	

Work Plan Task #	Description of Work Completed
	<i>Please refer to specific deliverables in the Budget and Work Plan.</i>

Status Update

Work Plan Task #	On Schedule (Y/N)	Within Budget (Y/N)	Corrective Plan or Action, if needed

CERTIFICATION: By my signature below, I certify that I have full authority to execute this payment request on behalf of Grantee. I declare under penalty of perjury, under the laws of the State of California, that this invoice for reimbursement, and any accompanying supporting documents, are true and correct to the best of my knowledge, and all disbursements have been made for the purposes and conditions as outlined in the Grant Agreement.

Print Name:	Print Title:
Signature:	Date:

Attachment 6, Invoice Dispute Notification

INVOICE DISPUTE NOTIFICATION

GRANTEE ADDRESS:	INVOICE DATE
	INVOICE NUMBER
	INVOICE AMOUNT \$
	DATE INVOICE RECEIVED
	GRANT AGREEMENT NUMBER

The invoice referenced above is disputed for the following reasons:

- | | |
|--|--|
| <input type="checkbox"/> Request reimbursement for expenses not in the Budget Detail | <input type="checkbox"/> Invoiced for indirect cost reimbursement |
| <input type="checkbox"/> Invoiced for incidental costs or travel costs outside of California | <input type="checkbox"/> Work performed prior to the Grant start or end date |
| <input type="checkbox"/> Insufficient evidence of progress made or task completion | <input type="checkbox"/> Invoice submitted without using required templates |
| <input type="checkbox"/> Insufficient supporting document for reimbursement | <input type="checkbox"/> Progress Report or Final Report not included with invoice |
| <input type="checkbox"/> Invoice not submitted by 5:00 p.m. on the required due date | <input type="checkbox"/> Request reimbursement through another funding source |
| <input type="checkbox"/> Other not listed above: | |

Comments:

THIS NOTIFICATION IS A FOLLOW UP TO A PHONE CONVERSATION WITH THE GRANTEE OR DESIGNEE WHOSE NAME APPEARS BELOW.

NAME	DATE OF CONVERSATION
------	----------------------

IF YOU HAVE ANY QUESTIONS REGARDING THIS DISPUTE, CONTACT:

NAME	TELEPHONE NUMBER (include Area Code)
------	--------------------------------------

RETURN A COPY OF THIS NOTIFICATION WITH THE CORRECTED INVOICE TO:

	STATE OF CALIFORNIA USE ONLY	
	DATE DISPUTE RESOLVED	INITIALS
	RESOLUTION	

Exhibit C, Standard Grant Terms and Conditions**1. Approval**

This Grant Agreement is of no force or effect until signed by both parties. Grantee may not commence performance until such approval has been obtained.

2. Standard of Performance

In performing work under the Agreement, Grantee, its subcontractors, and their employees are responsible for exercising the degree of skill and care required by customarily accepted good professional practices and procedures for the type of work performed.

3. Amendment

No change to this Grant Agreement shall be valid unless made in accordance with [Exhibit B, Section 9](#). No oral understanding or change not incorporated in this Grant Agreement is binding on any of the parties.

4. Recordkeeping, Cost Accounting, and Auditing**A. Recordkeeping**

Grantee shall establish an official file containing adequate documentation of all actions taken with respect to the Project, including copies of the Grant Agreement, changes, amendments, letters, email correspondence, financial records, and required reports for a minimum of four (4) years following the final payment of funds or until completion of any action and resolution of all issues which may arise as a result of an audit, whichever is later. Grantee shall adequately protect all records, physical and electronic, from loss, damage, or destruction during the four (4) year retention period.

B. Cost Accounting

Grantee will keep separate, complete, and correct accounting of the costs involved in completing the project and any match-funded portion of the project. The Department or its agent will have the right to examine the Grantee's books of accounts at all reasonable times, to the extent necessary to verify the accuracy of the Grantee's reports.

C. Accounting Procedures

Grantee's costs will be determined on the basis of its accounting system procedures and practices employed as of the effective date of this Agreement, provided that Grantee uses generally accepted accounting principles and cost reimbursement practices. Grantee's cost accounting practices used in accumulating and reporting costs during the performance of this Agreement will be consistent with the practices used in estimating costs for any proposal to which this Agreement relates; provided that such practices are consistent with the other terms of this Agreement and that such costs may be accumulated and reported in greater detail during performance of this Agreement.

Grantee's accounting system will distinguish between direct and indirect costs. All costs incurred for the same purpose, in like circumstances, are either direct costs only or indirect costs only with respect to costs incurred under this Agreement.

D. Audit Rights

Grant funded projects are subject to audit by the State of California during the grant term and for up to four years following the termination of the grant agreement. Grantee agrees that the Department, Department of Finance, Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Grant Agreement. The audit may consist of examining and auditing pertinent books, documents, papers, and records including financial transactions and supporting documents, general accounting systems, internal controls, management practices, policies, and procedures pertaining to the performance of this Grant Agreement.

At any time, the Department, Department of Finance, Bureau of State Audits, or their designated representative may request to review Grantee's records to ensure proper grant management. Grantee shall be given advance notice when the grant-funded Project is selected for an audit or review by the Department, Department of Finance, Bureau of State Audits, or their designated representative. Grantee agrees to allow the auditor(s) access to such records during normal business hours, excluding State of California holidays, and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include a similar right of the Department to audit records and interview staff in any subcontract related to performance of this Grant Agreement in accordance with Government Code section 8546.7. Grantee shall comply with the above and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code section 10115.10.

E. Refund to the Department

If the Department determines that any invoiced and paid amounts exceed the actual allowable incurred costs, the Grantee will repay the amounts to the Department within thirty (30) days of request or as otherwise agreed by the Department and the Grantee. If the Department does not receive such repayments, it will be entitled to take actions such as withholding further payments to Grantee and seeking repayment from Grantee.

F. Audit Cost

Grantee will bear its cost of participating in any audit (e.g., mailing or travel expenses). The Department will bear the cost of conducting the audit unless the audit reveals an error detrimental to the Department that exceeds more than ten percent (10%) or \$5,000 (whichever is greater) of the amount audited. Grantee will pay the refund as specified in Subsection (E) and will reimburse the Department for reasonable costs and expenses incurred by the Department in conducting the audit.

G. Match or Cost Share

If the budget includes a match share requirement, Grantee's commitment of resources, as described in this Agreement, is a required expenditure for receipt of Department funds. The funds will be released only if the required match percentages are expended. Grantee must maintain accounting records detailing the expenditure of the match (actual cash and in-kind, non-cash services), and report on match share expenditures on its request for payment. Match funds include case or in-kind contributions provided by Grantee or a third party for a project funded by the Department.

5. Contracting and Procurement Procedures

This section provides general requirements for agreements entered into between the Grantee and subcontractors for the performance of this Agreement.

A. Contractor's Obligations to Subcontractors

- i. Grantee is entitled to make use of its own staff and subcontractors, as identified in the Budget Detail Worksheet ([Attachment 4](#)), and will comply with its own competitive bidding and sole sourcing requirements for subcontracts that arise out of or in connection with this Grant Agreement. Grantee is responsible for handling all contractual and administrative issues arising out of or related to any subcontracts it enters into for the performance of this Agreement.
- ii. Nothing contained in this Agreement or otherwise creates any contractual relation between the Department and any subcontractors, and no subcontract may relieve Grantee of its responsibilities under this Agreement. Grantee agrees to be as fully responsible to the Department for the acts and omissions of its subcontractors or persons directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Grantee.
- iii. The Grantee's obligation to pay its subcontractors is an independent obligation from the Department's obligation to make payments to the Grantee. As a result, the Department has no obligation to pay or enforce the payment of any funds to any subcontractor.

- iv. Grantee is responsible for establishing and maintaining contractual agreements with and reimbursing each subcontractor for work performed in accordance with the terms of this Agreement. Grantee shall manage, monitor, and accept responsibility for the performance of its own staff and subcontractors, and will conduct Project activities and services consistent with professional standards for the industry and type of work being performed under this Grant Agreement.

B. Flow-Down Provisions

Subcontracts funded in whole or in part by this Agreement must include language conforming to the provisions below.

- Standard of Performance ([Exhibit C, Section 2](#))
- Legal Statements on Products ([Exhibit D, Section 2](#))
- Travel Reimbursement ([Exhibit B, Section 6](#))
- Prevailing Wage ([Exhibit D, Section 3](#))
- Recordkeeping, Cost Accounting, and Auditing ([Exhibit C, Section 4](#))
- Equipment ([Exhibit B, Section 7](#))
- Indemnification ([Exhibit C, Section 8](#))
- Confidentiality ([Exhibit D, Section 4](#))
- Access to Sites and Records ([Exhibit C, Section 11](#))
- Non-discrimination ([Exhibit C, Section 15](#))
- Survival of the following sections:
 - Equipment ([Exhibit B, Section 7](#))
 - Recordkeeping, Cost Accounting, and Auditing ([Exhibit C, Section 4](#))
 - Access to Sites and Records ([Exhibit C, Section 11](#))
 - Non-discrimination ([Exhibit C, Section 15](#))

Subcontracts funded in whole or in part by this Agreement must also include the following:

- A clear and accurate description of the material, products, or services to be procured.
- A detailed budget and timeline.
- Provisions that allow for administrative, contractual, or legal remedies in instances where subcontractors breach contract terms, in addition to sanctions and penalties as may be appropriate.
- Provisions for the termination by the Grantee, including termination procedures and the basis for settlement.
- A statement that further assignments will not be made to any third or subsequent tied subcontractor without additional advance written consent of the Department.

C. Audits

All subcontracts entered into for the performance of this Agreement are subject to examination and audit by the Department and/or Bureau of State Audits for a period of three (3) years after payment of Grantee's final invoice under this Agreement.

D. Copies of Subcontracts

Grantee must provide a copy of its subcontracts upon the Department's request.

E. Conflicting Subcontract Terms

Prior to the execution of this Agreement, Grantee will notify the Department Grant Manager of any known or reasonably foreseeable conflicts between this Agreement and its agreements with any subcontractors. If Grantee discovers any such conflicts after the execution of this Agreement, it will notify the Department Grant Manager of the conflict within fifteen (15) days of discovery. The Department may, without prejudice to its other remedies, terminate this Agreement if any conflict impairs or diminishes its value.

F. Penalties for Noncompliance

Without limiting the Department's other remedies, failure to comply with the above requirements may result in the termination of this Agreement.

6. Assignment

This Grant Agreement is not assignable by Grantee, either in whole or in part, without the consent of the Department in the form of an amendment.

7. Assurances

The Department reserves the right to seek further written assurance from the Grantee and its team that the work under this Agreement will be performed in accordance with the terms of the Agreement.

8. Indemnification

Grantee agrees to indemnify, defend, and hold harmless the State of California, its officers, agents, and employees from any and all claims and losses accruing or resulting to any and all Grantees, partners, subcontractors, suppliers, laborers, and any other person, firm, or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Grant Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by Grantee in the performance of this Grant Agreement.

9. Disputes

Grantee shall continue with the responsibilities under this Grant Agreement during any dispute.

10. Change in Business

Grantee will promptly notify the Department of the occurrence of any of the following:

- A change of address.
- A change in business name or ownership.
- The existence of any litigation or other legal proceeding affecting the project or Agreement.
- The occurrence of any casualty or other loss to project personnel, equipment, or third parties.
- Receipt of notice of any claim or potential claim against the Grantee for patent, copyright, trademark, service mark, and/or trade secret infringement that could affect the Department's rights.

Grantee must provide the Department Grant Manager with written notice of a planned change or reorganization of the type of business entity under which it does business. A change of business entity or name change requires an amendment assigning or novating the Agreement to the changed entity. If the Department does not seek to amend this Agreement or enter into a new agreement with the changed or new entity for any reason (including that the Department is not satisfied that the new entity can perform in the same manner as the Grantee), it may terminate this Agreement as provided [Exhibit D, Section 8](#) ("Termination").

11. Access to Sites and Records

The Department staff and representatives will have reasonable access to all project sited and to all records related to this Agreement.

12. Prior Dealings, Custom, or Trade Usage

These terms and conditions may not be modified or supplemented by prior dealings, custom, or trade usage.

13. Survival of Terms

Certain provisions will survive the completion or termination date of this Agreement for any reason. The provisions include but are not limited to:

- Legal Statement on Products ([Exhibit D, Section 2](#))
- Payment Provisions ([Exhibit B](#))

- Recordkeeping, Cost Accounting, and Auditing ([Exhibit C, Section 4](#))
- Equipment ([Exhibit B, Section 7](#))
- Termination ([Exhibit D, Section 8](#))
- Indemnification ([Exhibit C, Section 8](#))
- Change in Business ([Exhibit C, Section 10](#))
- Access to Sites and Records ([Exhibit C, Section 11](#))

14. Independent Grantee

Grantee, and the agents and employees of Grantee, in the performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the Department.

15. Non-Discrimination Clause

During the performance of this Grant Agreement, Grantee and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of race, color, ancestry, national origin, religion, creed, age (over 40), mental disability, physical disability, sex, gender (including pregnancy, childbirth, breastfeeding, or related medical conditions), sexual orientation, gender identity, gender expression, medical condition, genetic information, marital status, and military and veteran status. Grantee and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Grant Agreement by reference and made a part hereof as if set forth in full. Grantee and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Grant Agreement.

Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Grant Agreement.

16. Child Support Compliance Act (Applicable to California Employers)

For any agreement in excess of \$100,000, Grantee acknowledges that:

- i. It recognizes the importance of child and family support obligations and will fully comply with all applicable state and federal laws relating to child and family support enforcement, including but not limited to disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- ii. To the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

17. National Labor Relations Board Certification (Not applicable to public entities)

Grantee, by signing this Agreement, swears under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against Grantee within the immediately preceding two-year period because of Grantee's failure to comply with an order of a federal court that orders Grantee to comply with an order of the National Labor Relations Board.

18. Timeliness and Due Diligence

Time is of the essence in this Grant Agreement. The Department and Grantee will work collaboratively to ensure this Grant Agreement is administered in a timely fashion. The Grantee must take timely actions that, taken collectively, move this project to completion. The Department Grant Manager will periodically evaluate the project schedule for completion of Scope of Work tasks. If the Department Grant Manager determines that: (1) the Grantee is not diligently completing the tasks in the Scope of Work; or (2) the time remaining in this

Agreement is insufficient to complete all project tasks by the Agreement end date, the Department Grant Manager may recommend that this Agreement be terminated, and the Department may terminate this Agreement without prejudice to any of its other remedies.

19. Effective Date

As used in this Agreement “effective date” means the date on which this Agreement is signed by the last party required to sign.

20. Governing Law

This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

21. Unenforceable Provision

If any provision of this Grant Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Grant Agreement have force and effect and shall not be affected thereby.

Exhibit D, Special Terms and Conditions

1. Compliance with Laws and Regulations

By signing this Grant Agreement, Grantee certifies that it shall comply fully with all applicable federal, state, and local laws, ordinances, regulations, and permits and shall secure any new permits required by authorities having jurisdiction over the Project(s) and maintain all presently required permits. Grantee shall ensure that any applicable requirements of the California Environmental Quality Act are met in order to carry out the terms of this Grant Agreement.

2. Products

A. "Products" are any tangible item specified for delivery to the Department in the Work Plan, such as reports and summaries. Grantee will submit all products to the Grant Manager in the manner and form specified in the Scope of Work. Grantee will also submit all products prepared during the invoicing period as specified in [Exhibit B](#). If the Department Grant Manager determines that a product is substandard given its intended use, the Grant Manager, without prejudice to any of the Department's other remedies, may refuse to authorize payment for the product and any subsequent products that rely on or are based on the product under this Agreement.

B. Confidential Products

Please see [Exhibit D, Section 4](#) ("Confidentiality") for instructions regarding confidential products.

C. Failure to Submit Products

Failure to submit a product required by this Agreement may be considered material noncompliance with the Agreement terms. Without prejudice to any other remedies, noncompliance may result in actions such as the withholding of future payments or awards, or the suspension or termination of the Agreement.

D. Legal Statement on Products

All documents that result from work funded by this Agreement and are released to the public must include the following statement to ensure no Department endorsement of documents:

LEGAL NOTICE

This document was prepared as a result of work sponsored by the California Department of Conservation. It does not necessarily represent the views of the Department of Conservation, its employees, or the State of California. Neither the Department, nor the State of California, nor the Department's employees, contractors, or subcontractors make any warranty, express or implied, or assumes any legal liability for the information in this document; nor does any party represent that the use of this information will not infringe upon privately owned rights. This document has not been approved or disapproved by the Department, nor has the Department passed upon the accuracy of the information in this document.

3. Prevailing Wage

A. Requirement

Projects funded by the Department may involve construction, alteration, demolition, installation, repair, or maintenance work. Such projects might be considered "public works" under the California Labor Code (See California Labor Code Section 1720 et seq. and Title 8 California Code of Regulations, Section 16000 et seq.). Public works projects require the payment of prevailing wages. Prevailing wage rates can be significantly higher than non-prevailing wage rates.

B. Determination of Project's Status

Only the California Department of Industrial Relations (DIR) and courts of competent jurisdiction may issue legally binding determinations that a particular project is or is not a public work. If Grantee is unsure whether the project funded by the Agreement is a "public work" as defined in the California Labor Code, it may wish

to seek a timely determination from DIR or an appropriate court. As such processes can be time consuming, it may not be possible to obtain a timely determination before the date for performance of the Agreement.

By accepting this grant, the Grantee is fully responsible for complying with all California public works requirements, including but not limited to payment of prevailing wage. As a material term of this grant, the Grantee must either:

- i. Timely obtain a legally binding determination from DIR or a court of competent jurisdiction before work begins on the project that the proposed project is not a public work; or
- ii. Assume that the project is a public work and ensure that:
 - Prevailing wages are paid unless and until DIR or a court of competent jurisdiction determines that the project is not a public work;
 - The project budget for labor reflects these prevailing wage requirements; and
 - The project complies with all other requirements of prevailing wage law, including but not limited to keeping accurate payroll records and complying with all working hour requirements and apprenticeship obligations.

California Prevailing Wage law provides for substantial damages and financial penalties for failure to pay prevailing wages when such payment is required.

C. Subcontractors and Flow-down Requirements

Grantee will ensure that its subcontractors also comply with the public works/prevailing wage requirements above. Grantee will ensure that all agreements with its subcontractors to perform work related to this Project contain the above terms regarding payment of prevailing wages on public works projects. Grantee is responsible for any failure of its subcontractors to comply with California prevailing wage and public works laws.

D. Indemnification and Breach

Any failure of Grantee or its subcontractors to comply with the above requirements will constitute breach of this Agreement which excuses the Department's performance of this Agreement at the Department's option and will be at the Grantee's sole risk. In such a case, the Department will refuse payment to the Grantee of any amount under this award and the Department will be released, at its option, from any further performance of this Agreement or any portion thereof. Grantee will indemnify the Department and hold it harmless for any and all financial consequences arising out of or resulting from the failure of the Grantee and/or any of its subcontractors to pay prevailing wages or to otherwise comply with the requirements of prevailing wage law.

E. Budget

Grantee's budget on public works projects must indicate which job classifications are subject to prevailing wage. For detailed information about prevailing wage and the process to determine if the proposed project is a public work, Grantee may wish to contact DIR or a qualified labor attorney for guidance.

F. Covered Trades

For public works projects, Grantee may contact DIR for a list of covered trades and the applicable prevailing wage.

G. Questions

If Grantee has any questions about this contractual requirement or the wage, record keeping, apprenticeship, or other significant requirements of California prevailing wage law, Grantee should consult DIR and/or a qualified labor attorney before entering into this Agreement.

H. Certification

Grantee will certify to the Department on each payment request form either that: (a) prevailing wages were paid to eligible workers who provided labor for work covered by the payment request and Grantee and all contractors and subcontractors otherwise complied with all California prevailing wage laws; or (b) the project is not a public work requiring the payment of prevailing wages. In the latter case, Grantee will provide competent proof of a DIR or court determination that the project is not a public work requiring the payment of prevailing wages.

Prior to the release of any retained funds under this Agreement, Grantee will submit to the Department the above-described certificate signed by the Grantee and all contractors and subcontractors performing public works activities on the project. Absent this certificate, the Grantee will have no right to any funds under this Agreement, and the Department will be relieved of any obligation to pay any funds.

4. Confidentiality

A. Materials submitted to the Department are generally considered public records subject to public disclosure in response to a request under the Public Records Act (California Government Code Section 6250, et seq.). If Grantee is required to submit information to the Department that it considers to be trade secret, confidential, privileged, or otherwise exempt from disclosure under the Public Records Act, Grantee shall assert a claim of exemption at the time of submission by identifying in an accompanying letter all portions of the information proposed to be treated as confidential. The asserted claim shall indicate the legal basis for confidential treatment. Upon receipt of a Public Records Act request for documents that may include information Grantee has identified as trade secret, confidential, privileged or otherwise exempt from disclosure, the Department shall provide notice to Grantee and shall consider the asserted legal bases for exemption. The Department retains the authority to make the final determination as to what information will be released under the Public Records Act. Grantee will be notified by the Department prior to release of any such information. develops additional products (or information contained within products) not originally anticipated as confidential.

B. Waiver of Consequential Damages

In no event will the Department or the State of California be liable for any special, incidental, or consequential damages based on breach of warranty, breach of contract, negligence, strict tort, or any other legal theory for the disclosure of Grantee's confidential information, even if the Department has been advised of the possibility of such damages.

Damages that the Department and the State of California will not be responsible for include but are not limited to: lost profit; lost savings or revenue; lost goodwill; lost use of the product or any associated equipment; cost of capital; cost of any substitute equipment, facilities, or services; downtime; the claims of third parties including customers; and injury to property.

C. Limitations on the Disclosure of Products

- i. During the Agreement, Grantee and subcontractors must receive approval from the Department Grant Manager prior to disclosing the contents of any draft product to a third party. However, if the Department makes a public statement about the content of any product provided by Grantee and Grantee believes the statement is incorrect, the Grantee may state publicly what it believes is correct.
- ii. Grantee may not disclose any information provided to it by the Department for the performance of this Agreement if the information has been designated as confidential or is the subject of a pending application for confidential designation. At the election of the Department Grant Manager, Grantee, its employees, and its subcontractors must execute a confidentiality agreement provided by the Department Grant Manager.
- iii. Grantee will ensure that each of its officers, employees, and subcontractors who are involved in the performance of this Agreement are informed about these disclosure limitations and will abide by them.

5. No Third-Party Beneficiaries

This Grant Agreement is not intended for the benefit of any person or entity other than the parties, and no one other than the parties themselves may enforce any of the rights or obligations created by this Grant Agreement.

6. Project Monitoring and Oversight

Project monitoring and oversight is essential to ensure the Project stays within scope and is completed on schedule and within budget in accordance with this Grant Agreement.

7. Dispute Resolution

A. Invoice Disputes

- i. In the event of an invoice dispute, the Grant Manager will notify Grantee by phone and follow up in writing using the Invoice Dispute Notification Template ([Attachment 6](#)) within ten (10) working days of receipt of the disputed invoice.
- ii. During the dispute, both parties shall deal in good faith to resolve the dispute. Grantee shall continue to meet its responsibilities and obligations under the terms of this Grant Agreement.
- iii. If Grantee contests the decision made by the Grant Manager, Grantee shall submit a written "Notice of Dispute" on official letterhead, according to Subsection C below.

B. General Disputes

- i. In the event of a dispute unrelated to the dispute of an invoice, Grantee shall first attempt to resolve the dispute with the Grant Manager.
- ii. Both parties shall deal in good faith and attempt to resolve the dispute informally.
- iii. Grantee shall continue to meet its responsibilities and obligations under the terms of this Grant Agreement during a dispute.
- iv. If Grantee contests the decision made by the Grant Manager, Grantee shall submit a written "Notice of Dispute" on official letterhead, according to Subsection C below.

C. Contesting a Dispute Decision

- i. If Grantee contests a decision made by the Grant Manager, Grantee may submit a written "Notice of Dispute" on official letterhead. The "Notice of Dispute" shall include:
 - The Grant Agreement number
 - A complete description of the basis for the dispute
 - Legal authority or pertinent facts, supporting arguments and documentation
 - Action requested for resolution

The "Notice of Dispute" shall be sent to:

Department of Conservation
Division of Land Resource Protection
Attn: Division Director
XXXX@conservation.ca.gov

- ii. Within 30 days after receipt of the "Notice of Dispute," the Division Director shall review the dispute and submit a written decision to Grantee, which shall include:
 - The decision made
 - An explanation for the decision
 - Whether the decision shall be conclusive and binding or can be appealed and the steps to take to appeal the decision

8. Termination

- A. Completion of Project. This Grant Agreement shall terminate upon completion of the project and payment of the last invoice.
- B. Early Termination. Either Party may terminate this Grant Agreement upon thirty (30) days advance written notice by certified mail to the other Party. The notice shall specify the reason for early termination and may permit Grantee or the Department to rectify any deficiency(ies) prior to the early termination date.

9. Waiver of Rights

- A. Grantee waives any and all rights to any type of express or implied indemnity or right of contribution from the Department, its officers, agents, or employees for any liability arising from, growing out of, or in any way connected with this Grant Agreement.
- B. Grantee waives all claims and recourses against the Department, including the right to contribution for loss or damage to persons or property arising from, growing out of, or in any way connected with or incident to this Grant Agreement, except claims arising from the gross negligence of the Department, its officers, agents, and employees.
- C. None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing.

10. Insurance Requirements

- A. Grantee that is a governmental organization may provide evidence of self-insurance to satisfy this requirement.
- B. If Grantee is not a governmental organization or is unable to provide evidence of self-insurance, then it shall obtain and keep in force for the term of this Agreement the following insurance policies that cover any acts or omissions of Grantee, its subcontractors, or its employees engaged in the provision of service specified in this Agreement:
 - i. Workers' Compensation Insurance in an amount of not less than \$1,000,000 in accordance with the statutory requirement of the State of California (California Labor Code § 3700 et seq.).
 - ii. Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence for bodily injury and property damage combined.
 - iii. Motor vehicle liability with limits not less than the amounts below for combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned or hired, and non-owned motor vehicles.
 - 7 or fewer passengers: \$1,000,000
 - 8-15 passengers: \$1,500,000
 - 16+ passengers: \$5,000,000
- C. The State of California, its officers, agents, and employees are included as additional insured, but only with respect to work performed for the State of California under this Grant Agreement. The additional insured endorsement must accompany the certificate of insurance.
- D. Grantee shall submit proof of insurance documents referencing this Grant Agreement number to the Department electronically within thirty (30) days of signing this Grant Agreement.
- E. Grantee shall notify the Department in writing within five (5) working days of any cancellation, non-renewal, or material change that affects required insurance coverage.
- F. Grantee shall submit proof of new or updated policy based on insurance requirements within thirty (30) days of policy cancellation or substantial policy change. Failure to provide proof of insurance may result in termination of this Grant Agreement.

11. Stop Work

If it is determined, at the sole discretion of the Department, that Grantee is not meeting the terms and conditions of this Grant Agreement, immediately upon receiving a written notice through certified mail from the Department to stop work, Grantee shall cease all work under this Grant Agreement. The Department has the sole discretion to determine that Grantee meets the terms and conditions after a stop work order, and to send through certified mail a written notice to Grantee to resume work under this Grant Agreement.

12. Publicity

Grantee agrees that it will acknowledge the Department's support whenever activities or projects funded, in whole or in part, by this Grant Agreement are publicized in any news media, brochures, articles, seminars, websites, or other type of promotional material.

Grantee shall also include in any publication resulting from work performed under this grant an acknowledgment substantially as follows:

"The work upon which this publication is based was funded in whole or in part through a grant awarded by the California Department of Conservation."

Media: Grantee is required to identify a point of contact for all press inquiries and communications needs related to the Project and provide the name, phone number, and email address of this individual to the Department. All press releases must be approved by the Department prior to distribution, and the Department must be alerted and invited to participate in all press conferences related to the grant.

Social Media: Grantee is encouraged to use social media to inform and share with the public activities under this Grant Agreement. Furthermore, the Department should be tagged on all posts related to activities under this Grant Agreement.

13. Drug-Free Workplace Certification

In signing this Grant Agreement, Grantee certifies that it will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- A. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- B. Establish a Drug-Free Awareness Program to inform employees about:
 - i. The dangers of drug abuse in the workplace.
 - ii. The person's or organization's policy of maintaining a drug-free workplace.
 - iii. Any available counseling, rehabilitation, and employee assistance programs.
 - iv. Penalties that may be imposed upon employees for drug abuse violations.
- C. Every employee who works on this Grant Agreement will:
 - i. Receive a copy of the company's drug-free workplace policy statement.
 - ii. Agree to abide by the terms of the company's statement as a condition of employment on this Grant Agreement.

Failure to comply with these requirements may result in suspension of payments under this Grant Agreement or termination of this Grant Agreement or both, and Grantee may be ineligible for award of any future State of California agreements if the Department determines that any of the following has occurred: Grantee has made false certification or violated the certification by failing to carry out the requirements as noted above (Gov. Code §8350 et seq.).

14. Americans with Disabilities Act

Grantee assures the Department that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA (42 U.S.C. 12101 et seq.).

15. Air/Water Pollution Violation Certification

Under State of California laws, Grantee shall not be: (1) in violation of any order or resolution not subject to review promulgated by the California Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

16. Payee Data Record Form - STD 204

This form must be completed by all Grantees that are not another state agency or other governmental entity.

Exhibit E, Solicitation

APPENDIX D: EXPECTED PHASE 2 REQUIREMENTS FOR NEGATIVE CARBON ACCOUNTING

- Detailed explanation of how the proposed process will result in a permanent reduction in greenhouse gas emissions.
- Description of the complete fuel life cycle and the calculation of the fuel's life cycle GHG emissions. Include the following information:
 - The fuel production process, including any pre-processing to which feedstocks are subject, and any post-processing of fuels/intermediate chemicals, materials, or wastes generated, including operations that may occur at a facility separate from the primary fuel production facility;
 - The system boundary established for the purpose of performing the LCA; and
 - A schematic (flow chart) depicting the system boundary showing all processes and unit operations and all material and energy flows across the system boundary.
- A description of all feedstocks used, including: (If multiple types or sources of feedstocks are used (e.g., residues from forest restoration projects, fuels reduction activities, creation of defensible space), provide each of the above items differentiated by type.)
 - Mass in dry metric tons that will be processed per year;
 - Expected moisture content;
 - Feedstock source locations, transport modes and distances;
 - Discussion of the vegetation management activities that generate residue; and, for any non-forest biomass waste utilized, discussion of its associated impacts;
 - Discussion of existing/alternative markets for utilization of biomass;
 - Discussion of collection, aggregation, storage (locations and duration), handling, and pre-processing of biomass (such as chipping and drying).
- Description of the fuel production or conversion process, including:
 - Types and amounts of energy utilized throughout all phases of the fuel life cycle;
 - List all combustion equipment or devices, with respective capacity, size, or rated power utilized throughout all phases of the fuel life cycle;
 - Material and chemical inputs, including catalysts, reagents, enzymes, nutrients, or microorganisms;
 - Emissions from all end uses and disposal of products, co-products, and by-products, including processing of material that may occur off-site, and any avoided emissions associated with the end use of co-products.
- Description of operations associated with Carbon or Carbon Dioxide removal, storage, or sequestration
- Description of the transportation modes used throughout the fuel life cycle
 - Identify origins and destinations, cargo carrying capacities, fuel shares, and the distances traveled for each transport mode.

- Assumptions
- References