



Department of Commerce
Innovation is in our nature.

**This is the Final (2.0) Version of the
Application Guidelines for the
Clean Energy Funds Smart Grid Grant
Program for Utilities.**

November 18, 2013



Department of Commerce
Innovation is in our nature.

APPLICATION GUIDELINES AND FORMS

FINAL VERSION 2.0,

ISSUED NOVEMBER 19, 2013

Clean Energy Funds Smart Grid Grant Program for Electric Utilities

Final Issue Date: November 19, 2013

Applicants Conference: November 26, 2013

Proposal Due Date: December 11 at 5:00 PM

Attention: Read the entire document.

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Clean Energy Funds Smart Grid Grant Program Application Guidelines

PART I - GRANT PROGRAM BACKGROUND AND DESCRIPTION

The Washington Legislature in 2013 allocated \$40 million in the state capital budget for various Clean Energy Programs to be administered by the Washington State Department of Commerce (COMMERCE). \$15 million of these funds (including program implementation costs) were allocated for the Smart Grid Program for implementing innovative energy storage and smart grid projects through matching grants to Washington's retail electric utilities in order to provide public benefits as expressed in the budget proviso.

Referenced as follows are relevant sections of the Smart Grid Budget item in the proviso (from Engrossed Senate Substitute Bill 5035, Sec. 1074) FOR THE DEPARTMENT OF COMMERCE Clean Energy and Energy Freedom Program:

(1) All expenditures from the state taxable building construction account--state appropriation in this section must be used for projects that provide a benefit to the public through development, demonstration, and deployment of clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions or otherwise increase energy independence for the state. All expenditures must be used for projects that develop and acquire assets that have a useful life of at least thirteen years. These requirements must be specified in funding agreements issued by the department.

(2) For any project funded from the state taxable building construction account--state appropriation in this section, state funds must not exceed fifty percent of the estimated cost of a project, and funding preference must be provided to projects that offer a higher percentage of non-state match funds.

(4) \$15,000,000 of the state taxable building construction account--state appropriation in this section is provided solely for grants to advance renewable energy technologies by public and private electrical utilities that serve retail customers in the state. The department shall work with utilities to offer matching grants for projects that demonstrate new smart grid technologies. The department shall develop a grant application process to competitively select projects for grant awards, to include scoring conducted by a group of qualified experts with application of criteria specified by the department. Applications for grants must disclose all sources of public funding to be provided for a project. The grant funds must be used to fund projects that demonstrate how to: Integrate intermittent renewables through energy storage and information technology, dispatch energy storage resources from utility control rooms, use the thermal properties and electric load of commercial buildings and district energy systems to store energy, or otherwise improve the reliability and reduce the costs of intermittent or distributed renewable energy.

*A complete copy of the proviso document is available at
<http://www.commerce.wa.gov/Documents/Capital-Budget-Proviso-Clean-Energy-Fund.pdf>*

These application guidelines contain the information for Washington State Electric Utility entities to apply for funds made available through this Smart Grid Grant Program.

COMMERCE will make grants of up to \$14.5 million to public and/or private utilities under this solicitation. The amount of the individual grants will be between \$1.0 million and \$14.5 million, meaning COMMERCE will fund one or more projects that satisfy at least one of the following four objectives.

- Integrate intermittent renewable energy projects through energy storage and information technology (IT)
- Demonstrate dispatch of energy storage resources from utility energy control centers
- Use thermal properties and electric load of buildings and/or district energy systems to store energy
- Improve reliability and reduce cost of intermittent or distributed energy resources

Project proposals shall clearly identify which of these four objectives would be satisfied by the project and the anticipated impact in each of the appropriate categories.

Applicants must include as part of their application an explanation of the business case for their project including the market potential for expected project outcomes. Inclusion of a business case and an analysis of the market potential for the technology will be required in order to focus on technologies that have the greatest near-term potential to become commercially economic and therefore spur growth of the clean energy sector in Washington. This explanation of the business case shall be included in responses to Part V –Application Review Process and Awards within this guideline. Awardees will be required to work with Commerce and a third party evaluator to analyze the resulting business case following achievement of sufficient measurable outcomes. Successful applicants will also be required to evaluate and report on these outcomes for an agreed upon duration following project completion.

For purposes of the Smart Grid Grant Program, the “Washington clean energy sector” means industries and businesses located within Washington State providing goods and services to produce or use energy in a manner that benefits the environment or conserves resources. This includes, but is not limited to, renewable energy, energy efficiency, energy storage and those technologies that enable or contribute to increased market penetration of renewable energy, energy efficiency and other associated clean energy technologies.

Successful grantees will be required to report actual “direct” jobs created and/or maintained to assist COMMERCE in meeting its obligation under Paragraph 6 of Section 1074 of the budget proviso, as follows:

The department (Commerce) must report on number and results of projects funded through the clean energy fund, including the number of job hours created and number of jobs maintained and created, to the governor and the legislature, by November 1, 2014.

COMMERCE intends to announce awards in January 2014 and have the awardees under contract in the 1st Quarter of 2014. Project proposals featuring achievement of major milestones and delivery of results by June 2015 will be given higher preference during evaluation and selection.

COMMERCE reserves the right to select and award less than the full \$14.5 million for the combined funding of projects under this program subject to the number and quality of project applications.

COMMERCE and each successful applicant will negotiate a performance based contract that includes tasks and deliverables. Payments will be made upon successful completion of identified milestones and COMMERCE's receipt of a sufficient invoice and supporting material. Please keep this in mind in planning cash-flow needs for your proposed project. No advances will be permitted.

The Grant Program requires that applicants provide a minimum 1:1 match of non-state cash and/or in-kind resources. Applicants must describe match sources and amounts in their application. Once under contract, grantees must submit evidence demonstrating sufficient match for each billing cycle before invoices are processed. For instance, if you have completed milestones and request disbursement of 50% of grant funds, you must demonstrate expenditure of at least the equivalent amount of the match before Commerce will approve the requested disbursement. See also Section VII Application Instructions for definitions of in-kind, cash match and other match considerations.

Only one grant application to the Smart Grid Grant Program for each project or program will be reviewed. An entity with multiple projects or programs that are eligible for Smart Grid Grant Program funding can submit one application for each project or program. A single submittal may address one or more of the four categories, but no entity can propose more than one project or program to address each category.

Each application to the Smart Grid Grant Program fund will include a statement of financial need in which the applicant certifies that the proposed grant from the state is not being used to supplant other state funds and that the project has an identified funding gap for which the Smart Grid Grant Program funds are appropriate.

PART II – PROJECT IMPLEMENTATION

The Smart Grid Grant Program Agreement

Upon awarding grant funds, COMMERCE staff will work with each successful applicant to prepare a Smart Grid Grant Program Agreement. The most current version of the contract template will be used at the time of contract negotiations.

Prevailing Wage Rate Requirements

The work performed under contract may also be subject to the State's prevailing wage laws, Chapter 39.12 RCW. Applicants are advised to consult with the Washington State Department of Labor and Industries (L&I) to determine if and the amount of prevailing wages that must be paid. L&I can also tell you about the paperwork you will need to complete for the project.

Reporting

Accountability and Transparency – Successful applicants will be required to provide quarterly reporting during the active (development and implementation) phase as well as annual reporting for the first five years following project completion and contract closure. Specifics regarding conditions for determining when project completion and contract closure will be negotiated specific to each project.

Reporting During Active Phase - Not later than 20 business days after the end of each calendar quarter, each recipient that received funds from the Smart Grid Grant Program shall submit a report to COMMERCE that contains, but is not limited to a detailed list of all projects or activities for which Smart Grid Program funds were expended or obligated, including:

1. The name of the project or activity;
2. A description of the project or activity;
3. An evaluation of the completion status of the project or activity;
4. An estimate of the number of jobs created and the number of jobs retained by engaging in the activity;
5. Milestones scheduled for completion during the quarterly reporting period;
6. Milestones achieved during the quarterly reporting period;
7. Significant progress made in the reporting period toward completing remaining milestones;
8. The amount of funds leveraged; and
9. Key metrics (will vary by project type per COMMERCE guidance).

Prior to contracting, successful applicants must demonstrate that they have the necessary data, accounting, and management systems in place to meet these requirements. A report format will be provided to successful applicants after the agreement is signed.

PART III – DATES, DEADLINES, AND CONTACT INFORMATION

Applicants Conference

An applicant conference for this Smart Grid Grant Program is planned for addressing questions about the grant application process and other items relating to the program. Applicants are strongly encouraged but not required to participate.

Date: November 26, 2013

Time: 9:00 AM to 11:00 AM PST

This applicant conference will be at the Department of Commerce offices (1011 Plum St. SE, Olympia, WA), as well as web based.

To participate by web access, please e-mail requests to: **carolee.sharp@commerce.wa.gov**

Questions

Please read ALL the application materials for the Smart Grid Grant Program grants thoroughly. If you have questions, please consult the Smart Grid Program Webpage.

If, after careful review of the application materials of the website, you still have questions about the program or your applications, please e-mail them to: **bob.kirchmeier@commerce.wa.gov**. To be fair to all applicants we will post to Commerce's website written answers to questions as we respond. **We cannot discuss individual projects and their potential for funding.**

All materials are available on our website:

www.commerce.wa.gov/Programs/Energy/Office/Pages/Smart-Grid-Grants.aspx

If you need an electronic form e-mailed to you, please e-mail a request to:
carolee.sharp@commerce.wa.gov.

Application Due Date: December 11, 2013 at 5:00 PM Pacific Time

Failure to submit an application by the deadline shall disqualify the applicant from further participation in this round of the Smart Grid Grant Program.

The final application will ONLY be accepted if delivered electronically as a PDF document emailed to: energy_policy@commerce.wa.gov.

PART IV – ELIGIBILITY INFORMATION

Applicants for the Smart Grid Grant Program funding must meet seven eligibility criteria to have their proposal evaluated and scored.

- A. Eligible Applicant
- B. Eligible Project
- C. Sufficient Matching Funds
- D. Smart Grid Program Funding Request Between \$1,000,000 and \$14,500,000
- E. Timely Expenditure of Funds
- F. Statement of Need for Funding
- G. Business Case Analysis

Applications can also be declared ineligible for failure to comply with the application requirements, including failing to meet announced deadlines, as described in Part III of the application. COMMERCE may, at its discretion, waive minor irregularities in applications. The following sections describe the eligibility criteria in greater detail.

A. Eligible Applicant

Only private and public electricity utilities that serve retail customers in the State of Washington may apply for these Smart Grid Program funds. Other private and public sector entities may be included in the utility application but they cannot be the primary applicant.

B. Eligible Project

1. Eligible Energy Storage and Smart Grid Utility Projects

Eligible projects will only be those proposed for implementation in Washington State using technologies which feature the following:

- Integrate intermittent renewable energy projects through energy storage and information technology (IT)

- Demonstrate dispatch of energy storage resources from utility energy control centers
- Use thermal properties and electric load of buildings and/or district energy systems to store energy
- Improve reliability and reduce cost of intermittent or distributed energy resources

2. Eligible Project Assets

Applicants must also provide a description and estimate of the portion of the draft project budget that will be directed toward the development or acquisition of assets that have a useful life of at least thirteen years.

C. Sufficient Matching Funds

A minimum 1:1 match of non-state cash and/or in-kind resources is required. Funding preference will be provided to projects that offer a higher percentage of non-state match. See also Part VII Application Instructions for definitions of in-kind, cash match and other match considerations.

D. Smart Grid Program Funding Request

The Smart Grid Program funding request must be between \$1,000,000 and \$14,500,000 for the project to be eligible. Grant applicants must disclose all sources of public funding to be provided for the project.

E. Timely Expenditure of Funds Milestone Plan

COMMERCE anticipates signing contracts with awardees in the 1st Quarter of 2014. Applicants are strongly encouraged to spend all Smart Grid Program funds by June 30, 2015. Applications must include a proposed plan with milestones that demonstrate progress toward project completion and expenditure of funds within the proposed timeframe.

F. Statement of Need for Funding

Applicants must provide a signed statement as part of their Project Summary that “but for” the Smart Grid Program funding, the project would not proceed at the scale or schedule proposed in the application.

G. Business Case Analysis

Applicants must include as part of their application an explanation of the business case for their project including the market potential for expected project outcomes. Inclusion of a business case and an analysis of the market potential for the technology will be considered in order to focus on technologies that have the greatest near-term potential to become commercially economic and therefore spur growth of the clean energy sector in Washington.

PART V – APPLICATION REVIEW PROCESS AND AWARDS

Any contract awarded as a result of this application process is contingent upon the availability of funding. COMMERCE may reject any application not in compliance with all prescribed procedures and requirements. COMMERCE reserves the right to cancel this solicitation or reject for good cause and to commence a new application process at any time upon a finding by COMMERCE that it is in the public interest to do so. Applications and all supporting materials submitted for funding under the Smart Grid Grant Program shall become the property of COMMERCE. All applications and supporting material received shall remain confidential until contracts are fully executed.

The application review process has two stages: threshold review for meeting eligibility and scoring evaluation.

Threshold Review

COMMERCE staff will review the application to determine whether the application was properly completed and submitted on time. COMMERCE staff will then determine if an application meets the eligibility criteria. If the application does not meet threshold criteria, it will not be scored.

Scoring Evaluation

The following three sections will be scored and proposals will be ranked by a group of qualified experts based on the total scores.

Project Plan	60 points maximum
Project Team	30 points maximum
Matching/Leveraging	10 points maximum
Total Points possible	100 points

A. Project Plan, Management and Business Case Section (60 points maximum)

Evaluators will rank quality of the project plan, project management and the business case presented by applicants with a view to the following criteria.

1. Innovation Category (20 points maximum)

- Advancing Technology (5) Project demonstrates the use of new and innovative product or service in either novel or conventional application.
- Novel Application (5) Project deploys a proven technology in a novel application.
- Balanced (5) Project presents an attractive balance of considering and mitigating possible risks when innovative products and novel applications are being deployed within electric utility infrastructure and operations.
- Utility Fit (5) Project has considered technical, financial, practical, operational, organizational and safety challenges to successful completion, particularly with respect to the host utility's traditional electric utility system practices and models.

2. Project Management Category (15 points maximum)

- Realistic Schedule (3) Well-considered plan with a clear schedule to produce tangible results.
- Lead Times (3) Host utility has evaluated and developed contingency plans within the schedule to allow for long lead time items associated with development of new technologies and novel applications.
- Organizational Capacity (5) Applicant has demonstrated the financial and management capacity to absorb set-backs to the project plans, including contingencies, cost overruns, loss of staff, loss of contractors, etc. and still deliver results.
- Project Budget (4) Project Budget describes, in sufficient detail, a reasonable estimation of project costs.

3. Business Case Category (25 points maximum) Applicant must provide a business case analysis for the proposed project that addresses the following criteria:

- Market Impact (10) Analysis of the market potential for the new technology or application, as well as the economic impact to the Washington clean energy sector.
- Host Utility Benefit (10) Analysis of what opportunity or problem the proposed project addresses for the utility that justifies the investment, sustains the project, and how it relates to the utility's long term investment strategy.
- Qualitative Response (5) Additional scoring allowed for providing a thoroughly developed qualitative business case analysis, in addition to a more quantitative submission, that thoroughly explains why the proposed project will expand the Washington clean energy sector.

Detailed application instructions regarding the Business Case elements and associated definitions can be found in Section VII.

B. Project Team Evaluation Section (30 points maximum)

Application evaluators will score the experience and qualifications of the project team for their assigned role with the project. The evaluators will review the relevant work experience and qualifications for team members as well as the completeness and level of commitment of the team for the proposed work program.

1. Individual Qualifications Category (10 points maximum)

Qualifications of individual project team members and experience implementing similar smart grid and energy storage programs.

2. Team Balance Category (10 points maximum)

Project team balance of experienced utility personnel and relevant expertise provided through other technical services providers, vendors and equipment suppliers as consortium partners.

3. Consortium Structure Category (10 points maximum)

Applicants have demonstrated a robustly structured consortium (partners, service providers, equipment vendors and other subcontractors) to ensure project completion. Evaluators will give weight to the applicant's track record on prior implementations of advanced technologies, existence of contractual obligations, non-performance contingencies, as well as identification of alternatives should a partner or product/service become unavailable to the project for any significant period of time.

C. Matching/Leveraging Funds Section (10 points maximum)

COMMERCE requires applicants to use other non-state sources of funding in combination with Smart Grid Grant Program funds. The required match must be at least as much as the grant funds requested for the project. Applications demonstrating a greater match to Smart Grid Grant Program funds will score higher than those with the minimum required match. COMMERCE will calculate the ratio of non-state match to Smart Grid Grant Program funds and use that ratio as the score with a maximum score of 10. The score will be multiplied by 3 for ranking. For example, a project with a 3 to 1 matching ratio would score a 9. Any state funds anticipated or utilized in a project will not count toward the required match.

The Commerce coordinator may contact applicants for clarification for any portion of the submittal.

Note: References in the October 23, 2013 First DRAFT (1.0) regarding "Jobs Created (No scoring points available) are now removed from this guideline. Consideration of the impact to market potential, jobs, and the Washington clean energy sector is now within the Business Case category.

AWARD

COMMERCE management will consider evaluator's recommendations and make funding decisions. Award decisions will be announced to all applicants. Award letters will be sent explaining when costs can be incurred and the contracting process will begin.

PART VI - CONTRACT REQUIREMENTS

Contracting with Current or Former State Employees

Specific restrictions apply to contracting with current or former state employees pursuant to chapter 42.52 of the Revised Code of Washington. Applicants should familiarize themselves with the requirements prior to submitting an application that includes current or former state employees.

Proprietary Information/Public Disclosure

Applications submitted shall become the property of COMMERCE. All applications received shall remain confidential until the Grant Award is announced; thereafter, the applications shall be deemed public records as defined in Chapter 42.56 of the Revised Code of Washington (RCW).

Any information in the application that the Applicant desires to claim as proprietary and exempt from disclosure under the provisions of Chapter 42.56 RCW, or other state or federal law that provides for the nondisclosure of your document must be clearly designated. The information must be clearly identified and the particular exemption from disclosure upon which the Applicant is making the claim must be cited. Each page containing the information claimed to be exempt from disclosure must be clearly identified by the words "Proprietary Information" printed on the lower right hand corner of the page. Marking the entire proposal exempt from disclosure or as Proprietary Information will not be honored.

If a public records request is made for the information that the Applicant has marked as "Proprietary Information," COMMERCE will notify the Applicant of the request and of the date that the records will be released to the requester unless the Applicant obtains a court order enjoining that disclosure. If the Applicant fails to obtain the court order enjoining disclosure, COMMERCE will release the requested information on the date specified. If an Applicant obtains a court order from a court of competent jurisdiction enjoining disclosure pursuant to Chapter 42.56 RCW, or other state or federal law that provides for nondisclosure, COMMERCE shall maintain the confidentiality of the Applicant's information per the court order.

A charge will be made for copying and shipping, as outlined in RCW 42.56. No fee shall be charged for inspection of contract files, but twenty-four (24) hours' notice to COMMERCE is required.

Complaints

Applicants may submit a complaint to COMMERCE based on any of following:

- a) The solicitation unnecessarily restricts competition;
- b) The solicitation evaluation or scoring process is unfair; or
- c) The solicitation requirements are inadequate or insufficient to prepare a response.

A complaint may be submitted to COMMERCE at any time prior to 5 days before the bid response deadline. The complaint must meet the following requirements:

- a) The complaint must be in writing;
- b) The complaint must be sent in a timely manner;
- c) The complaint should clearly articulate the basis for the complaint; and
- d) The complaint should include a proposed remedy.

COMMERCE will respond to the complaint in writing. The response to the complaint and any changes to the solicitation will be posted on WEBS. The Director of COMMERCE will be notified of all complaints and will be provided a copy of COMMERCE'S response. The complaint may not be raised again during the protest period. COMMERCE'S action or inaction in response to the complaint will be final. There will be no appeal process.

Debriefing of Unsuccessful Applicants

Any Applicant who has submitted a proposal and been notified that they were not selected for award may request a debriefing. The request for a debriefing conference must be received by COMMERCE within three (3) business days after the Unsuccessful Applicant Notification is e-mailed or faxed to the Applicant. Debriefing requests must be received by COMMERCE no later

than 5:00 PM, local time, in Olympia, Washington on the third business day following the transmittal of the Unsuccessful Applicant Notification. The debriefing must be held within three (3) business days of the request.

Discussion at the debriefing conference will be limited to the following:

- Evaluation and scoring of the applicant's application;
- Critique of the application based on the evaluation;
- Review of applicant's final score in comparison with other final scores without identifying the other applicants.

Comparisons between applications or evaluations of the other applicants will not be allowed. Debriefing conferences may be conducted in person or on the telephone and will be scheduled for a maximum of one hour.

Protest Procedure

Protests may be made only by Applicants who submitted a response to this solicitation document and who have participated in a debriefing conference. Upon completing the debriefing conference, the Applicant is allowed three (3) business days to file a protest of the award with COMMERCE. Protests must be received by COMMERCE no later than 4:30 PM, local time, in Olympia, Washington on the third business day following the debriefing. Protests may be submitted by e-mail or facsimile, but must then be followed by the document with an original signature.

Applicants protesting this procurement shall follow the procedures described below. Protests that do not follow these procedures shall not be considered. This protest procedure constitutes the sole administrative remedy available to Applicants under this procurement.

All protests must be in writing, addressed to COMMERCE, and signed by the protesting party or an authorized Agent. The protest must state the grounds for the protest with specific facts and complete statements of the action(s) being protested. A description of the relief or corrective action being requested should also be included.

Only protests stipulating an issue of fact concerning the following subjects shall be considered:

- A matter of bias, discrimination or conflict of interest on the part of an evaluator;
- Errors in computing the score;
- Non-compliance with procedures described in the procurement document or COMMERCE policy.

Protests not based on procedural matters will not be considered. Protests will be rejected as without merit if they address issues such as: 1) an evaluator's professional judgment on the quality of an application, or 2) COMMERCE'S assessment of its own and/or other agencies needs or requirements.

Upon receipt of a protest, a protest review will be held by COMMERCE. The COMMERCE Director or an employee delegated by the Director who was not involved in the procurement will consider the record and all available facts and issue a decision within five (5) business days of

receipt of the protest. If additional time is required, the protesting party will be notified of the delay.

In the event a protest may affect the interest of another Applicant that also submitted a proposal, such Applicant will be given an opportunity to submit its views and any relevant information on the protest to COMMERCE.

The final determination of the protest shall:

- Find the protest lacking in merit and uphold COMMERCE'S action; or
- Find only technical or harmless errors in COMMERCE'S acquisition process and determine COMMERCE to be in substantial compliance and reject the protest; or
- Find merit in the protest and provide COMMERCE options which may include:
 - Correct the errors and re-evaluate all applications, and/or
 - Reissue the solicitation document and begin a new process, or
 - Make other findings and determine other courses of action as appropriate.

If COMMERCE determines that the protest is without merit, COMMERCE will enter into a contract with the apparently successful grantee. If the protest is determined to have merit, one of the alternatives noted in the preceding paragraph will be taken.

PART VII - APPLICATION INSTRUCTIONS:

1. Please read through the entire application carefully.
2. Due to the anticipated number of applications, we must strictly enforce the following format rules:
 - Application responses must use the specified format. Please do not create your own format. Applications not using this format will not be reviewed.
 - Edit your answers so they are as clear and concise as possible. Evaluators have only a few days to read applications, so they appreciate it when applicants make it easier for them to find needed information.
 - Applications must be submitted in electronic PDF format only. All application supporting materials must also be provided in electronic PDF format whenever possible.
 - Please submit all of your materials in one electronic transmittal with attachments as needed. Any materials submitted separately will be discarded.
3. The application must be signed by the applicant's executive director or business owner. See Part VIII Forms for the Certification of Organization Official form.
4. Applicants should also provide copies of the following, if applicable:
 - The most recent annual report or publication describing the organization.
 - A current financial statement or most recent audit report prepared, compiled or reviewed by a Certified Public Accountant independent of the applicant's organization (must include a balance sheet).

No additional materials will be accepted after the application deadline.

Miscellaneous Tips

Be sure to read the latest version of the *Guidelines* online at www.commerce.wa.gov/Programs/Energy/Office/Pages/Clean-Energy-Funds.aspx before you start filling out the application. Please keep your responses simple and focus on the fundamentals:

- Be concise but fully responsive to all questions;
- Whenever possible ground your arguments in facts and data;
- Make sure all your numbers add up correctly and they are adequately labeled; and
- Respond accurately and honestly.

When in doubt, ask us questions! The ideal time to begin talking to us is before you start writing your application. Email us at energy_policy@commerce.wa.gov with any questions you may have. We strongly encourage you to sign up for the Commerce Energy Programs listserv by e-mailing carolee.sharp@commerce.wa.gov. Please check the Commerce website for any updates or answers to questions.

All materials are available on our website:

www.commerce.wa.gov/Programs/Energy/Office/Pages/Clean-Energy-Funds.aspx

If you need an electronic form e-mailed to you, please e-mail a request to:

carolee.sharp@commerce.wa.gov.

HOW TO APPLY

By December 11, 2013, submit all application parts to: **energy_policy@commerce.wa.gov**

Brief outline of application

Provide summary responses to each section, category and sub-category items listed for Threshold Criteria and Scoring Evaluation.

1. Project Summary and Signed Certification.

Provide a brief project description, summarizing what is to be accomplished and the major elements of the project. This summary serves as the cover page for the application and should be the first page.

A. Confirm category or categories of the project for application. Select one or more categories that apply from the following:

- Integrate intermittent renewable energy projects through energy storage and information technology (IT)
- Demonstrate dispatch of energy storage resources from utility energy control centers
- Use thermal properties and electric load of buildings and/or district energy systems to store energy
- Improve reliability and reduce cost of intermittent or distributed energy resources

- B. Include the Certification of Organization Official Form. (This can be found in Part VIII – FORMS)
2. Applicant Responses for Threshold Criteria (See Part IV – ELIGIBILITY INFORMATION for descriptions)
 - A. Eligible Applicant
 - B. Eligible Project
 - C. Sufficient Matching Funds (at least 100% of total funds requested)
 - D. Smart Grid Program Funding Request between \$1,000,000 and \$14,500,000
 - E. Timely Expenditure of Funds Milestone Plan
 - F. Statement of Need for Funding
 - G. Business Case
3. Applicant Responses for Scoring Evaluation. Be as concise as possible. (See Part V – APPLICATION REVIEW PROCESS AND AWARDS for descriptions of evaluation criteria and distribution of scoring)

Provide responses to the following items from Part V:

- A. Project Plan, Management, and Business Case Evaluation
 - Innovation
 - Project Management
 - Business Case

Notes: There are no specified forms for the Project Plan. Please use the scoring evaluation criteria on in Part V as your guide for what to include.

- B. Project Team Evaluation
 - Individual Qualifications
 - Team Balance
 - Consortium Structure

Notes: Describe the planned project team and team members. There is no form for the description. An organization chart and brief summary (50 words or less) of relevant qualifications and experience of the key team members is sufficient. Show relationships of contracting and subcontracting of any consortium developed for the project.

- C. Matching/Leveraging Funds – See Part V regarding Scoring Evaluation and instructions below for Project Budget and Funding Status
4. Provide information for your contact person, should we need more information about your project. If funded, this person will be the main contact for the Smart Grid Program agreement.
5. List month and day of the applicant's fiscal year from beginning to end.
6. Other documents may be included. Please limit additional materials submitted to the minimum amount necessary to directly support your application.

Budget Assumptions Instructions

Tell us how you built the budget, explaining how you derived costs for each activity cost in your budget form. A more detailed budget may be requested during contract negotiations. Your assumptions should include responses to the following:

- Why is this budget reasonable and appropriate, considering the scope, substance, and duration of the proposed project?
- What are the assumptions behind the activity cost calculations? Be detailed and specific.

Attach available or applicable source documentation of the costs, such as an engineer's preliminary costs.

Project Budget Instructions

Provide the total budget of the proposed Smart Grid Program project, subdivided by task costs with the line items listed below for each task.

Request only the level of funding needed to carry out the project. The request must be sufficient with other proposed funding sources to assure effective administration and completion of the proposed project within the contract period.

List the allocation of Smart Grid Program funds among project costs in the Source 2 column and the allocation of other funding sources (as well as the name of the other source) in the other columns.

Funding Status

For each funding source, indicate whether there is a firm funding commitment in current or future budget periods. Funds sourced from other than the applying utility should not be listed as "committed" unless they are legally obligated with no material contingencies other than a successful Smart Grid Program grant.

Personnel Services

Compute all salaries, wages, and fringe benefits to be paid by the applicant and subcontractors for the project during the time of the grant. All applicants must complete the personal services line item whether or not they are requesting Smart Grid Program funds for this cost. These items can be covered through match.

Personnel Services activities can include:

- The applicant's staff attendance at any grant management training that is provided by Commerce
- Establishment of Smart Grid Program files and record keeping
- Contract close-out activities
- All contractor or subcontractor personnel costs that are directly attributable to the project.

The application preparation costs are ineligible under Smart Grid Program guidelines.

Contractual Services

Costs to detail in the Budget Assumptions and to include when computing the Contractual Services activity costs include:

- Professional Services - Compute consultant costs, legal costs, audits costs, and engineering and other technical services. Included in this line item can be costs for applicable NEPA or SEPA environmental review.
- Other Contractual Services - Applicants should take into consideration any other costs or expenses that may be incurred prior to closeout.

Goods and Services

Costs to detail in the Budget Assumptions and to include when computing the Goods and Services activity costs include:

- Compute the costs of supplies. Include postage costs, telephones, equipment leasing costs, printing and publication costs, office rent, utilities, and general office costs.

Travel

Enter all costs for expected travel, only list travel necessary for the execution of the project. Explain all activities in the budget assumptions.

Other

List costs associated with any other activity not listed above, such as clearance, flood control or drainage activities, or parking. Explain all activities in the budget assumptions.

Totals

Enter a Smart Grid Program total, the totals for each funding source including the applicant's project cash, proposed match, in-kind contributions necessary to complete the project, the totals for each activity cost line, and the total project cost on the lines provided. These totals should match those amounts listed on your application's Project Summary.

In Kind Match

In-kind Contributions are third-party non-cash contributions, for example, volunteer services, donated supplies, loaned equipment, or space. Professional and technical personnel, consultants, and other skilled or unskilled labor may furnish donated supplies or volunteer services.

In-kind match must:

- Be verifiable from the records (e.g. documented with receipts, time records, etc.)
- Not charged or used as match for another program
- Not originally paid from state sources

- Must be applicable to the time period stated
- Be necessary and reasonable to accomplish program objectives
- Must be allowable under the applicable cost principles
- Conform to other applicable administrative requirements
- Valuation methods must be documented

The following are examples of third party in-kind contributions and the valuation method:

- Volunteer services provided by individuals. These are based on fair market value of the service provided. The value is not based on the potential or actual earning ability of the volunteer who performed the service.
 - For Example: If an attorney assists with landscaping, the value of the attorney's in-kind time cannot be based on the attorney's hourly billing rate.
- Services provided by employees of another organization. These are the actual costs incurred by the employing organization for salary and benefits. The value cannot include organizational overhead.
- Donated supplies. These are based on FMV for the same products. The valuation must take into consideration the volume of items and the condition of the items.
- Donated equipment. If the title to the asset transfers, the FMV needs to be determined. However, authorization must be obtained from the awarding agency, if the entire FMV can be used as an in-kind contribution or if only the standard Use Allowance may be used.
 - If the title of the asset does not transfer, then the FMV of renting/leasing such asset may be used as an in-kind contribution.
- Donated facilities. These must be treated similar to that of donated equipment. Facility structures may be considered in-kind contributions if the structure is available to others to rent/lease and is not used as part of the organization's daily operations.
 - For Example: A nonprofit organization owns a conference facility that is rented to the public.
 - If the nonprofit donates the conference facility for program events, the FMV rental cost can be considered an in-kind contribution. However, if the nonprofit has a meeting room within that facility that they use to discuss program events, the meeting room cannot be considered an in-kind contribution.

Cash/Local Match

Allowable costs incurred by a local entity in support of the match requirement of a federal or state grant. Local match may include cash contributions of non- state funding. In many cases, this is a source of revenue provided at the local level by various foundations, nonprofits, and/or local governments. Local match is governed by the same requirements as In-kind Match.

Cash/Local match must:

- Be verifiable from the entity's financial reporting system and includes appropriate support documentation (e.g. receipts, time records, etc.)
- Not charged or used as match for another program
- Not originally paid from state sources

- Must be applicable to the time period stated
- Be necessary and reasonable to accomplish program objectives
- Must be allowable under the applicable cost principles
- Conform to other applicable administrative requirement

Other Match Considerations

1. What happens if grantee does not meet the required match?

The amount disbursed will be reduced or the grantee may be asked to repay some of the granted funds. The value of either in-kind or cash match must be documented with invoices, copies of checks, grant awards, or other acceptable match documentation.

Business Case Instructions

Smart Grid Grant Program applicants are required to provide a Business Case with the following elements to explain how the project will enhance the following:

Washington Clean Energy Sector Impacts - Address how a proposed project may contribute to or otherwise stimulate the market for smart grid and energy storage technology in Washington, the United States and export markets as applicable in the following categories:

- 1) **Direct** - Creating and maintaining job opportunities and spurring growth in the Washington clean energy sector. Creates new revenues and/or jobs as well as leverages existing skill sets of technical, professional and craft labor for the development, fabrication, installation, testing and initial evaluation of new technologies and associated applications from the development stage through implementation and including the first year (or possibly more) of operation and performance evaluation of associated products, systems and/or components.
- 2) **Indirect** - Creating and maintaining job opportunities and/or increasing revenues in those Washington businesses that are part of the supply chain or service sector providing the raw materials, systems, discrete components, hardware and software, technical and professional services, etc. that Washington clean energy sector companies may use to develop, produce, deliver and install associated products, systems and/or components.

Host Utility Benefits - The Business Case should also address anticipated benefits to the host utility making the application to the CEF Smart Grid Grant Program. The elements of this analysis include but are not limited to the following categories:

- 1) **Enabling utilities to become more efficient** in their operations due to implementation of associated product, system and/or component. This could include new opportunities, efficiencies or other economic benefits impacting an electric utility's business functions such as producing, buying and selling of wholesale power and ancillary services, transmitting, distributing, maintenance, and other operations as normally required for providing retail sales of electricity and/or interconnection services to elements of the Washington clean energy sector.
- 2) **Enabling utilities to become more responsive** to customers. This could include offering new or enhanced products and services to utility customers by deploying a product, system and/or component using technologies that benefit the environment or conserve resources.

PART VIII Forms

CERTIFICATION OF ORGANIZATION OFFICIAL

I commit to adhere to the Federal and State laws and regulations that are applicable to the Smart Grid Grant Program and the proposed project. The primary applicant has all necessary current business licenses in the state of Washington. The project proposed in this application could not go forward at the scale or on the schedule proposed without the requested funding. We are not supplanting/replacing other funds with this request.

Signature

Date

Print Name

Title

On this form please break out each activity cost by the line items listed on pages 15-16.

PROJECT BUDGET					
Funding Status	Source 1	Source 2	Source 3	Source 4	Totals
Are the sources committed?	Utility Funds	SGP Grant			
	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Activity Costs					
General Administration (SGP contract execution, files and record keeping, civil rights compliance)					
Project Administration (Project Manager, Consultant Fees)					
Environmental Review					
Architectural Fees					
Engineering Fees					
Commercial/Industrial Facility					
Other:					
Other:					
TOTALS					

Use a second copy of this form if you have more than 4 funding sources.