

# 2022 Quick Start Grant Solicitation

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## Program Description

### TECH Clean California

TECH Clean California (TECH) is a statewide midstream incentive and heat pump market transformation initiative to help put California on the path to carbon-free homes by 2045. Through a combination of financial incentives, outreach and education, data collection and analysis, and pilot programs, TECH aims to reduce adoption barriers and aspires to be a national model for accelerating heat pump uptake. TECH was created by California Senate Bill 1477 and is funded by revenues collected through California's Cap-and-Trade program. It is administered by Energy Solutions and a team of expert partners, with oversight and management from the CPUC.

### TECH Quick Start Grant Program

A key initiative of TECH is to deploy pilot programs that test solutions to market barriers impeding the adoption of heat pump space and water heating in single- and multifamily homes. The Quick Start Grant (QSG) program aims to find and fund targeted, innovative pilots testing approaches to overcome these barriers – for example projects that help contractors find suitable customers, that make installations easier, cheaper, or faster, or that otherwise improve the customer value proposition and contractor business model of installing heat pumps. In testing these approaches, the QSG program aims to promote the development and refinement of interventions that can be scaled into statewide solutions.

Successful applications will demonstrate that the proposed project:

- Clearly tests a solution to a barrier to residential building decarbonization
- Has the potential to expand into a statewide approach
- Is feasible within the budget proposed and can be implemented within one (1) year

In 2021, TECH awarded the first round of Quick Start Grants to eleven recipients. Descriptions of these current projects, which will be implemented throughout 2022, can be found on the QSG website at <https://energy-solution.com/tech-qsg/>.

## Funding Focus Areas and Project Eligibility

### Solicitation Focus Areas

This second year of grants is seeking to engage more deeply in investigating ongoing challenges deploying heat pumps in low-income and energy burdened households and in historically underserved areas. While the solicitation is open to all types of projects and approaches to grow the market for heat pump space and water heating, this year's solicitation will place particular emphasis on identifying projects that fit into the following focus areas:

- Using heat pumps to lower household energy burden
- Innovative financing models and deployment approaches

- Holistic approaches using heat pumps to improve habitability or resident health
- Improving the customer experience and satisfaction with heat pumps
- Helping customers plan for future fuel switching
- Targeted approaches to outreach, education, or marketing
- Projects taking place in market segments that face formidable barriers to building electrification or that have been historically underserved by clean energy or energy efficiency programs, for example:
  - Low-income households<sup>1</sup>
  - Disadvantaged communities<sup>2</sup>
  - Renters or multi-family housing, especially naturally-occurring affordable housing
  - Customers on unregulated fuels (e.g., wood or propane)
  - Mobile or manufactured housing
  - Customers whose primary language is not English
  - Rural or remote communities

## Project Budget

Awards will be made in amounts up to \$350,000, with 6-12 grants likely. Project work should begin in January 2023 and must be completed within 16 months of contract award.

Budgets should include all project expenses, and may include communications expenses such as translating marketing materials, developing case studies, and disseminating project learnings. If funding for the heat pump appliances themselves is necessary to finance your project, please include these incentives in your budget.

## Eligibility

QSG projects must occur in PG&E, Southwest Gas or SoCalGas service territory, but individual project sites do *not* need to be current gas customers to be eligible.<sup>3</sup>

Eligible implementing organizations include nonprofit, private, and local government organizations. Proposals may have subcontractors. The application should stipulate who program partners are and be submitted by the lead organization. Organizations that are, or are partnered with, diverse business enterprises (DBEs) in California, non-profits, or community-based organizations (CBOs) are encouraged to apply. Previous recipients of Quick Start Grants are also eligible to apply for a new project.

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<sup>1</sup> For purposes of this solicitation, low income households are defined as those qualifying for California Alternative Rates for Energy (CARE) or the Federal Electric Rate Assistance Program (FERA). See <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/care-fera-program>

<sup>2</sup> Disadvantaged communities are defined using the CalEPA CalEnviroScreen 4.0 tool, which designates the highest scoring 25% of census tracts from as disadvantaged communities, as well as 22 census tracts that score in the highest 5% of for Pollution Burden, but do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data. See <https://calepa.ca.gov/wp-content/uploads/sites/6/2017/04/SB-535-Designation-Final.pdf>

<sup>3</sup> Unfortunately, SDG&E territory is no longer eligible for TECH incentives due to budget allocations set by the authorizing legislation. For more information on what zip codes are eligible, see the “Customer Qualification” section of the TECH Clean California website: <https://energy-solution.com/tech-incentives/>

In awarding proposals, the QSG program aims to allocate at least 75% of funds to projects that directly benefit low-income households, disadvantaged communities (DACs), or other historically underserved groups of customers.

### Application Requirements

Applicants must use the **Quick Start** Grant Application to apply and meet the requirements outlined below. Applicants will be expected to provide regular updates and a final report on their work. Applicants must agree to the standard contract terms and conditions.

Applications must meet the following minimum requirements for review:

- The Applicant organization(s) is eligible for grant;
- The Application is complete and responsive to questions asked;
- The Application is submitted by the required deadline;
- The Applicant is in good standing with the TECH program for any other current grants received (if applicable).

### Contract Terms

Selected projects will be subject to terms and conditions within the Quick Start Grant Recipient Agreement in the Appendix of this solicitation.

### Timeline

Date	Deadline
May 31, 2022	2022 Quick Start Grant solicitation open
June 15, 2022	Informational webinar for potential applicants
June 30, 2022	Bidder questions due by 5:00 PDT
July 31, 2022	Applications due by 5:00 PM PDT
August 31, 2022	Finalist Applicants notified
September 19, 2022	Finalists Pitch to TECH QSG Selection Team
September 30, 2022	Final award decisions are announced
December 9, 2022	Finalized Contracts Due
January 1, 2023	Estimated start date for all grant work

# Scoring Rubric

Eligible applications will be evaluated based on criteria as outlined in the Scoring Rubric.

**Table 1: Scoring Rubric**

Criteria	Total Points Available
Program Impact	50
<p><b>Pertinence and value:</b> The proposal clearly articulates the barrier(s) to heat pump market deployment addressed by the project, and how the proposed solution may overcome this barrier.</p> <p>The proposal clearly articulates the ideas or hypothesis being tested, what success would look like and what it would mean for heat pump market deployment.</p> <p>The proposal formulates a powerful narrative around expected impacts and why lessons learned from the pilot would be important.</p> <p><b>Scalability:</b> The proposal clearly articulates how the project has the potential to scale for statewide impact.</p> <p><b>Focus area:</b> The proposal addresses a QSG Focus Area.</p>	
Feasibility	40
<p><b>Implementation plan:</b> The proposal articulates a clear and reasonable implementation plan, with program implementation within one year. The proposal addresses foreseen risks and challenges, as well as the steps taken to ensure the project will result in lesson learned.</p> <p><b>Budget:</b> The Project is feasible within proposed budget.</p> <p><b>Audience &amp; geography:</b> The project with target a defined audience and/or geography.</p> <p><b>Qualifications:</b> Applicant has qualifications, expertise, and experience within the target community to successfully carry out project</p>	
Equity	20
<p><b>Equitable benefits:</b> The project directly benefits market segments that face formidable barriers to building electrification or that have been historically underserved by clean energy or energy efficiency programs.</p> <p><b>Inclusive processes:</b> Community-based organizations, project beneficiaries or other groups with experience in the target community are either on the implementation team or participate meaningfully in the pilot design.</p>	
Firm is able to accept terms and conditions	Y/N
<b>TOTAL MAXIMUM POINTS</b>	<b>110</b>

Finalists will receive feedback on their written proposals and will be asked to present at a virtual interview to a panel of judges before final selection. The project’s score based off the written application will be adjusted based on any changed assessment or understanding of the project gained during the pitch session.

## Quick Start Grant Application

### Application Form Instructions

1. To receive communications during the application period, submit your intent to bid via email to [TECH.pilots@energy-solution.com](mailto:TECH.pilots@energy-solution.com) with the subject line "Quick Start Grants – Intent to bid"
2. Direct all questions via email to [TECH.pilots@energy-solution.com](mailto:TECH.pilots@energy-solution.com) with the subject line "Quick Start Grants – Q&A" before 5:00 PM PDT June 30, 2022. Questions and answers will be added on a rolling basis to the QSG website, <https://energy-solution.com/tech-qsg/>
3. Review the information on the TECH website and the QSG page, which provide resources on the broader TECH initiative and other funding resources.
4. Fill in the attached application form.
5. Submit final proposals via email to [TECH.pilots@energy-solution.com](mailto:TECH.pilots@energy-solution.com) with the subject line "Quick Start Grants - [Company Name]" by 5:00 PM PDT on July 31, 2022.

# Appendix: Quick Start Grant Terms and Conditions

## Quick Start Grant Recipient Information

Company Name			
Parent Company Name (if applicable)			
Street Address	City	State	Zip
Mailing Address (if different from above)	City	State	Zip
Federal Tax ID Number		Tax Status (Circle one)	
		Corporation, Partnership, Sole	
Primary Management Contact	Phone Number	Email Address	
Secondary Management Contact	Phone Number	Email Address	
Incentive Data Entry Contact	Phone Number	Email Address	
Payee Name		Payee Title	
Check Mailing Address			

## GENERAL PROGRAM INFORMATION

### Program Description

The TECH Initiative (hereafter referred to as the “Program”) supports the installation of Heat Pump Water Heaters (“HPWH”) and HVAC Heat Pumps (“HP”) in California Gas Corporation Territory. The Program provides incentives to participating contractors for selling qualifying HPWHs and HPs to residential customers residing in a zip code served by a California Gas Corporation.

The Quick Start Grants (QSG) Program is designed to fund localized, vanguard approaches to accelerate deployment of heat pump space and water heating technologies. This allocation of funds is targeted at testing market transformation strategies and approaches, supporting technology development, and leveraging high-impact opportunities to increase the installed base of heat pump technologies.

Cohen Ventures, Inc. dba Energy Solutions (hereinafter referred to as “Energy Solutions” or “Program Implementer”) is implementing the program on behalf of the California Public Utilities Commission (“CPUC”). To participate in the Program and to be eligible for quick start grant funding, all Quick Start Grant Recipients are required to sign this Participation Agreement agreeing to the terms and conditions of participation.

### Program Term

This Agreement is effective upon the date it is executed by Quick Start Grant Recipient and will continue until June 7, 2025 (“Program End Date”) unless earlier terminated in accordance with the provisions in this Agreement. The Program or this Agreement may be modified or terminated by Energy Solutions at any time without notice. Termination of this Agreement or expiration of this Agreement shall not relieve Quick Start Grant Recipient of any warranties or other obligations expressed herein which by their terms are intended to extend beyond termination.

### **PROGRAM DEFINITIONS**

When used in this Agreement, the following terms, with initial capitalization, have the meanings specified below:

“**Gas Corporation**” refers to any gas investor-owned utility (IOU) active within the State of California. The gas IOUs within California include Pacific Gas & Electric (“PG&E”), Southern California Gas (“SoCal Gas”), San Diego Gas & Electric (“SDG&E”), Southwest Gas (“SW Gas”)

“**Qualifying Customer**” means eligible residential customers that reside in a zip code served by a Gas Corporation that has available Incentives being offered. For a current list of zip codes that contain incentives, please refer to [www.energy-solution.com/tech](http://www.energy-solution.com/tech).

“**Heat Pump Incentive (Incentive)**” means financial reimbursement (e.g., rebates, discounts) paid to Participating Trade Professionals to encourage the installation of HPs and HPWHs. The Incentive for each Qualifying Equipment will be set forth on the Qualifying Equipment List, as such may be modified in accordance with this Agreement.

**“Incentive Application”** refers to the form Participating Trade Professionals must complete and submit to Energy Solutions in order to request reimbursement of Incentives for Qualifying Equipment. The process for submitting an Incentive Application is included in Exhibit A.

**“Participating Trade Professional”** means an entity that participates in any TECH Initiative program. The CPUC at its sole discretion, reserves the right to review and approve if an organization is a Participating Trade Professional.

**“Quick Start Grant Recipient”** refers to the selected awardee of the Quick Start Grant solicitation.

## **PROGRAM TERMS OF PARTICIPATION**

### **Term, termination, suspension rights**

Energy Solutions reserves the right to terminate this Agreement or any part of this Agreement for any reason or for no reason in its sole discretion. In the event of such termination, the Quick Start Grant Recipient shall immediately cease participation in the Program, including but not limited to any applicable use of Program materials such as announcement flyers, program website material or any other physical or digital material containing program details.

Energy Solutions reserves the right to terminate this Agreement for cause in the event of any default by the Quick Start Grant Recipient, or if the Quick Start Grant Recipient fails to comply with any of the terms and conditions of this Agreement. In the event of termination for cause, the Quick Start Grant Recipient shall be liable to the Program for any and all damages sustained by reason of the default, which gave rise to termination.

### **Changes to the program**

Energy Solutions may, in its sole discretion, make changes to the Program at any time, including, without limitation, modifying incentive amounts, and adding or removing Qualifying Equipment from the Program. The date of such change(s) will take effect on the earlier of (a) the date the change is posted on the Program website, or (b) the date the Quick Start Grant Recipient receives written notice of such change and will apply to any installations completed on or after the date the change takes effect regardless of date the incentive is applied for. Written notice will generally be provided in email format.

## **QUICK START GRANT RECIPIENT TERMS AND REQUIREMENTS**

### **1.0 Subcontracting**

Quick Start Grant Recipient may use subcontractors to install Qualifying Equipment or provide any services associate with the Quick Start Grant, provided the Quick Start Grant Recipient takes full responsibility for the services provided by their subcontractors. Quick Start Grant Recipient represents and warrants to Energy Solutions, SCE, and CPUC that all of Quick Start Grant Recipient’s subcontractors will perform their services in a professional manner and with the degree



of skill and care that is consistent with current, good, and sound professional procedures and practices.

## **2.0 Confidential Data**

Qualifying Customer account numbers and names are considered confidential data and may not be provided via email. This data may be provided through the TECH Clearinghouse, or if any additional transfer of confidential data is required, Energy Solutions will setup a secure file transfer website for Quick Start Grant Recipient to use to transfer data.

## **3.0 Marketing Materials.**

Quick Start Grant Recipient shall submit all marketing materials related to the Services being provided to Energy Solutions hereunder to the Energy Solutions Representative for approval prior to their release or communication. Except as provided for herein, Quick Start Grant Recipient shall not use the name or logo of the CPUC on marketing materials for its program unless Quick Start Grant Recipient obtains prior written approval of the CPUC.

Quick Start Grant Recipient shall not use SCE's, or any Gas Corporation's, name, trademark, trade name, logo, identity, or any affiliation for any reason or in any way, including on marketing materials, without SCE's, and, if applicable, such Gas Corporation's prior written consent, which may be withheld by SCE or such Gas Corporation, if applicable, in its sole discretion. Quick Start Grant Recipient is prohibited from stating, implying or in any way representing to third parties, Customers or program participants that SCE or any Gas Corporation has endorsed or approved Quick Start Grant Recipients, its Subcontractors or their performance of the Services.

Notwithstanding the foregoing, Quick Start Grant Recipient shall disclose their source of funding for the program by stating prominently on marketing materials that the program is "funded by California gas corporation ratepayers under the auspices of the California Public Utilities Commission."

## **4.0 Non-Discrimination**

Quick Start Grant Recipient and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religions creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Quick Start Grant Recipient and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

## **5.0 Governing Law; Jurisdiction and Venue**

This Agreement will be interpreted under, and any disputes arising out of this Agreement will be governed by, the laws of the State of California, without reference to its conflicts of law principles. Quick Start Grant Recipient irrevocably consents to the jurisdiction of the state and federal courts located in the State of California, USA, in connection with all actions arising out of or in connection with this Agreement, and waives any objections that venue is an inconvenient forum. Quick Start Grant Recipient further agrees that it will not initiate any action against Energy Solutions, CPUC, or SCE in any other jurisdiction.

## **6.0 Waiver**

Delay or failure to enforce or insist on strict compliance with any provision of this Agreement does not constitute a waiver or otherwise modify this Agreement. Waiver of any right granted under this Agreement on one occasion will not: (i) waive any other right; (ii) constitute a continuing waiver or (iii) waive that right on any other occasion.

## **7.0 Compensation and Method of Payment**

Energy Solutions will pay Quick Start Grant Recipient the Quick Start Grant on a fixed price basis at the schedule and amounts set forth in the Budget and Payment Sections of the Quick Start Grant solicitation, attached and incorporated herein as Attachment 1. Quick Start Grant Recipient shall be paid in arrears, based upon invoices submitted by Quick Start Grant Recipient, and approved by Energy Solutions and SCE. If a payment schedule sets forth progress payments that are due when given tasks or milestones are completed, the full amount of the progress payment due upon completion of the task or milestone shall then become payable to Quick Start Grant Recipient at that time, without deduction, subject to invoicing and payment timing terms described below. Quick Start Grant payments to Quick Start Grant Recipient will be subject to Energy Solutions first receiving payment from Energy Solutions' client when Energy Solutions is invoicing such work by Quick Start Grant Recipient to such client. Energy Solutions shall pay Quick Start Grant Recipient for all approved invoices within seven (7) business days of receiving payment from such client.

In accordance with the billing schedule set forth in the Budget and Payment Sections of Attachment 1, Quick Start Grant Recipient shall submit to Energy Solutions invoices for payment within seven (7) calendar days of month end. Each invoice shall specify the Quick Start Grant Recipient's payee name, Task Order, and shall specify in detail the final incentive amount and calculation, Services performed, the names of Quick Start Grant's personnel who performed the Services set forth in the Task Order, their respective hours worked and labor rates together with reimbursable costs and other allowable charges itemized. Each invoice shall include the current monthly amount being invoiced, the cumulative amount invoiced to date, the accumulative retained amount, and the total fixed price. Energy Solutions shall review Quick Start Grant Recipient's invoices, and Quick Start Grant Recipient shall provide any supporting documentation reasonably requested by Energy Solutions and make any corrections to invoices as may be requested by Energy Solutions from time to time.

## **8.0 INDEMNITY**

Quick Start Grant Recipient agrees to indemnify and hold harmless Energy Solutions, SCE, the CPUC, its officers, agents and employees, from and against any and all claims, demands, liabilities, losses or causes of action which arise out of or are connected with this agreement or the equipment excepting only those claims, demands, liabilities, losses, or causes of action arising solely from the negligence of the Energy Solutions, SCE, the CPUC, its officers, agents and employees.

## **9.0 REGULATORY AND GOVERNING AUTHORITY**

Quick Start Grant Recipient understands and agrees that this Participation Agreement and the Program shall at all times be subject to changes or modifications by the CPUC at its sole discretion. Quick Start Grant Recipient understands and agrees that the CPUC may at any time commence an investigation or other regulatory proceeding in connection with the Program and/or this Participant

Agreement. Quick Start Grant Recipient agrees to cooperate fully with any such investigation or proceeding.

## **10.0 TAX LIABILITY**

Quick Start Grant Recipient will report grant funding on IRS Form 1099 unless Quick Start Grant Recipient has indicated its tax-exempt corporate tax status above. Quick Start Grant Recipient is encouraged to consult its tax adviser concerning the taxability of incentives. Neither the CPUC nor program implementer are responsible for any taxes, interest, and/or penalties that may be imposed on Quick Start Grant Recipient as a result of receipt of incentives from this program or any other program related cost. Quick Start Grant Recipient assumes all responsibility for collecting and reporting any and all applicable sales tax. Quick Start Grant Recipient acknowledges that at the time of purchase, sales tax must be applied prior to the application of any rebate.

## **11.0 CONFIDENTIALITY**

Quick Start Grant Recipient acknowledges and agrees that CPUC and Program Implementer have no duty of confidentiality with respect to any information submitted by Quick Start Grant Recipient pursuant to its participation in the Program and that Program Administrator and Program Implementer may disclose such information to the CPUC and SCE. This Program is subject to oversight by the CPUC which may wish to review any Program data that Program Implementer receives. Neither the CPUC, SCE nor Program Implementer will have any liability to Quick Start Grant Recipient or any other party as result of any public disclosure of any data or other materials submitted by Quick Start Grant Recipient pursuant to the Program

## **12.0 TECH Program Terms and Conditions:**

**Qualifying Equipment:** Qualifying Equipment is limited to those listed at <http://www.energy-solution.com/tech>. Only Qualifying Equipment is eligible to receive Incentives.

**Program Funding:** The Program is funded by California gas corporation ratepayers under the auspices of the California Public Utilities Commission (“CPUC”). Total Program incentive funding is available on a first-come, first-served basis until the funding is depleted or the Program is terminated.

**Cancellation Policy, Requirements, Process, and Any Applicable Fees:** There are no applicable fees for participating in the Program, however, Energy Solutions reserves the right to terminate Agreements with Quick Start Grant Recipient for any reason or for no reason in its sole discretion. This may result in cancellation of incentives.

**Risks and Benefits of Participation:** There are no guaranteed benefits for participating in the Program. Incentives are available on a first come first serve basis and can significantly reduce upfront costs of installations. Installing Qualifying Equipment does not guarantee a certain amount of energy or gas savings. The Program will not assume liability for any unpaid incentives, which may present a risk to the Quick Start Grant Recipient and Qualifying Customer. As part of this Agreement, the Quick Start Grant Recipient acknowledges all risks associated with participating in the TECH initiative.

**Disclosure:** Quick Start Grant Recipient, Energy Solutions, and other third parties associated with the Program are not a representative of SCE or any Gas Corporation or otherwise affiliated with SCE or any Gas Corporation.

**Installation Requirements:** The Program requires that the Qualifying Equipment is installed at an eligible customer address that is in a Gas Corporation territory and that the Qualifying Equipment is installed in place of an existing water heater or furnace, or has controls installed that prevent furnace from operating as the main heating source.

**Quality Assurance and Quality Controls Protocols:** All incentive applications will be subject to automated and manual protocols designed by Energy Solutions to evaluate that equipment and customers are eligible to receive program funding, that equipment replaced an existing system and equipment is in good working order. These processes will be used to identify fraudulent activities and ensure no fraudulent data is submitted in applications.

**Inspections and Verification:** The installation of equipment will be subject to verification by Energy Solutions or its representatives. Verification (including onsite inspections at customer address) may be performed per Energy Solutions requirements on all equipment listed, or a select portion of the equipment.

**Notice:** California Consumers are not obligated to purchase any full fee service or other service not funded by the Program. The Program is funded by California Gas Corporation ratepayers and administered by Southern California Edison Company under the auspices of the California Public Utilities Commission. Any data related to the Program, including any customer data, will be shared with authorized entities, including but not limited to, policy makers, program implementers, and the program evaluator under confidentiality protocols. As this data will not be made public and will follow the confidentiality rules and protocols established by the CPUC in prior proceedings, it does not require individual customer permission.

By signing below, Quick Start Grant Recipient agrees to be bound by the terms and conditions of this Agreement, including(if applicable) all associated Exhibits and Appendices, and has caused this Agreement to be executed by its duly authorized representative.

Quick Start Grant Recipient Signature \_\_\_\_\_  
Title \_\_\_\_\_  
Print Name \_\_\_\_\_  
Date \_\_\_\_\_