F-gas Reduction Incentive Program (FRIP)

DRAFT Guidelines and Solicitation Manual

FISCAL YEAR 2019-2020 APPROPRIATION

July 9, 2020

EXECUTIVE SUMMARY

The legislature appropriated the California Air Resources Board (CARB) one million dollars in the 2019-2020 budget to create the Senate Bill 1013 (SB 1013, Lara, Ch. 375, Statutes of 2018) Fluorinated Gases Emission Reduction Incentive Program, or F-gas Reduction Incentive Program (FRIP). In early 2020, CARB initiated a public stakeholder process to develop FRIP based on the guidance of California Climate Investments.

FRIP seeks to alleviate the barriers to the adoption of climate-friendly technologies, namely the higher incremental cost and lack of familiarity. Funding is restricted to existing and new retail food facilities, which are among the largest sources of high global warming potential (GWP) F-gas emissions. Of the million dollars available, $600,000 is allocated for Tier I refrigerant technologies i.e. ultra-low-GWP (GWP<10) and $400,000 for Tier II conventional hydrofluorocarbon (HFC) technologies. Existing facilities receive preference for funding and may be eligible for larger incentive amounts since they face higher costs in transitioning to alternative technologies compared to new facilities. Facilities located in low-income or disadvantaged communities will receive preference and in some cases, will be eligible to receive higher amounts of funding, as will independent facilities.

The FRIP guidelines and solicitation manual, including all attachments, (hereafter referred to as "Guidelines") contain all the information that is necessary for applicants to submit an application and be considered for FRIP funding. All FRIP documents will be posted on CARB's website at: https://ww2.arb.ca.gov/our-work/programs/FRIP/program-materials. Applicants cannot change the terms and conditions of any documents associated with the FINAL Guidelines when submitting applications in response to this solicitation.

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Attachments: Draft Application Templates, Guidance Documents and Grant Agreement

Table 1: Attachments included in the Guidelines

A	I Application submittal checklist for Tier I (word document) II Application submittal checklist for Tier II (word document)
B	Application form (requires applicant signature upon submittal) (word document)
C	I Project Summary template for Tier I (word document) II Project Summary template for Tier II (word document)
D	FRIP GHG Emissions Quantification Documents: User Guide for the FRIP Quantification Methodology (PDF) and GHG emissions and co-benefits calculator tool i.e. FRIP tool (excel spreadsheet)
E	Template for estimated or final quote for cost, energy use and refrigerant charge for the ultra-low-GWP system and a conventional R-448A/R-449A HFC system (for Tier I projects only) (word document)
F	Payee data form 204 (PDF)
G	CEQA Documents: CEQA worksheet (word document) CEQA Notice of Exemption Example
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Chapter 1: Introduction

1.1 Background

The refrigerant technologies of today predominantly utilize hydrofluorocarbon (HFC) refrigerants that are potent greenhouse gases (GHGs). These high global warming potential (GWP) HFC refrigerants are categorized as short-lived climate pollutants (SLCPs) because of their short atmospheric lifetime and adverse climate impact. Scientists have determined that reducing SLCPs such as HFCs is among the most effective global climate mitigation strategies and could prevent 0.5 °C of warming by the end of the century.[1] To that effect, there is international and state action to reduce HFCs.

California has specific legislative mandates to reduce HFCs to meet ambitious climate goals.[2] Transitioning away from high-GWP refrigerant technologies is an integral strategy to meet California's HFC reduction mandate. The Fluorinated Gases Emission Reduction Incentive Program, or F-gas Reduction Incentive Program (FRIP), established by Senate Bill 1013 (Lara, Ch. 375, Statutes of 2018) provides incentive funds to increase the voluntary adoption of low-GWP climate-friendly refrigerant technologies that reduce GHG emissions in advance of any regulatory requirements.

The California Air Resources Board (CARB) received one million dollars from the greenhouse gas reduction fund (GGRF) in the 2019-2020 fiscal year appropriations to establish FRIP. FRIP is part of California Climate Investments (CCI), a statewide initiative that puts billions of Cap-and-Trade dollars from the GGRF to work reducing GHG emissions, strengthening the economy, and improving public health and the environment - particularly in disadvantaged communities. All GGRF-funded programs must further the purposes of Assembly Bill (AB) 32 and Senate Bill (SB) 32 as the primary program goal and each project funded within a program must provide real and quantifiable GHG emission reductions. FRIP will accelerate the adoption of low-GWP refrigerant technologies that support achieving California's long-term and short-term GHG emissions reduction goals, while maximizing other co-benefits. CARB in alignment with the CCI Funding Guidelines (https://ww3.arb.ca.gov/cc/capandtrade/auctionproceeds/2018-funding-guidelines.pdf) will prioritize investing funds in projects that achieve the highest GHG reductions and maximize benefits to disadvantaged communities, which is important to meet the state's climate goals.

1.2 Program Goals and Objectives

In the beginning of 2020, CARB initiated a public stakeholder process to develop FRIP, as directed by SB 1013. CARB proposed and confirmed through a public stakeholder process to focus 2019-2020 fiscal year appropriations on the retail food sector. Through scientific analysis and available data, CARB has determined that the retail food sector is one of the largest

[1] Xu, Y., Zaelke, D., Velders, G. J. M., and Ramanathan, V. The role of HFCs in mitigating 21st century climate change, Atmos. Chem. Phys., 13, 6083-6089, https://doi.org/10.5194/acp-13-6083-2013, 2013.

[2] SB 1383 (adding Health & Safety Code section 39730.5) requires CARB to implement a comprehensive short-lived climate pollutant strategy to achieve reduction in statewide HFC emissions of 40 percent below 2013 levels by 2030.[3] For the purposes of FRIP, a new retail food facility is a newly constructed facility that must apply for a building permit with the local permitting agency prior to January 1, 2022.

sources of HFC emissions and has the highest cost-effective emission reduction potential based on currently available climate-friendly technologies.

The goals of the FRIP are to accelerate the adoption of climate-friendly low-GWP refrigerant technologies in existing and new retail food facilities, demonstrate the reliability and benefits of these technologies and help the retail food sector transition to a low carbon future. The low-GWP technologies will reduce GHG emissions while maintaining retail food product quality. This type of voluntary early action program addresses the two main barriers to climate-friendly refrigerant technologies by recovering incremental cost and building familiarity with these alternate technologies.

1.3 Legislative Mandates Governing FRIP

Specific state legislation governing the FRIP includes the following:

AB 32, the Global Warming Solutions Act of 2006 (Nunez, Chapter 488, Statutes of 2006)

AB 32 created a comprehensive program mandating a reduction in California GHG emissions to 1990 levels by 2020. In implementing AB 32, CARB developed a Scoping Plan that describes the approach California will take to reduce GHG emissions, including the Cap-and-Trade Program. CARB must update the plan every five years. Additional information can be found at: http://www.arb.ca.gov/cc/ab32/ab32.htm.

SB 32 (Pavley, Chapter 249, Statutes of 2016)

SB 32 requires CARB to adopt rules and regulations to ensure that statewide GHG emissions are reduced to 40 percent below 1990 levels by 2030.

SB 1383 Short-lived climate pollutants: methane emissions: dairy and livestock: organic waste: landfills (Lara, Chapter 395, Statutes of 2016)

SB 1383 mandates a 40 percent reduction in HFC emissions from 2013 levels by 2030. Prior legislation (SB 605, Lara, Ch. 523, Statutes of 2014) had required CARB to develop an SLCP strategy, and SB 1383 requires the Strategy to incorporate specific reduction targets for certain SLCPs. The SLCP Strategy, adopted in 2017, lays out a range of options to accelerate SLCP emissions in California to achieve the SB 1383 emission reduction mandates. The SLCP strategy identifies incentive funding as one of the mechanisms for achieving the SB 1383 HFC target. The SLCP Strategy is available at https://ww2.arb.ca.gov/sites/default/files/2018-12/final_slcp_report%20Final%202017.pdf.

SB 535 (de León, Chapter 830, Statutes of 2012)

SB 535 requires the California Environmental Protection Agency (CalEPA) to identify disadvantaged communities and requires CARB to provide guidance on maximizing benefits to these communities. In 2016, AB 1550 amended the investment minimums for disadvantaged communities and established new investment minimums for low-income communities and low-income households.

SB 862 (Budget and Fiscal Review Committee, Chapter 36, Statutes of 2014)

SB 862 provides funding appropriations from the GGRF to multiple agencies, which reduce GHG emissions and provide investments in, and for the benefit of disadvantaged communities.

SB 862 also requires CARB to develop guidance on quantification methodologies for estimating GHG emission reductions and co-benefits.

SB 1013, the California Cooling Act (Lara, Chapter 375, Statutes of 2018)

SB 1013 established the Fluorinated Gases Emission Reduction Incentive Program with funds to be allocated source including but not limited to GGRF, to be administered by CARB and to promote the adoption of low-GWP refrigerant technologies to achieve short- and long-term climate benefits, energy efficiency, and other co-benefits.

SB 1018 (Budget and Fiscal Review Committee, Chapter 36, Statutes of 2012)

SB 1018 establishes GGRF as the account to receive Cap-and-Trade auction proceeds and established accountability requirements to help ensure that GGRF expenditures achieve GHG reductions and further the purposes of AB 32. SB 1018 also requires each state agency appropriating monies from the GGRF to prepare an Expenditure Record showing how the monies will be used, how the expenditure will further the regulatory purposes of AB 32, how the expenditure contributes to achieving and maintaining GHG emission reductions, how other non-GHG reduction objectives were considered, and how the results achieved from the expenditure will be documented.

AB 1532 (Perez, Chapter 807, Statutes of 2012)

AB 1532 requires that Cap-and-Trade auction proceeds be used to facilitate achievement of GHG emission reductions. To the extent feasible, Cap-and-Trade auction proceeds must also show how activities maximize economic, environmental, and public health benefits to the State; fosters job creation; complements efforts to improve air quality; direct investments toward disadvantaged communities; provide opportunities for businesses, public agencies, nonprofit organizations, and other community institutions to participate in and benefit from statewide efforts to reduce GHG emissions; and lessen impacts of climate change on the State's communities, economy, and environment.

1.4 FRIP Guidelines and Application Format

These Guidelines and Solicitation Manual provide potential applicants with all the necessary information needed to submit an application to be considered for FRIP funding. These Guidelines contain information on the incentive funding program design, who and what technologies are eligible for funding, on what criteria the applications will be scored and the process for submitting an application.

These Guidelines were informed by the following resources:

- Meetings with non-profits and trade groups, including the North American Sustainable Refrigeration Council (NASRC), the California Grocers Association (CGA) and retail food industry representatives.
- Public comments from stakeholders received during and after workshops on January 30, 2020 and July 28, 2020.
- Meeting with public agencies and utilities including the California Public Utilities Commission (CPUC), Southern California Edison (SCE), Sacramento Municipal Utility District (SMUD), Los Angeles Department of Water and Power (LADWP) and Pacific Gas & Electric (PG&E).

All necessary information to complete an application is included in these Guidelines and listed below. Please read the entire package, including attachments, before filling out and submitting an application. These Guidelines contain the following attachments (also listed in Table 1):

- Attachment A I and A II: Application submittal checklist for Tiers I and II respectively. (word documents)
- Attachment B: Application form (requires applicant signature upon submittal) (word document)
- Attachment C I and C II: Project summary templates for Tier I and Tier II projects respectively (word documents)
- Attachment D: FRIP GHG Emissions Quantification Documents including a User Guide for the FRIP Quantification Methodology (PDF) and GHG emissions and co-benefits calculator tool (excel spreadsheet)
- Attachment E: Template for estimated or final quote for cost, energy use and refrigerant charge for the ultra-low-GWP system and a conventional R-448A/R-449A HFC system (for Tier I projects only) (word document)
- Attachment F: Payee Data Form 204 (PDF)
- Attachment G: CEQA worksheet (word document)
- Attachment H: Draft Grant Agreement (PDF)

1.5 Keywords and Definitions

Keywords and terms used in the FRIP guidelines are defined in Table 1.

Table 2: Keywords and definitions used in the FRIP guidelines

Word/Term	Definition
AB	Assembly Bill
Applicant	The retail food facility owner/operator that submits an application to this solicitation to be considered for FRIP funding
Application	An applicant's written response to this solicitation to be considered for FRIP funding
AR 4	The Intergovernmental Panel on Climate Change (IPCC) fourth assessment report
AR 5	The Intergovernmental Panel on Climate Change (IPCC) fifth assessment report
CARB	California Air Resources Board
CCI	California Climate Investments: An umbrella brand developed for the purpose of communication with funding recipients and the general public to identify programs or projects funded in whole or in part by Cap-and-Trade dollars from the GGRF. For additional information, please refer to: www.caclimateinvestments.ca.gov.
CEQA	California Environmental Quality Act
CO_2e	Carbon dioxide equivalent
F-gas	Fluorinated gases
FRIP	F-gas reduction incentive program

Word/Term	Definition
GWP	Global warming potential
GGRF	Greenhouse gas reduction fund
GHG	Greenhouse gas
Grantee	Applicants that receive a FRIP award and enter into a Grant Agreement with CARB
HVAC-R	Heating, ventilation, air-conditioning and refrigeration integrated systems
HCFC	Hydrochlorofluorocarbon
HFC	Hydrofluorocarbon
HFO	Hydrofluoroolefin
IPMVP	International Performance Measurement and Verification Protocol
IOU	Investor-owned utility
M&V	Measurement and verification
NAICS	North American Industry Classification System
OEM	Original equipment manufacturer
Priority Populations	Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550.
POU	Publicly-owned utility
RMP	Refrigerant Management Program
Retailer	Owner or operator of a retail food facility as defined in these guidelines
Program guidelines and solicitation manual	This entire document, including all attachments, that contains all the information necessary for applicants to apply for funding through this incentive program. Referred to as Guidelines.
SB	Senate Bill
Solicitation	The stage of the program when CARB invites applicants to submit applications to be considered for FRIP funding

Chapter 2: Program Design and Timeline

2.1 FRIP Eligibility Requirements

Applicants to the FRIP are limited to existing or new[3] retail food facilities located in California. Applicants must meet all the following requirements:

1. Applicant must own or operate an existing, newly constructed, or completely remodeled retail food facility that is the site for the proposed project and that is (for existing or remodeled facilities) or will be (for newly constructed facilities) registered under the Refrigerant Management Program (RMP).[4] At existing facilities, refrigeration systems that contain more than 50 pounds of refrigerant are eligible for funding. In the case of a newly constructed facility or completely remodeled facility, the refrigeration system at the project site must contain or will contain greater than 50 pounds of refrigerant.[5]

2. The site of the proposed project must be a retail food facility that is categorized under the following North American Industry Classification System (NAICS) codes: 445110, 452910 or 452112.

3. The proposed project must reduce GHG emissions through the use of a refrigeration system that contains a lower-GWP or ultra-low-GWP[6] refrigerant as defined in these Guidelines. In addition, the proposed project may also reduce GHG emissions through the use of an energy efficient refrigeration system, as defined in these Guidelines.

2.2 Funding Amounts Available and Eligible Technologies

Funding for the FRIP will be awarded through a competitive grant solicitation process as described in these Guidelines. Total available funding for the FRIP is $1,000,000. The maximum amount that may be requested for a FRIP project under this solicitation is identified in Table 3. All funds must be encumbered (i.e. the funds must be awarded and the grantee and CARB must enter into a grant agreement) by CARB at the latest by June 30, 2021 and must be liquidated (i.e. spent) at least three months prior to the liquidation deadline of June 30, 2025. A two-tiered approach will be used to allocate awards as indicated in Table 3, depending on the technology of the proposed refrigeration system.

[3] For the purposes of FRIP, a new retail food facility is a newly constructed facility that must apply for a building permit with the local permitting agency prior to January 1, 2022.
[4] The implementation, registration, reporting, and fee payment provisions of CARB's Refrigerant Management Program are done through the Refrigerant Registration and Reporting System (R3) https://ssl.arb.ca.gov/rmp-r3/.
[5] For an existing or planned facility proposing to install a microdistributed ultra-low-GWP refrigeration system, the 50-pound limit does not apply for the total system charge. If that microdistributed system were to be replaced by an equivalent centralized traditional HFC system that is estimated to be greater than 50 pounds in charge, then the proposed project is eligible for funding.
[6] All GWP values are calculated per the IPCC 4th Assessment Report, consistent with CA's GHG inventory. If GWP values are not available in the 4th Assessment Report, then the IPCC 5th Assessment Report is used to calculate GWP values.

Table 3: Funding tiers, refrigerant GWP limits and maximum award amounts

	Technology and refrigerant GWP limits	Total funds available ($)	Maximum funding available for projects ($)
Tier I Projects	Installation of or full/partial conversion to ultra-low-GWP refrigerant (< 10 GWP)	600,000	150,000 for existing facilities or 50,000 for new facilities or 100% project cost premium[7] (whichever is lower) OR 200,000 for existing facilities or 75,000 for new facilities or 100% project cost premium (whichever is lower) for projects located in LADWP territory
Tier II Projects	i. **Retrofit only**: Refrigerant retrofit from high-GWP (> 3900) to lower-GWP refrigerant (< 1500 GWP) ii. **Retrofit + charge reduction:** Refrigerant retrofit from high-GWP (> 3900) to lower-GWP refrigerant (< 1500 GWP) with at least 25% system refrigerant charge reduction	400,000	i. 25% of refrigerant retrofit costs for refrigerant retrofits projects without a permanent charge reduction. 50% of refrigerant costs will be available for projects without a permanent charge reduction that are located in disadvantaged communities or are independent stores. ii. 25% of refrigerant retrofit costs for the original system charge and an additional $25 per pound of refrigerant permanently removed from the system up to 1000 pounds.

Tier I funding is available to all existing and new retail food facilities for the installation of refrigeration systems that contain ultra-low-GWP refrigerants i.e. with a GWP < 10. New facilities are defined as facilities that will have applied for a building permit from the local authority having jurisdiction prior to January 1, 2022. Projects located in existing facilities must be partial or full refrigerant conversions of the existing refrigeration system to an ultra-low-GWP refrigeration system.

Under Tier I, eligible costs for grant funding include engineering and design services for the refrigeration system, cost of the refrigeration equipment, installation costs, and cost of refrigerant.

Examples of eligible technologies for Tier I include but are not limited to:

[7] Cost premium refers to the incremental cost of ultra-low-GWP technology compared to the cost of conventional HFC technology of the same capacity.

- Transcritical CO_2 condensing units;
- Transcritical CO_2 systems with adiabatic condensers, ejectors and/or other enhancements that improve energy performance in warmer climates;
- Heating, ventilation, air-conditioning and refrigeration (HVAC-R) integrated systems that provide refrigeration for retail food products as well as space heating and cooling using ultra-low-GWP refrigerants;
- Ammonia (NH_3) or propane or hydrofluoroolefin (HFO) cascade systems with CO_2 or glycol as secondary heat transfer fluids; and
- Propane, CO_2 or HFO microdistributed systems with or without a water loop.

Tier II funding, focused on refrigerant retrofits and charge reduction, is available to existing retail food facilities with refrigeration systems that contain more than 50 pounds of refrigerant with a high-GWP refrigerant (GWP > 3900) that are registered under RMP. Projects must be near drop-in refrigerant retrofits from a high-GWP refrigerant (> 3900) to a lower-GWP refrigerant (< 1500 GWP). Refrigerant retrofit projects may be accompanied by a permanent refrigerant charge reduction of at least 25 percent, verified through RMP reporting. All Tier II funded projects must follow industry best practices to reduce system refrigerant leaks by and improve energy efficiency to the maximum extent possible. The Guidelines contain links to retrofit guidance materials with suggested best practices to reduce leaks and improve energy efficiency for refrigerant retrofit projects. Additionally, all refrigerant recovered from the retrofit must be removed and treated in accordance with existing laws and regulations and must either be reclaimed and recycled at a certified facility, sent for destruction to a certified facility or reused at another facility belonging to the same company.

Based on stakeholder feedback collected from 2018-2020 as part of CARB's proposed rulemaking affecting the retail food sector, refrigerant retrofits are estimated to cost $45 per pound of refrigerant retrofitted. CARB will provide 25 percent of that cost (i.e. $11.25) per pound of refrigerant retrofitted based on the original charge size of the system as reported to RMP. CARB will provide 50 percent of the refrigerant retrofit cost (i.e. $22.50) per pound of refrigerant retrofitted based on the original charge size as reported to RMP for facilities that are either located in low-income/disadvantaged communities or independently owned/operated).

Examples of eligible technologies for Tier II include but are not limited to:

- Conversion from high-GWP refrigerants such as R-404A or R-507A to near drop-in lower-GWP blends such as R-448A or R-449A; and
- Conversion from high-GWP refrigerants such as R-404A or R-507A to near drop-in lower-GWP blends such as R-448A or R-449A accompanied by a permanent refrigerant charge reduction of at least 25 percent through system architectural changes, heat exchanger design changes, distribution of systems and/or other design changes that also reduce leaks and improve energy efficiency.

Under Tier II, eligible costs for grant funding include the cost of refrigerant, costs associated with refrigerant recovery including the cost of labor, and the cost of components associated with the refrigerant retrofit and/or charge reduction. Applicants may submit a Tier II application to retrofit individual or multiple systems at their facility as long as those systems are registered to RMP.

For both Tier I and Tier II funding, please refer to Attachment H: Draft Grant Agreement, for more information on costs that are eligible for funding. Costs that are ineligible for funding

include, but are not limited to, administrative project costs, travel, food, drink, or refreshments and childcare.

All proposed projects for FRIP funding must employ certified technicians. Technicians must be certified under the United States Environmental Protection Agency (U.S. EPA) 608 program[8] and must also hold a current and active California contractor's license in the C38 - Refrigeration Contractor licensing classification, or be an employee of a contractor with these qualifications.

Limits per applicant for Tier I and Tier II. An applicant may submit applications for both Tier I and Tier II funding, although these must be submitted as separate applications. An applicant may submit multiple applications for either Tier, although a maximum of one award will be given per applicant per Tier. An applicant may not apply for both Tier I and Tier II funding for the same store. For example, if an applicant decides to do a refrigerant retrofit and convert their existing low temperature rack to a CO_2 rack, they may only submit an application for one or the other. If funds remain available towards the end of the solicitation period, then this restriction may be removed to ensure that funds are spent before the encumbrance deadline.

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

2.2.1 FRIP Funding Partners

CARB is collaborating with Southern California Edison (SCE), and the Los Department of Water and Power (LADWP) to provide supplemental support for FRIP.

The Emerging Technologies Program (ETP), a statewide initiative that supports technology development and validates the performance of emerging technologies, will be a partner for the FRIP. SCE administers the ETP. The ETP will provide comprehensive measurement and verification (M&V) support for select Tier I and Tier II projects. Only projects located in investor-owned utility (IOU) territories and scalable technologies that go beyond code compliance are eligible for M&V through the ETP. SCE will select Tier I projects that meet the ETP criteria and will provide M&V services for those projects. All Tier I applicants must agree to coordinate with ETP staff and adhere to their M&V guidelines.

Select Tier II projects may receive M&V support through the ETP. These projects will be selected to encompass varying climate zones, system types and store types to better understand the energy savings associated with retrofit and charge reduction projects. All Tier I applicants must agree to coordinate with ETP staff and adhere to their M&V guidelines.

LADWP has allocated a total of $200,000 for FRIP Tier I projects located in LADWP territory. Applicants selected for FRIP funding with proposed project sites in LADWP territory are eligible to receive matched funding from LADWP up to $25/$MTCO_2e$ based on refrigerant GHG emission reductions obtained through the proposed project (calculated using the CARB

[8] Clean Air Act, 42 USC § 7671g; 42 U.S.C. 82.150 et seq.

quantification methodology). Grantees must complete a supplemental application with the LADWP to be eligible for LADWP funding.

FRIP Tier I Grantees located in LADWP territory will be eligible for higher maximum funding amounts available through CARB and LADWP funding. Grantees may receive a maximum funding award of $75,000 for newly constructed facilities and $200,000 for existing facilities or 100 percent of the cost premium (whichever is lower).

If there any remaining LADWP funds that are not allocated to Tier I projects in LADWP territory, LADWP will provide matched funding up to $25/MTCO$_2$e based on refrigerant GHG emission reductions obtained through the proposed project (calculated using the CARB quantification methodology) for Tier II refrigerant retrofit projects located in low-income and /or disadvantaged communities in LADWP territory.

2.2.2 Additional Funding Opportunities through Utility Programs

Tier I and Tier II projects that receive M&V through the ETP and demonstrate energy savings, will be eligible for additional incentive funds through existing utility energy efficiency programs. Projects selected for FRIP funding that expect energy savings but do not receive ETP M&V support are encouraged to apply for existing utility energy efficiency programs, which in addition to providing financial incentives for energy efficiency, also provide M&V support.

For projects in LADWP territory, please visit www.ladwp.com/custom for existing facilities and www.ladwp.com/newconstruction for new facilities.

For projects in PG&E territory, there are several programs for existing facilities. Please visit https://www.pge.com/en_US/large-business/save-energy-and-money/facility-improvement/custom-retrofit.page for the custom incentive program., Please visit https://www.pge.com/en_US/large-business/save-energy-and-money/facility-improvement/retrocommissioning.page for the retrocommissioning program for existing facilities. Please visit https://www.pge.com/pge_global/common/pdfs/save-energy-money/facility-improvements/custom-retrofit/PGE-Site-NMEC-MV-Requirements.pdf for the Normalized Metered Energy Consumption (NMEC) program offered through the custom incentives program. Please visit https://www.pge.com/pge_global/common/pdfs/save-energy-money/facility-improvements/custom-retrofit/PGE-Whole-Building-Program-Manual.pdf for the whole building performance based retrofit program for existing facilities.

For projects in SMUD territory, please visit https://www.smud.org/en/Business-Solutions-and-Rebates/Business-Rebates/Integrated-Design-Solutions to learn more about the Integrated Design Solutions program for new facilities. Please visit https://www.smud.org/en/Business-Solutions-and-Rebates/Business-Rebates/Custom-Incentives for more information on the custom incentives program for existing facilities.

For projects in SCE territory, please visit https://www.savingsbydesign.com/ for new facilities. For existing facilities, please visit https://www.sceonlineapp.com/CustomizedSolutions.aspx to

find information on the Customized Solutions, Behavioral, Retrocommisioning and Operation (BRO) and Normalized Metered Energy Consumption (NMEC) programs.

2.3 Maximizing Benefits to Priority Populations

CARB anticipates that some of the incentive funds will be allocated to projects that will result in the installation of climate-friendly refrigerant technologies in retail food facilities located in disadvantaged and/or low-income communities. Applicants will be awarded additional points as per the scoring criteria in Tables 12 and 14 for projects located in disadvantaged and/or low-income communities.

CCI has created an interactive map identifying census tracts where disadvantaged communities and low-income communities are located. Applicants must determine if their project site is located within a disadvantaged community or low-income community by either navigating to the project site on the map, or by searching for the address of the project site in the search bar. The interactive mapping tool is available at: www.arb.ca.gov/cci-communityinvestments.

2.4 FRIP GHG Quantification Methodology

FRIP requires GHG emission reductions for proposed projects to be quantified by all applicants and, for applicants that are selected for funding (i.e. Grantees), after the project is implemented.

CARB has a statutory role under SB 862 to develop guidance on a quantification methodology to quantify GHG emission reductions and other co-benefits from FRIP projects. Besides GHG emissions, energy efficient technologies have co-benefits since they reduce demand for electricity, which reduces emissions of criteria pollutants associated with the generation of electricity and thus, leads to an improvement in air quality.

The CARB quantification methodology consists of an excel-based calculator tool (hereafter referred to as the "FRIP tool") and an accompanying user guide that describes how GHG emission reductions for FRIP projects must be quantified using the FRIP tool hereafter referred to as the "Quantification User Guide") (Attachment D). The FRIP tool must be used by all FRIP applicants to calculate GHG emissions and other co-benefits associated with their proposed projects and submitted as part of the application package.

The CARB quantification methodology was developed based on a scientific review and consultation with experts. The CARB quantification methodology (i.e. FRIP GHG tool and user guide) is posted at: http://www.arb.ca.gov/cci-resources and https://ww2.arb.ca.gov/our-work/programs/FRIP/program-materials. Additional information on co-benefit assessment methodologies is available at: www.arb.ca.gov/cci-cobenefits.

2.4.1 Calculating GHG Emission Reductions for FRIP Projects

The following section contains basic information about calculating GHG emissions associated with proposed FRIP projects. Applicants should refer to the Quantification User Guide for detailed information on using the FRIP tool (Attachment D).

Applicants must calculate GHG emission reductions associated with their proposed refrigeration system using the FRIP tool. GHG emission reductions will be based on the difference between the GHG emissions associated with the baseline and the GHG emissions associated with the proposed refrigeration system over the lifetime of the system. All applicants must calculate refrigerant GHG emissions i.e. emissions associated with installing an ultra-low GWP or lower-GWP refrigerant. When available and feasible, energy usage data associated with the refrigeration system must be included to quantify the GHG emission reductions associated with using more efficient technologies. Tier I applicants are eligible for additional points based on the scoring criteria in Chapter 3 if they demonstrate that their proposed systems are more energy efficient compared to the baseline. Applicants must input their project specific details into the FRIP tool, which will automatically calculate GHG emission reductions and co-benefits associated with the project. Applicants must submit the FRIP tool with their project information as part of their application in response to this solicitation.

FRIP projects can be classified into the following five project types depending on the refrigerant technology and the installation site. The methodology and equations used to calculate the baseline and proposed emissions associated with these project types are already built into the FRIP tool and explained in the Quantification User Guide. The baseline and proposed refrigerant GHG emissions from a project over its lifetime are a function of the type of refrigerant (i.e. GWP), total refrigerant charge, the annual leak rate, the end-of-life leak rate and the project location (i.e. new or existing facility). The applicant is required to input project-specific details into the FRIP tool based on the guidance provided in this section.

1 Tier I: Installation of an ultra-low-GWP refrigerant (< 10 GWP) at a new facility;
2 Tier I: Full conversion to ultra-low-GWP refrigerant (< 10 GWP) at an existing facility;
3 Tier I: Partial conversion to ultra-low-GWP refrigerant (< 10 GWP) at an existing facility;
4 Tier II: Refrigerant retrofit from high-GWP (> 3900) to lower-GWP refrigerant (< 1500 GWP) at an existing facility; and
5 Tier II: Refrigerant retrofit from high-GWP (> 3900) to lower-GWP refrigerant (< 1500 GWP) at an existing facility with a permanent system charge reduction of at least 25 percent.

Baseline and proposed GHG emissions for Tier I projects. The type of refrigerant, refrigerant charge and energy consumption of the refrigeration system must be determined by the user based on the information in Tables 4, 5 and 6 for quantifying emissions for the different Tier I projects. Annual and end-of-life leak rates are provided by CARB based on RMP data and CARB F-gas inventory and must be used by applicants (Table 7). A quantification period of 15 years must be used for all Tier I projects.

The following assumptions and guidance apply for estimating Tier I project emissions:

- Given current industry trends, it is assumed that a new facility would have installed a lower-GWP system, for example, R-448A or R-449A, in absence of an incentive program. Emissions from this hypothetical system are used to calculate baseline emissions for new facilities.
- Average annual leak rate data from RMP must be used to calculate refrigerant emissions during the system lifetime (i.e. quantification period). An end-of-life leak rate of 20 percent must be used for all systems independent of size, as reported in CARB's F-gas inventory. This data is built into the FRIP tool.
- A system lifetime of 15 years is consistent with industry estimates and CARB's F-gas inventory.

- Based on stakeholder feedback, it is CARB's understanding that OEMs and/or engineering design firms often provide estimates of refrigerant charge, cost and energy usage for low-GWP and traditional HFC-based refrigeration systems to retail food facility owners/operators interested in purchasing new refrigeration systems. A pre-bid free OEM or engineering design estimate or a finalized OEM or engineering design bid or quote must be used for this application in determining the refrigerant charge, cost and energy consumption data of a hypothetical HFC system with the same refrigeration load as a proposed ultra-low-GWP system for Tier I projects in new facilities. CARB is cognizant that the energy usage data may not be available for existing refrigeration systems. Applicants applying for partial/full conversions for existing facilities must submit the refrigerant charge and cost data, while the energy usage data is optional.
- Energy usage data for the proposed and hypothetical refrigeration system must be based on current Title 24 requirements.
- CARB recognizes that energy usage data for existing refrigeration systems may not be available. When available, applicants may provide energy usage data obtained from sub-metered data from utility bills or other industry-recognized credible methods.
- When provided, energy usage data must be for the refrigeration system only and not for the whole building.

Table 4: Baseline and Proposed system FRIP tool inputs for Tier I: Installation of an ultra-low-GWP refrigerant (< 10 GWP) at a newly constructed facility

Inputs	Baseline refrigeration system	Proposed refrigeration system
Refrigerant Type	R-448A or R-449A	Proposed refrigerant of choice (<10 GWP)
Refrigerant Charge (lb)	Equivalent charge size of a hypothetical centralized multipack DX system that meets the proposed facility's refrigeration load (based on engineering design estimate)	Expected charge size that meets the proposed facility's refrigeration load (based on engineering design estimate)
Energy Consumption (kWh/year)	Energy usage for an equivalent R-448A/R-449A system that meets Title 24 requirements (based on engineering design estimate)	Energy usage for proposed system beyond Title 24 requirements (based on engineering design estimate)

Table 5: Baseline and Proposed system FRIP tool inputs for Tier I: Full conversion to ultra-low-GWP refrigerant (< 10 GWP) at an existing facility

Inputs	Baseline refrigeration system	Proposed refrigeration system
Refrigerant Type	Existing refrigerant in use, as reported to the RMP	Proposed refrigerant of choice (<10 GWP)
Refrigerant Charge (lb)	Existing system charge size as reported to the RMP	Charge size that meets the proposed facility refrigeration load (based on engineering design estimate)
Energy Consumption (kWh/year)	Energy usage for the existing facility (if available)	Energy usage for proposed system beyond Title 24 requirements (based on engineering design estimate)

Table 6: Baseline and Proposed system FRIP tool inputs for Tier I: Partial conversion to ultra-low-GWP refrigerant (< 10 GWP) at an existing facility

Inputs	Baseline refrigeration system	Proposed refrigeration system
Refrigerant Type	Existing refrigerant in use, as reported to the RMP	Proposed refrigerant of choice (<10 GWP)
Refrigerant Charge (lb)	Partial charge size that is being permanently converted to ultra-low-GWP refrigerant	Charge size replacing the existing refrigerant (based on engineering design estimate)
Energy Consumption (kWh/year)	Energy usage for the existing facility (if available)	Energy usage for proposed system beyond Title 24 requirements (based on engineering design estimate)

Table 7: Tier I and Tier II projects must use the following annual and end-of-life leak rates based on the project type

Inputs	Baseline System and Tier II proposed system	Tier I Proposed System
Annual Leakage Rate (%/year)	RMP average leakage rates: • 15.6% for >50 – <200 lb • 22.9% for 200 – <2000 lb • 24.2% for ≥2000 lb	For microdistributed systems: • 1% For indirect or cascade systems: • 3% For all other systems, RMP average leakage rates: • 15.0% for ≤50 lb • 15.6% for >50 – <200 lb • 22.9% for 200 – <2000 lb • 24.2% for ≥2000 lb
End-of-Life Leakage Rate (%)	20%	For microdistributed systems: • 98.5% For all other systems: • 34% for ≤50 lb • 20% for >50 lb

Baseline and proposed refrigerant emissions for Tier II projects. Baseline and proposed refrigerant emissions are a function of the existing high-GWP refrigerant and proposed lower-GWP refrigerant as well the charge of the system before and after the project is implemented. For Tier II retrofit and charge reduction projects, the new charge must be at least 25 percent lower than the baseline charge. The inputs listed in Tables 7 and 8 must be used by applicants for quantifying emissions from Tier II projects emission reductions. Annual and end-of-life leak rates are provided by CARB based on RMP data and must be used by applicants (Table 7). A quantification period of 10 years must be used for all Tier II projects.

The following assumptions and guidance apply for estimating Tier II project emissions:

- Refrigerant emission reductions must be quantified over 10 years, estimated to be the remaining useful life of a retrofitted system, consistent with industry estimates and CARB's F-gas inventory.
- Average annual leak rate data from RMP must be used to calculate refrigerant emissions during the system lifetime (i.e. quantification period). An end-of-life leak rate of 20 percent must be used for all systems independent of size, as reported in CARB's F-gas inventory. This data is built into the FRIP tool.
- Energy usage data is not required for retrofit-only projects, while energy usage data may be provided for charge reduction and retrofit projects. If energy consumption data is used, it must be obtained from industry-recognized credible methods.

Table 8: Baseline and proposed system FRIP tool inputs for Tier II projects: Retrofit only or retrofit and charge reduction projects

Inputs	Baseline refrigeration system	Proposed refrigeration system
Type of Refrigerant	Existing refrigerant in use, as reported to the RMP (>3900 GWP)	Proposed refrigerant of choice (<1500 GWP)
Refrigerant Charge (lb.)	Existing system charge size, as reported to the RMP	Retrofit only projects: • Retrofitted system charge size as reported to RMP Charge reduction and retrofit projects: • Charge size after the refrigerant retrofit and charge reduction (≤75% of baseline)

2.5 Measurement & Verification (M&V) Requirements

All Tier I and select Tier II projects will be subject to measurement and verification (M&V) in order to reliably determine energy efficiency and better understand the field performance of ultra-low-GWP technologies.

All Tier I applicants must submit an M&V plan as part of their application irrespective of whether they may be eligible for M&V support through the ETP or another utility program. The M&V plan must adhere to the International Performance Measurement and Verification Protocol

(IPMVP). CARB will provide up to $5,000 in funding for M&V activities for projects that are selected for FRIP funding that do not receive IOU or publicly-owned utility (POU) M&V support.

The ETP M&V plan will supersede the M&V plan for projects that are eligible and selected for those services. Tier I projects that are awarded FRIP funding located in POU territory or projects not selected for the ETP M&V support must follow the M&V plan submitted in the application package. Projects selected for FRIP funding that receive M&V support after the FRIP award will follow the M&V requirements of the utility providing those services. In those instances, M&V support from the utility will supersede the project applicant's M&V plan and they will no longer receive $5,000 from CARB for the M&V. All Tier II applicants that receive an award must agree to the ETP M&V requirements if selected else their award will be canceled and awarded to the next eligible applicant.

2.6 CEQA Requirements for FRIP Projects

Each proposed FRIP project may be subject to California Environmental Quality Act (CEQA) compliance, as well as permitting and other requirements. All FRIP applications must adhere to the requirements specified in this section.

CEQA requires public agencies to identify the significant environmental impacts of their discretionary actions and to avoid or mitigate them, if feasible. Under CEQA, an activity that may cause either a direct or reasonably foreseeable indirect physical change in the environment is generally considered a project. Any project funded by FRIP may be 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 discretionally approve a project. For projects that are exempt from CEQA, agencies may prepare a Notice of Exemption (See Attachment G for a CEQA Notice of Exemption Example).

Before applicants submit a FRIP application, applicants must be certain that their proposed project is either exempt from CEQA or they will be able to complete a CEQA determination before CARB disburses any grant funds in accordance with the grant agreement. Applicants must submit to CARB either a Notice of Exemption or Notice of Determination prior to the first payment request associated with FRIP project(s). CARB must ensure that any applicable requirements of CEQA have been met by the grantee, as well as any applicable permitting requirements before any funding can be disbursed.

Prior to FRIP funds being disbursed, the applicant must provide definitive documentation from the lead agency showing the CEQA process has been completed. If no CEQA review is required by a local lead agency, applicants must provide definitive documentation explaining why not.

Applicants must submit a CEQA Worksheet (Attachment G) for as part of the FRIP application package for both Tier I and Tier II projects. In the worksheet, the applicant shall provide a detailed description of the project and all of its components, as well as any direct physical changes and reasonably foreseeable indirect changes to the surrounding environment.
The applicant must provide the following information as it pertains to the proposed project prior to receiving any FRIP funds:

A. Proposed Location: The applicant must provide the specific address or equivalent location information for the proposed project.

B. Permits: The applicant must identify the permits necessary for the project in the proposal narrative. If no permits are necessary then the applicant must so state.

C. Project Impacts: The applicant must describe the direct physical changes and reasonably foreseeable indirect changes to the surrounding environment that may result from the project, if any. Please see CEQA Worksheet (Attachment G).

D. Identify CEQA Lead Agency: The lead agency is the public agency that has the greatest responsibility for carrying out or approving a project and for preparing environmental review documents under CEQA. The lead agency is the public agency that has the greatest responsibility for approving the project as a whole. When issuing grants CARB is typically a Responsible Agency under CEQA, which means that it must make CEQA findings based on review of the lead agency's environmental documents. If CARB is the only public agency with responsibility for approving the project, then CARB may act as the lead agency and prepare its own environmental documents (based on analysis provided by the applicant). The lead agency will be identified using the following process.

1. Where the proposed project would require a discretionary approval from another permitting agency, the applicant must identify the CEQA lead agency in the application and include documentation demonstrating that contact has been made with the lead agency with jurisdiction over the project for purposes of complying with CEQA. This information must be included in the application package. The documentation may be in the form of a letter from the lead agency that is stamped as received by the local agency.
2. If CARB is the only agency with discretionary approval over the proposed project, then CARB will act as the lead agency and will work with the applicant to satisfy CEQA requirements.

Regardless of which agency is the lead agency for a proposed project, the applicant shall be responsible for all costs associated with preparation of environmental review documents. The applicant may also be required to retain a consultant to perform environmental studies as appropriate. CARB may reimburse the applicant for these costs. The applicant shall also be responsible for all costs associated with defending any legal challenge against the Grant Agreement or the environmental review documents prepared in support of entering into the grant agreement, which shall be a provision included in the grant agreement.

E. Obtain CEQA Compliance Where the Proposed Project Would Require a Discretionary Approval From Another Permitting Agency (i.e., another permitting agency other than CARB serves as the Lead Agency):

1. Exempt Projects: If the lead agency determines that the proposed project is exempt from CEQA or not a "project" for purposes of CEQA, the applicant must submit proof of such a determination as well as a legally adequate, properly filed Notice of Exemption or proof that more than 180 days have elapsed since the agency's decision to carry out or approve the project to CARB within 9 months of the Grant Agreementexecution date

or prior to the first payment request associated with infrastructure costs, whichever is sooner.

i. *Categorical Exemptions*: The applicant must provide detailed information on why the project meets the applicable statutory or categorical exemption and why no exceptions to the categorical exemptions apply (see CEQA guidelines section 15300.2). This information should be included in the CEQA Worksheet (Attachment G) with supporting documentation as necessary. The applicant shall provide substantial evidence, as that term is define under CEQA guidelines section 15384, that support the lead agency's conclusion. For example, for a Class One Categorical Exemption (California Code of Regulations (CCR), Title 14 section15301), the applicant should provide documentation showing that the project is located at an existing facility that involves negligible or no expansion of an existing use.

ii. *Ministerial or "Common Sense" Exemptions*: If the lead agency exempts a proposed project under the "ministerial" or "common sense" exemptions (CCR, Title 14, section 15268 and section 15061, subd. (b)(3), respectively), the applicant shall provide details on whether the project meets some other statutory or categorical exemption.

2. In accordance with CEQA requirements, CARB may review each project application and consider the facts and circumstances of each project application (including the project's reasonably foreseeable direct and indirect impacts) before determining whether the lead agency's CEQA review findings and documentation are adequate.

F. CEQA Compliance Where the Proposed Project Would Not Require a Discretionary Approval From Another Permitting Agency:

If CARB is the only agency with discretionary approval over the proposed project, then CARB will act as the lead agency and will work with the applicant to satisfy CEQA requirements.

1. Exempt Projects: The applicant must provide CARB with detailed information in the CEQA Worksheet (Attachment G) and supporting documentation (if necessary) regarding the project description why the project would qualify for any CEQA exemptions, and why no exceptions would apply pursuant to CEQA Guidelines section 15300. In accordance with CEQA requirements, CARB will review each FRIP application, and consider the facts and circumstances of each application (including the application's reasonably foreseeable direct and indirect impacts) before determining the level of required environmental review. As noted above, the applicant shall be responsible for all costs associated with preparation of environmental review documents. The applicant may also be required to retain a consultant to perform environmental studies as appropriate. CARB may reimburse these costs.

   i. *Categorical Exemptions*: The applicant must provide detailed information on why the project meets the applicable statutory or categorical exemption and why no exceptions to the categorical exemptions apply (see CEQA guidelines section 15300.2). The applicant shall provide substantial evidence, as that term is define under CEQA guidelines section 15384, that support the lead agency's conclusion. For example, for a Class One Categorical Exemption (California Code of Regulations (CCR), Title 14 section15301), the applicant should provide documentation in the CEQA worksheet and supporting documentation (if necessary) showing that the project is located at an existing facility that involves negligible or no expansion of an existing use.

ii. *Ministerial or "Common Sense" Exemptions*: If the lead agency exempts a proposed project under the "ministerial" or "common sense" exemptions (CCR, Title 14, section 15268 and section 15061, subd. (b)(3), respectively), the applicant shall provide details on whether the project meets some other statutory or categorical exemption. For example, the applicant should not simply state that a Tier II project is exempt under the common sense exemption.

G. Other Relevant CEQA Information: The applicant shall submit any other relevant CEQA documentation or information that will assist CARB in confirming CEQA compliance.

The applicant is encouraged to fully document efforts completed or underway to achieve CEQA compliance in the application package. This includes, but is not limited to, CEQA compliance documentation, completed or schedule pre-application meetings with the local CEQA lead agency, or documentation of contact with CEQA lead agency.

2.7 FRIP Timeline and Key Funding Deadlines

CARB is mandated to follow the timeline for GGRF funds as determined by the legislature. CARB has two years to encumber funds from the budget authorization date and Grantees have up to four years to spend the funds. Encumbrance and liquidation dates are listed in Table 9below. The encumbrance deadline is the time by which CARB must select and approve a grant award and sign a contract with the Grantee. The liquidation deadline is the time before which a Grantee must submit an invoice(s) to CARB for their entire funding award. All funds granted must be liquidated (i.e. spent) at least three months prior to the liquidation deadline of June 30, 2025.

Table 9: FRIP encumbrance and liquidation deadlines

	Legislatively mandated deadline
Funds allocation	Fiscal Year 2019-2020 budget
Encumbrance deadline	June 30, 2021
Liquidation deadline	June 30, 2025

Key program steps and dates are listed in Table 10. CARB will publish these draft Guidelines before soliciting applications. CARB will hold a pre-application workshop to review the draft Guidelines, application requirements and quantification methodology with potential applicants. Participation is optional but strongly encouraged for potential applicants. The workshop will provide an opportunity for potential applicants to ask questions about the Guidelines, the application process and provide feedback. The Final Guidelines will be published on CARB's website and announced through the program listserv.

Potential applicants and stakeholder may submit questions via email prior to the posting of the Final Guidelines by 5 pm on August 7, 2020 (proposed). Depending on the number of questions received, CARB may host a webinar to answer questions that have been submitted up until that point, and to answer additional questions during the webinar. CARB may release a question and answer document on the program website prior to the solicitation period. After the solicitation period begins, CARB will not accept questions on the Guidelines or application process.

CARB has allocated a two-month solicitation period to receive applications. CARB anticipates that Grantees will be selected in November 2020, after which a Grant Agreement will be signed by the grantee and CARB with specific terms and conditions. Reimbursable expenses must be incurred after the execution of the Grant Agreement and invoiced submitted to CARB for reimbursement.

CARB will update the FRIP website (https://ww2.arb.ca.gov/our-work/programs/FRIP/program-materials) to reflect key dates. Any verbal communication with a CARB employee concerning the guidelines or application process is not legal advice or binding on the State and will not alter the written application process.

Table 10: FRIP key dates

FRIP Agenda Item	Approximate Proposed Timeline
1st public workshop with proposed program design	January 30, 2020
Stakeholder feedback based on proposed program design	January – May 2020
Draft Guidelines and quantification methodology posted on CARB's website	July 8, 2020
Feedback on program guidelines	July 8 – July 31, 2020
Pre-application workshop	July 28, 2020
Final program Guidelines and quantification methodology posted on CARB's website	August 7, 2020
Solicitation period	August 7- October 7, 2020
FRIP Grantee announcements	November, 2020
Grant Agreement signed by Grantees	Winter 2020-2021

Chapter 3: FRIP Scoring Criteria

Applications will be evaluated and scored based on responses to the information requested in these guidelines. CARB employees with expertise in commercial refrigeration systems with evaluate these applications, in additional to subject matter experts from other agencies if needed.

Proposals will be evaluated in two stages: application screening and technical scoring. CARB will evaluate all eligible project applications based on the same scoring criteria, as described in the Guidelines.

3.1 Stage One: Administrative Screening Criteria for Tier I and Tier II

Applicants are subject to an administrative screening that consists of a series of pass/fail requirements (Table 11). Applications for both Tier I and Tier II that do not pass all the administrative screening requirements are disqualified and will not move on to the technical scoring stage.

Table 11: Stage One: Administrative Screening Criteria

Stage one: Administrative Screening Criteria Applications must meet ALL criteria to progress to Stage two (Technical Scoring)
☐ The application is received by the due date and time specified in the Final Guidelines.
☐ The applicant is an eligible applicant and the technology is an eligible technology
☐ The application form is signed and dated.
☐ ALL the required documents for Tier I and Tier II are included as specified in the application checklist and in the Guidelines.
☐ The application contains a letter confirming allocation of funds for the total project cost other than funds requested from FRIP.
☐ The requested funding amount falls within the maximum range specified in these Guidelines.
☐ If the applicant has submitted more than one application for either tier, each application is for a distinct project.
☐ The application includes a Resolution approving projects, if applicable.

For a California Native American Tribe as defined by Governor's Executive Order B-10-11, CARB may require an approved Resolution or documentation of approval of the project from the Tribal governing body before CARB executes the Grant Agreement.

In the event that one or more projects cannot be fully funded because the requested amount exceeds the available remaining funds, CARB in its sole discretion may offer to fund those projects at a lesser amount at a scaled-down scope. If the project applicant declines funding at the reduced project scope, CARB may offer funding to the next highest scoring eligible application, either fully or at a scaled-down scope, carry the remaining funds forward to the next fiscal year, or not award a grant.

If none of the applicants meets all minimum qualifications, resulting in no valid applications to evaluate, CARB, at its discretion, may re-issue the solicitation, or issue a new solicitation.

3.2 Stage Two: Technical Scoring Criteria for Tier I

Tier I applications that pass the administrative screening process will be scored according to the technical scoring criteria in Table 12. Tier I applications will be scored on a competitive basis and applicants with the highest scores will be selected for funding. Applications must address ALL elements of the scoring criteria in their application materials as described in chapter 4. Applicants must receive a minimum of 50 percent of the maximum points within each mandatory scoring criterion to receive points for the optional criteria. For example, an applicant must receive at least 7.5 points for the workforce development criterion along with 50 percent of the points in each of the mandatory criteria in Table 12 before receiving points for the optional criteria. All applications will receive a score between 0-100 points based on the following mandatory criteria and may receive additional points for the optional criteria. The documents and format for how these criteria should be addressed in the application are discussed in chapter 4.

Table 12: Stage Two: Technical Scoring Criteria for Tier I

Stage Two: Mandatory Technical Scoring Criteria for Tier I	Maximum Points Possible for each category
Cost effectiveness of GHG reductions ($/MTCO$_2$e) • Includes cost-effectiveness of GHG emission reductions per dollar of metric ton of carbon dioxide equivalents ($/MTCO$_2$e) Refrigerant GHG emission reductions (using FRIP tool). • Includes additional refrigerant GHG reductions from the installation of HVACR integrated systems (using FRIP tool), if applicable. • Includes cost effectiveness of total GHG emission reductions based on total cost of the refrigeration system and the refrigeration system cost premium.	30
Innovation and market potential • Describes the new technology being implemented and the applicability of this technology in the California retail food sector.	20
Information sharing • Describes the knowledge that will be gained through the implementation of this technology and how it will be shared with others in the industry.	15
Workforce development • Describes plans to provide free hands-on training for proposed technology to all contractors in the area of the project site. Training may be led by the OEM and/or engineering design firm.	15
Project readiness	10

Stage Two: Mandatory Technical Scoring Criteria for Tier I	Maximum Points Possible for each category
• Describes the project timeline with key milestones. Describes any permits obtained and additional planning required for project implementation. Projects must be completed before the encumbrance deadline.	
Data collection (Measurement and verification (M&V)) • Describes the M&V plan based on IPMVP and how it will be used to evaluate performance of this technology relative to conventional technologies.	10
Maximum possible points for mandatory criteria	100
Optional Criteria	
Energy efficiency • Identifies energy use GHG emission reductions (using FRIP tool).	5
Benefits to priority populations[9] • Located in census tracts identified as low-income or disadvantaged communities.	10
Independent owner/operator • Applicant owns or operates fewer than four facilities.[10]	10
Existing facility • Describes how the project will be implemented in an existing facility with regards to the facility operation.	5

All mandatory technical scoring criteria must be addressed by the applicants, while optional criteria may be addressed. For each of the criterion in the table above, the following information should be provided by the applicant unless deemed optional:

- *Cost-effectiveness of GHG emission reductions per metric ton of carbon dioxide equivalents ($/MTCO$_2$E)*:

  Applicants must calculate the refrigerant GHG emission reductions associated with their refrigeration system using the FRIP tool, including emission reductions from the avoided HFC emissions from an HVACR integrated system, if applicable. Applicants must calculate and report the cost-effectiveness of the GHG emission reductions based on the total cost and the cost premium of the ultra-low-GWP refrigeration system. Lower cost-effectiveness numbers are more advantageous.

- *Innovation and market potential:*

  The applicant must demonstrate that their project is innovative and scalable across the California retail food sector. Some examples of how applicants may demonstrate this is to provide the following information – the number of sites in California and the nation that use this technology, feasibility in California climates, technology potential for compliance

[9] Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550.
[10] Franchise stores receive half points on this criteria.

with CARB's proposed rulemaking, ability to be installed in existing stores during store operation among others. This is not an exhaustive list and the applicant may provide other details as appropriate.

- *Information sharing:*

  The applicant must demonstrate how the knowledge gained through the implementation of this project will be shared with the California retail food industry. Lack of familiarity with low-GWP technologies has been identified as a major barrier to their adoption and this criterion seeks to address that gap. Some examples include but are not limited to participating in conferences, presenting a seminar in partnership with the Greenchill program or trade organizations or CARB among others. Additionally, applicants should indicate how other businesses may be able to obtain information about ultra-low-GWP systems from them to increase information exchange in the industry. Applications will receive maximum points if every attempt is made to share information to the extent feasible.

- *Workforce development:*

  Lack of contractor training in low-GWP technologies has been identified as a barrier to their widespread adoption and this criterion seeks to address that gap. Applicants must provide free hands-on training and the applications must describe their plans to provide free hands-on training for their proposed technology. This training must be open not only to contractors affiliated with the store but also to contractors in the area of the project site. It is highly encouraged that the training is led in partnership with the OEM and/or engineering design firm. Applicants are encouraged to partner with industry trade groups to reach as many contractors as possible. Applicants are encouraged to train and hire contractors that are new to low-GWP technologies provided they receive adequate training first. Applications will receive maximum points if every attempt is made to increase contractor training to the extent feasible.

- *Project readiness:*

  This criterion seeks to build a high degree of confidence that the proposed project will be implemented successfully in the proposed period and prior to the liquidation deadline of the funds (June 30, 2025). Applicants should provide a scope of work with the tasks required to complete the project and a project timeline with major milestones and key dates. All work must be scheduled for completion before the liquidation deadline of the funds. Applicants may provide supporting documents to establish the tasks that have already been completed, the permits that have applied for and/or obtained and other relevant documents. Applications will receive maximum points if there is a high degree of confidence that the project will be implemented in a timely manner.

- *Data collection (measurement and verification (M&V)):*

  Applicants must describe their plans to evaluate the performance of the proposed ultra-low-GWP refrigeration system including but not limited to refrigerant leakage and energy usage. M&V activities must be conducted in accordance with International Performance

Measurement and Verification Protocol (IPMVP) options A, B or D to determine baseline energy performance, estimated energy savings and post-installation reporting.

Applicants must describe the instrumentation that will the installed, the duration that the data will be collected for to ensure seasonal performance is accounted for and other details that will allow for a comparison between ultra-low-GWP and traditional HFC-based systems. A description to any limitation to conduct project M&V, if applicable.

Applicants must submit a budget for the planned M&V activities. M&V support from CARB will be limited to $5,000. The budget may be limited to this amount with the understanding only basic M&V will be feasible within this budget or may be more detailed although CARB will only provide funding up to $5,000.

- *Energy efficiency (optional):*

  To score points in this category, energy usage data must be available for the proposed and incumbent refrigeration systems. Applicants must demonstrate that their proposed ultra-low-GWP project is expected to be more energy efficient than a traditional HFC system. Applicants may provide an engineering design estimate or engineering modeling comparing the systems as evidence. GHG emission reductions associated with energy efficiency must be quantified using the FRIP tool.

- *Benefits to priority populations (optional):*

  To score complete points in this category, the applicant must demonstrate that the site of the proposed project is located in a census tract that is identified as a low-income community and/or disadvantaged community. Applicants must use the Priority Populations Map provided by CCI at: www.arb.ca.gov/cci-communityinvestments. The applicant may navigate to the project site on the map or search for the address of the project site in the search bar. The applicant must provide as evidence a copy of the map output proving that the applicant is in a low-income community and/or disadvantaged community.

- *Independent owner/operator (optional):*

  To score complete points in this category, applicants must provide evidence that they are an independent facility owner or operator with less than four stores in California. The applicant may demonstrate this through RMP or company documents. Franchisee stores will receive half points.

- *Existing store (optional):*

  To score complete points in this category, the applicant must provide evidence that they are an existing store registered with RMP.

Tier I applications will be scored based on the scoring scale in Table 13. Applications must receive a minimum score of 70 percent, which may include the scores from the optional criteria, to be considered eligible for FRIP funding.

Table 13: Scoring scale for Tier I Technical Scoring Criteria

% of Possible Points	Interpretation	Explanation for Percentage Points
0%	Not Responsive	• The application fails to address the criteria. • The omissions, flaws, or defects are significant and unacceptable.
10-30%	Minimally Responsive	• The application minimally addresses the criteria. • The omissions, flaws, or defects are significant and only minimally acceptable.
40-60%	Inadequate	• The application addresses the criteria. • There are one or more omissions, flaws, or defects or the criteria are addressed in a limited way that results in a low degree of confidence in the proposed solution.
70%	Adequate	• The application adequately addresses the criteria. • Any omissions, flaws, or defects are inconsequential and acceptable.
75%	Between Adequate and Good	• The application better than adequately addresses the requirements being scored. • Any omissions, flaws, or defects are inconsequential and acceptable.
80%	Good	• The application fully addresses the criteria with a good degree of confidence in the applicant's response or proposed solution. • There are no identified omissions, flaws, or defects. Any identified weaknesses are minimal, inconsequential, and acceptable.
85%	Between Good and Excellent	• The application fully addresses the requirements being scored with a better than good degree of confidence in the applicant's response or proposed solution. • No identified omissions, flaws, or defects. Any identified weaknesses are minimal, inconsequential, and acceptable.
90%	Excellent	• The application fully addresses the criteria with a high degree of confidence in the applicant's response or proposed solution. • The applicant offers one or more enhancing features, methods, or approaches that exceed basic expectations.
95%	Between Excellent and Exceptional	• The application fully addresses the requirements being scored with a better than excellent degree of confidence in the applicant's response or proposed solution. • Applicant offers one or more enhancing features, methods or approaches exceeding basic expectations.

% of Possible Points	Interpretation	Explanation for Percentage Points
100%	Exceptional	• All criteria are addressed with the highest degree of confidence in the applicant's response or proposed solution. • The application exceeds the requirements in providing multiple enhancing features, a creative approach, or an exceptional solution.

3.3 Stage Two: Technical Scoring Criteria for Tier II

Tier II applications that pass the administrative screening process will be scored according to the technical scoring criteria in Table14. Applicants must address all elements of the scoring criteria as listed in Table 14 for charge reduction and refrigerant retrofit projects and must receive a minimum of 50 percent of the maximum points for each scoring criteria to be considered eligible for optional criteria. For retrofit only projects, applicants need not address the GHG emissions and cost-effectiveness criteria since GHG emission reductions for all retrofit projects will be about the same. While not necessary, preference will be given to projects with a refrigerant charge reduction component as indicated in the scoring.

Tier II applications will also be scored on a competitive basis, although, if the Tier II category is oversubscribed, ties will be resolved in favor of the first application received.

Table 14: Technical Scoring Criteria for Tier II

Stage Two: Technical Scoring Criteria for Tier II	Maximum possible points (50)
Project readiness • Describes the project timeline with key milestones. Describes any additional planning required for project implementation.	10
Reducing leaks and improving energy efficiency • Describes measures that will be implemented to follow refrigerant retrofit best practices to reduce leaks and improve energy efficiency and measures for proper disposal, recycle or recovery of refrigerant removed from the system.	20
GHG emission reductions and cost effectiveness ($/MTCO$_2$e) (applicable only to charge reduction projects) • Includes refrigerant-associated GHG emission reductions (using quantification methodology).	20
Optional Criteria	
Benefits to priority populations • Located in census tracts identified as low-income or disadvantaged communities.	10
Independent owner/operator • Independently owned facility or applicant owns/operates less than four facilities.	10

Technical scoring criteria must be addressed by the applicants, while optional criteria may be addressed. For each of the criterion in the table above, the following information may be provided by the applicant to receive the highest score possible for each criterion in the table above. In case applications receive equal scores, priority given to applications received first.

- *Project readiness:*
  This criterion seeks to build a high degree of confidence that the proposed project will be implemented successfully in the proposed period and prior to the liquidation deadline of the funds (June 30, 2025). Projects planned for completion completed before January 1, 2022 will be prioritized for funding. Applicants should provide a scope of work with the tasks required to complete the project and a project timeline with major milestones. Reimbursable project expenses cannot be incurred before the Grant Agreement between CARB and the Grantee is executed. Applications will receive maximum points if there is a high degree of confidence that the project will be implemented in a timely manner.

- *Reducing leaks and improving energy efficiency:*
  The applicant should ensure that the refrigerant retrofit will reduce leaks to the extent feasible and improve system energy efficiency. Applicants must describe the measures that will be implemented to follow refrigerant retrofit best practices to reduce leaks and improve energy efficiency and a description of the measures for proper disposal, recycle or recovery of refrigerant removed from the system in accordance with existing laws.

- *GHG emission reductions and cost-effectiveness ($/MTCO$_2$E) for charge reduction projects:*
  This criterion only applies to retrofit and charge reduction projects. Applicants must provide a description of the charge reduction measures and the resulting emission reductions from the refrigerant emissions as well any resulting energy efficiency compared to the baseline when that data is available. Applicants must also provide a GHG cost-effectiveness number for the charge reduction only based on the entire cost of the charge reduction measures ($/MTCO$_2$E). The GHG reductions must be quantified using the FRIP tool. The refrigerant retrofit emissions must also be quantified using the FRIP tool.

- *Benefits to priority populations (optional):*

To score complete points in this category, the applicant must demonstrate that the site of the proposed project is located in a census tract that is identified as a low-income community and/or disadvantaged community. Applicants must use the Priority Populations Map provided by CCI at: www.arb.ca.gov/cci-communityinvestments. The applicant may navigate to the project site on the map or search for the address of the project site in the search bar. The applicant must provide as evidence a copy of the map output proving that the applicant is in a low-income community and/or disadvantaged community.

- *Independent owner/operator (optional):*

  To score complete points in this category, applicants must provide evidence that they are an independent facility owner or operator with less than four stores in California. The applicant may demonstrate this through RMP or company documents. Franchisee stores will receive half points.

Chapter 4: Application Submission Instructions

4.1 Application Content for Tier I Projects

Tier I applicants must submit all the documents listed in Table 15 to be considered for FRIP funding. The document and spreadsheet templates provided by CARB must be used and may not be modified. Supporting documents that demonstrate the project readiness and fiscal soundness may also be submitted such as permit applications/approvals. See descriptions below for the content required for all the documents and how they relate the scoring criteria outlined in Table 12.

Table 15: Documents Included in the Tier I Application Package

1	Application form using template (requires applicant signature) (Attachment B)
2	Project summary using template (word document) (Attachment C)
3	GHG emissions and co-benefits quantification using FRIP tool (excel spreadsheet) (Attachment D)
4	Commitment letter confirming allocation of funds (on company letterhead)
5	Estimated or final quote for cost, energy use and refrigerant charge for the ultra-low-GWP proposed system and conventional R-448A/R-449A HFC system using template (word document) (Attachment E)
6	Payee data form 204 (Attachment F)
7	CEQA worksheet and additional CEQA documentation, if applicable (Attachment G)

1. *Application form*

This form requests basic information about the applicant and the project, including contact information for the proposed project lead and recipient of legal notices (Attachment B). The application must be signed by an authorized representative of the applicant's organization or the application will be rejected.

2. *Project summary*

This document will include the majority of the applicant's responses to the scoring criteria outlined in Chapter 3. Each of the following elements must be addressed in the project summary using the template provided (Attachment C). Not including a scope of work, timeline or budget is grounds for rejection, among other mandatory requirements. The project summary must include the following:

- Project description;
- Scope of Work for the project including a timeline with major milestones. Project readiness may be demonstrated through permits applied for and/or obtained, detailed engineering plans or other relevant documents that demonstrate that the project will be carried out through completion before the encumbrance deadline;

- Project budget for the total cost of the refrigeration system and the funding amount requested based on the maximum funding amounts available. Please follow the following guidelines in preparing the budget:
  - The cost premium for Tier I projects in new facilities and fully remodeled facilities are based on the cost estimated provided in the engineering design estimate (Attachment E).
  - The cost premium for Tier I projects located in existing facilities is the total cost of the refrigeration system, consistent with the engineering design estimate (Attachment E).
  - The budget should support the activities proposed in your application.
  - The budget should align with the Scope of Work and costs by task.
  - The budget should be realistic, complete, and accurate. Include all costs relevant to the refrigeration system such as shipping and handling, installation, service agreements, warranties, contracts, equipment costs, etc.
  - Use whole dollars
  - Retain the documentation for how the budget was calculated.
- Refrigerant GHG emission reductions and cost-effectiveness ($/MTCO$_2$e reduction) based on the total cost and cost premium of the refrigeration system (consistent with FRIP tool output);
- Innovation and market potential of proposed technology;
- Plan for information sharing;
- Plan for workforce development;
- Plan for data collection i.e. M&V activities including a budget to support the M&V activities. CARB will only provide funding up to $5,000 for M&V; and
- If applying for optional criteria, provide the necessary information to justify that the criteria are satisfied.

3. FRIP GHG Benefits using calculator tool

Applicants must use the FRIP Tool to calculate GHG emission reductions associated with the refrigeration system. All applicants must calculate the refrigerant emissions associated with the refrigeration system. Applicants may also calculate the emissions associated with energy efficiency when the data are available. Based on the user-defined inputs, the FRIP tool automatically outputs the GHG emission reductions and co-benefits associated with the proposed project. Please refer to the user guide for instructions on how to use the tool. The FRIP tool and user guide are available for download at: www.arb.ca.gov/cci-resources and https://ww2.arb.ca.gov/our-work/programs/FRIP/program-materials.

4. *Commitment letters confirming allocation of funds (on company letterhead)*

The applicant must provide evidence to establish a high degree of confidence that they have sufficient funding to complete the proposed project, apart from funds requested through FRIP or other agencies. This must be demonstrated through a commitment letter from the applicant (or applicant's company) confirming that capital funds for the proposed refrigeration system have been allocated.

5. *Engineering estimates for cost, energy use and refrigerant charge reduction template*

Applicants must submit an estimate or finalized quote from an OEM or engineering design firm for the cost, annual energy consumption (recommended but optional) and refrigerant charge of the proposed ultra-low-GWP project compared to that of a conventional centralized multipack DX R-448A or R-449A system using the template provided (Attachment E). This information will be the basis for calculating GHG emission reductions in the FRIP tool and the requested funding amount for the FRIP award. New facilities are encouraged to report energy use data while CARB recognizes that this data may not be available for completely remodeled or existing facilities that fully or partially convert their systems.

All estimated or finalized cost differences between the proposed ultra-low-GWP and conventional centralized multipack DX R-407A system or retrofit must be broken down by equipment, installation, labor, refrigerant, and energy usage costs.

6. *Payee data form 204*

Applicants must completely fill out and include the payee data form 204 in their application package, which is required when receiving payment from the State of California.

7. *CEQA worksheet, and additional documentation, if applicable*

Applicants must follow the CEQA requirements outlined in Section 2.6. Applicants must complete the CEQA worksheet (Attachment G) and submit it as part of the application package, and any supporting documentation if necessary. Some proposals could qualify as a project under the CEQA. In these instances, applicants will need to submit additional documentation in order to facilitate CEQA completion, prior to approval of the agreement and award of the grant money. Thus, no awards can be approved until CEQA is satisfied.

4.2 Application Content for Tier II Projects

All Tier II applications must contain documents listed in Table 16 to be considered for funding. The document and spreadsheet templates provided must be used. See descriptions below for the content required for the documents and how they relate the scoring criteria outline in Table 14.

Table 16: Documents Included in the Tier II Application Package

1	Application form using template (requires applicant signature) (Attachment B)
2	Project summary using template (word document) (Attachment C)
3	GHG emissions and co-benefits quantification using FRIP tool (excel spreadsheet) (Attachment D)
4	Commitment letter confirming allocation of funds (on company letterhead)
5	Payee data form 204 (Attachment F)
6	CEQA worksheet and additional CEQA documentation, if applicable (Attachment G)

1. *Application form*

This form requests basic information about the applicant and the project, including contact information for the proposed project lead and recipient of legal notices. The application must be signed by an authorized representative of the applicant's organization or the application will be rejected.

2. *Project summary*

This document will include the majority of the applicant's responses to the scoring criteria outlined in Chapter 3. Each of the following elements must be addressed in the project summary using the template provided. Not including a Scope of Work, timeline or budget is grounds for rejection, among other mandatory requirements.

- Project description;
- For retrofit only projects applicants must provide:
  - Scope of Work and timeline of retrofit including completion date; and
  - Funding amount requested based on the original charge of the system as reported to RMP.
- For charge reduction and retrofit projects applicants must provide:
  - Scope of work including a timeline with major milestones; and
  - Project budget and funding amount requested based on the total anticipated charge of the retrofitted system, which must be less than 75 percent of the original refrigerant charge as reported to RMP. The project budget should include all the cost associated with the proposed projects such as the cost of system architectural changes, cost of retrofit based on the system charge valued at $45/pound of refrigerant retrofitted and the cost of labor. Applicants should following these guidelines in developing a budget:
  - The budget should support the activities proposed in your application.
  - The budget should align with the Scope of Work and costs by task.

    - The budget should be realistic, complete, and accurate. Include all costs relevant to the refrigeration system such as shipping and handling, installation, service agreements, warranties, contracts, equipment costs, etc.
    - Use whole dollars
    - Retain the documentation for how the budget was calculated
- Refrigerant GHG emission reductions and cost-effectiveness ($/MTCO$_2$e reduction) (based on the output of the FRIP tool outputs);
- Description of the measures that will be implemented to follow refrigerant retrofit best practices to reduce leaks and improve energy efficiency and a description of the measures for proper disposal, recycle or recovery of refrigerant removed from the system. The following retrofit guidance materials may be used to inform this component of the project summary. Guidance documents from other manufacturers or other sources may be used.
    - Chemours Opteon XP40 Retrofit Guidelines to Replace R-404A/R-507 https://www.opteon.com/en-/media/files/opteon/opteon-xp40-retrofit-guidelines-r-404a-r-507.pdf
    - Honeywell Refrigerants Retrofit Guidelines for R-404A/R-507A to R-448A - https://www.rsd.net/fx/pdf/suite/genetron_hfo_blends/Genetron_R404-R507_to_R448_Retrofit_Guide.pdf
- If applying for optional criteria, provide the necessary information to justify that the criteria are satisfied.

3. FRIP GHG benefits using calculator tool

Applicants must use the FRIP Tool to calculate refrigerant GHG emission reductions associated with changes to the refrigeration system. Applicants may also calculate the emissions associated with energy efficiency for charge reduction and retrofit projects when the data are available. Based on the user-defined inputs, the FRIP tool automatically outputs the GHG emission reductions and co-benefits associated with the proposed project. Please refer to the user guide for instructions on how to use the tool. The FRIP tool and user guide are available for download at: www.arb.ca.gov/cci-resources and https://ww2.arb.ca.gov/our-work/programs/FRIP/program-materials.

4. Commitment letter for match funding

The applicant must provide evidence to establish a high degree of confidence that they have sufficient funding to complete the proposed project, apart from funds requested through FRIP

or other agencies. This must be demonstrated through a commitment letter from the applicant (or applicant's company) confirming that capital funds for the proposed refrigeration system have been allocated.

5. Payee data form 204

Applicants must completely fill out and include the payee data form 204 in their application package, which is required when receiving payment from the State of California.

6. CEQA compliance form

Applicants must follow the CEQA requirements outlined in Section 2.6. Applicants must complete the CEQA worksheet (Attachment G) and submit it as part of the application package, and any supporting documentation if necessary. Some proposals could qualify as a project under the CEQA. In these instances, applicants will need to submit additional documentation in order to facilitate CEQA completion, prior to approval of the agreement and award of the grant money. Thus, no awards can be approved until CEQA is satisfied.

4.3 Application Format and Page Limits

Table 17: Application Format and Page Limit Requirements

Format	• **Signatures**: Manual or electronic. • **File Format:** Applicants must use templates provided. MS Word or PDF files are acceptable for materials for which CARB has not provided templates.
Page Limits	Page limits are as follows: • **Project Summary for Tier I: twenty (20)** pages (excluding CEQA documentation and any supporting documentation). • **Project Summary for Tier II: five (5)** pages (excluding any supporting documentation).

4.4 Submission Instructions

Applications must be submitted electronically in their entirety by 5 pm on August 7, 2020 (tentative date) to FRIP@arb.ca.gov. Mail or hand delivery of applications is temporarily on hold.

All documents must be named as follows: Retail Food Facility name_document name (the same name as the template)_date submitted.

Chapter 5: FRIP Evaluation and Award Process

5.1 Application Evaluation

Applications will be evaluated and scored based on responses to the information requested in these Guidelines. CARB will organize an Evaluation Committee primarily consisting of CARB staff. CARB may invite technical expert reviewers from other agencies to join the Committee. Applications will be evaluated in two stages as described in section Chapter 3. The scores for each application will be the average (mean) of the combined scores of all Evaluation Committee members.

1. Stage 1: Administrative screening
   All applications will be screened for compliance with the administrative screening criteria listed in Table 11. **Applications that that do not meet ALL the screening criteria will be rejected.**
2. Stage 2: Technical scoring
   Applications that pass Stage 1 of the evaluation will be reviewed and scored by the evaluation committee based on the technical scoring criteria listed in Tables 12 and 14 for Tier I and Tier II projects, respectively.
3. Clarification Interviews and follow up
   The Evaluation Committee may conduct in-person or telephone interviews with applicants or request a written clarification through email during the evaluation process to clarify and/or verify information submitted in the application. However, these interviews may not be used to substantively change or add to the content of the original application. Applicants will not be reimbursed for time spent answering clarifying questions.

5.2 Notice of Proposed Award

Applications that pass the criteria for the screening and technical scoring criteria will be ranked according to their score. CARB will post a Notice of Proposed Award (NOPA) on the FRIP website with the following information:

- The rank order of the applicants;
- Total funding amounts requested by each applicant;
- Overview of the proposed project; and
- Total funding amount awarded.

5.3 Grant Agreement and Disbursement of Funds

Grantees will be required to sign a Grant Agreement with CARB to fulfill the administrative duties and technical duties associated with the project. No legal obligations will exist unless and until the parties have executed and delivered a Grant Agreement. The grant period begins only after the Grant Agreement is fully executed. Please refer to Attachment H for a draft Grant Agreement and associated Terms and Conditions.

CARB will send the recipient a Grant Agreement for their signature. The Grant Agreement will include the applicable terms and conditions and will incorporate these Guidelines by reference. CARB reserves the right to modify the award documents (including the terms and conditions) prior to executing any agreement.

An executed Grant Agreement will be required prior to awardees receiving any funding. Costs are only subject to reimbursement by CARB after execution of the Grant Agreement; no costs incurred prior to execution of the Grant Agreement are reimbursable using CARB funds. If CARB is unable to successfully execute an agreement with an applicant, it reserves the right to cancel the pending award and to fund the next highest-ranked, eligible application.

Because time is of the essence, if an Applicant at any time, including after Grantee selection, attempts to negotiate, or otherwise seeks modification of the conditions of the Grant Agreement, CARB may reject an application or withdraw a proposed award. This does not alter or limit CARB's ability to withdraw a proposed award for other reasons, including failure of a third party agency to complete CEQA review, or for no cause.

In order to receive a fund disbursement, or an advance payment (if appropriate),[11] the Grantee must submit a Grant Disbursement request form to CARB, and/or an Advance Payment Request form. These forms will be provided to Grantees upon Grant Agreement execution. Please refer to the draft Grant Agreement (Attachment H) for information on eligibility for advance payments and the associated requirements.

A Grantee that is a California organization holding a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code, in partnership with a California community- based organization without Section 501(c)(3) status designated as a sub-grantee, will be required to sign a Grant Agreement with CARB specifying that the Grantee has joint and several liability for compliance with grant requirements.

5.4 Grounds to Reject Applications or Cancel Awards

Applications that do not pass the screening stage will be rejected. In addition, CARB reserves the right to reject an application and/or to cancel an award including but not limited to the following circumstances:

- 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 comply or contains caveats that conflict with the solicitation, and the variation or deviation is material;
- The applicant has received unsatisfactory agreement evaluations from CARB or another California state agency;

[11] Advance payments are subject to the provisions of Health & Safety Code sec. 39603.1.

- The applicant is a business entity that is not in good standing with the California Secretary of State;
- Existence of information demonstrating the applicant does not have the financial capability to complete the project;
- The applicant fails to meet CEQA compliance or other legal requirements within sufficient time for CARB to meet its encumbrance deadline, as CARB in its sole and absolute discretion may determine;
- Any other reason that could give CARB cause to reject or cancel the award.

5.5 Miscellaneous

5.5.1 Reservation of Rights

CARB reserves the right to do any of the following:

- Allocate the funds in phases;
- Allocate funds from one tier to the other depending on the number and quality of applications received;
- Limit or increase the number/amount of awards per entity;
- Cancel the pending award and to fund the next highest-ranked, eligible application;
- Remove discrete elements of projects selected for funding that CARB determines to be ineligible, in accordance with these guidelines and California Health and Safety Code section 44391.2(d);
- Reject an application and/or to cancel an award;
- Limit the number of applications per organization for each grant solicitation or for each tier;
- Revise the amount of funds available under these Guidelines;
- Narrow the specific pool of eligible technologies for a particular solicitation;
- Conduct an audit of any project;
- Negotiate with successful applicants to modify the project scope, schedule, and/or level of funding;
- Terminate a Grant Agreement if CARB determines, in its sole discretion, that the objectives cannot be reached or that the Grantee cannot or will not perform the required work in accordance with the project timeline;
- Amend or cancel these Guidelines as needed; and/or
- Reject any or all Applications received in response to these Guidelines.

5.5.2 Solicitation Cancellation and Amendment

It is the policy of CARB not to solicit applications unless there is a bona fide intention to give awards. However, if it is in the State's best interest, CARB reserves the right, in addition to any other rights it has, to do any of the following:

- Cancel the solicitation of applications for this program;
- Revise the amount of funds available under this solicitation;

- Amend the Guidelines as needed; and/or
- Reject any or all applications received in response to this solicitation.

If the Guidelines are amended, CARB will send a notification to all entities that are signed up for the corresponding listserv, and will also post it on CARB's website at: https://ww2.arb.ca.gov/our-work/programs/FRIP. CARB will not reimburse applicants for application development expenses under any circumstances, including cancellation of the program.

5.5.3 Modification, Termination, or Withdrawal of Application

Applicants may withdraw or modify a submitted application before the deadline to submit applications by contacting the FRIP Team at FRIP@arb.ca.gov. Applications cannot be changed after the deadline but an application may still be withdrawn. An application cannot be "timed" to expire on a specific date. For example, a statement such as the following does not apply: "This application and the cost estimate are valid for 60 days."

CARB reserves the right to negotiate with Applicants to modify the project scope, the level of funding, or both. If CARB is unable to successfully execute a Grant Agreementwith an Applicant, CARB, in its sole discretion, reserves the right to withdraw the pending award and fund the next highest ranked eligible project. This does not limit CARB's ability to terminate or withdraw a proposed award for other reasons, including for no cause.

Once the Grant Agreement is executed, any change in the project budget, redefining of deliverables, or extension of the project schedule must be approved in advance and in writing by CARB, or designee, and may require an amendment to the Grant Agreement. Once a Grant Agreement is in place, minor changes to the work to be done or other project scope changes may be considered by CARB, in consultation with the Grantee.

5.5.4 Confidentiality

Upon submittal to CARB, all applications will become property of the State of California. All Applications will be treated in accordance with the California Public Records Act and Public Contracts Code requirements. CARB will affirmatively post applications in their entirety when CARB or other state agencies may also use any of these documents or information for any purpose, including to determine eligibility and compliance with FRIP, applicable law, or a particular program document, to evaluate related or relevant programs or program elements, or to prepare reports. These documents and information include, but are not limited to: applications for funding, the agreement itself, invoices and any documentation submitted in support of applications, all agreement deliverables, final project report and documents prepared for other reporting requirements, and materials and documents developed as part of technology transfer activities.

If CARB requires an applicant or a recipient to provide copies of records that the recipient believes contain confidential/proprietary information entitled to protection under the California Public Records Act or other law, the applicant or recipient may request that such records be

designated confidential according to CARB's regulations, Title 17, California Code of Regulations, section 91000 et seq.

Applicants or recipients considering requesting confidentiality should note that GGRF funds are subject to information disclosure requirements to ensure transparency. Information concerning the identity of recipients and the grant amount are public information, and will be disclosed according to the California Public Records Act. This information, as well as other public information, may also be disclosed through CARB's website, another State of California agency website, or through other means.

CARB can disclose confidential information and records to other governmental entities and policing authorities for civil and criminal investigation and enforcement purposes.

5.5.5 Errors in the Program Guidelines

If an applicant discovers any ambiguity, conflict, discrepancy, omission, or other error in the Guidelines, the applicant must immediately notify CARB of the error in writing and request modification or clarification of the document. CARB will provide modifications or clarifications by to all entities that are subscribed to the HFC and RMP listservs. CARB is not responsible for failure to correct errors.

5.5.6 Immaterial Defect

CARB may waive any immaterial defect or deviation contained in an application. CARB's waiver will not modify the application or excuse the successful applicant from full compliance with program requirements.

5.5.7 Applicant's Admonishment

These Guidelines contain the instructions governing the requirements for funding projects submitted by interested Applicants, including the format in which the information is to be submitted, the material to be included, the requirements that must be met to be eligible for consideration, and Applicant responsibilities. Applicants must take the responsibility to carefully read the entire Guidelines, ask appropriate questions in a timely manner, submit the application with all required responses in a complete manner by the required date and time, and make sure that all procedures and requirements of the Guidelines are followed and appropriately addressed.

5.5.8 Incorporation by Reference

The content of these Guidelines and each grant application shall be incorporated by reference into the Final Grant Agreement. See the sample Draft Grant Agreement, Attachment H.

Chapter 6: Administrative Requirements for Grantees

6.1 Invoicing

- *Award*: Grantees may receive a reimbursement of awarded funds from CARB for eligible costs incurred only after the execution of the Grant Agreement.
- *Retention of Grant Funds*: CARB may retain 10 percent of the grant award amount for release at the satisfactory conclusion of the project.

6.2 Prevailing Wage

Projects that receive an award of public funds from CARB often involve construction, alteration, demolition, installation, repair or maintenance work over $1,000. For this reason, projects that receive an award of public funds from the CARB are likely to be considered public works under the California Labor Code. See Chapter 1 of Part 7 of Division 2 of the California Labor Code, commencing with Section 1720 and Title 8, California Code of Regulations, Chapter 8, Subchapter 3, commencing with Section 16000. Public works projects require the payment of prevailing wages.

Prevailing wage rates can be significantly higher than non-prevailing wage rates. If the recipient does not believe the project is a public works project, the recipient is responsible for obtaining a legally binding determination from the California Department of Industrial Relations or a court of competent jurisdiction before work begins on the project. The recipient is fully responsible for complying with all California public works requirements, including but not limited to payment of prevailing wage. If outside contractor labor is utilized, they shall be paid at the prevailing wage for their particular trade as established by the California Department of Industrial Relations. Projects must comply with any applicable laws pertaining to prevailing wage and labor compliance.

6.3 Audits and Access to Facilities

All GGRF administering agencies, including CARB, are subject to Legislative and other oversight, including audits by the California State Auditor, Finance, other state oversight agencies, or a third-party auditor.

Grantee must provide all project documents, including detailed documentation of all planned and paid expenses and allow CARB or its designee to collect project-related data including the data required to measure and verify electricity, and refrigerant GHG emission reductions. Further, if requested, the Grantee must provide CARB or its designee associated data from a period before the start of the project, as necessary, to establish baseline data, such as energy use and refrigerant GHG emissions.

The Grantee must allow CARB, the California Department of Finance, the California Bureau of State Audits, or any authorized designee access, during normal business hours, to conduct reviews and fiscal audits or other evaluations. Access includes, but is not limited to, reviewing project records, site visits, interviews, and other evaluations as needed. Project evaluations or

site visits may occur unannounced as CARB staff or its designee deem necessary. Audits or program reviews may occur at any time during program implementation or project completion.

6.4 Records Retention

Grantees must retain all project records (including but not limited to financial records, progress reports, payment requests, and electricity use reduction documentation) for a minimum of three (3) years from the date of the final payment. Grantees must include the above audit, record retention, and access rights in any subcontract.

6.5 Enforcement

CARB may take any and all actions necessary to enforce its rights.

Recovery of Overpayment or Misuse of Funds: CARB may take formal legal action against any applicant, former applicant or recipient to recover any portion of a payment under a Grant Agreement that the Executive Director determines the applicant or former applicant was not otherwise entitled to receive.

Fraud and Misrepresentation: The Executive Director may initiate an investigation of any applicant that the Executive Director has reason to believe may have misstated, falsified, or misrepresented information in submitting a reservation application, payment claim, or reporting any information required by these Guidelines. Based on the results of the investigation, the Executive Director may take any action deemed appropriate, including, but not limited to, cancellation of the agreement, recovery of any overpayment, and recommending the Attorney General initiate an investigation and prosecution under Government Code Section 12650, et seq., or other provisions of law.

Noncompliance with Agreement: CARB may seek remedies for noncompliance with agreement terms, work scope, project milestones, and estimated GHG reductions including without limitation stop work, termination, recovery of funds, or any other administrative or civil action.

6.6 Guidelines Authority

The Guidelines are adopted pursuant to Senate Bill 1013 (Statutes 2018, Chapter 375). The latest CCI guidance on GGRF program requirements is available at: www.arb.ca.gov/cci-fundingguidelines.

6.7 Guidelines Interpretation

Nothing in these Guidelines is construed to abridge the powers or authority of CARB.

6.8 Effective Date of Guidelines

These Guidelines will go into effect on August 7, 2020 (tentative) and will be posted on CARB's website at: https://ww2.arb.ca.gov/our-work/programs/FRIP/program-materials.

Chapter 7: Implementation and Reporting Requirements for Grantees

7.1 Implementation Requirements for Grantees

Administering agencies of GGRF funds, CARB in this instance, must submit reports on expenditures, investment benefits, and project outcomes, per CCI guidance.

CARB will be responsible for coordinating with Grantees to guide Grant Agreement development, provide project oversight, and serve as CARB's point of contact for stakeholders interested in receiving more information about the project. The Grant Agreement will include a Scope of Work, Project Budget, Project Timeline and general Terms and Conditions that the Grantee must adhere to (see Attachment H, Draft Grant Agreement). The Grantee must track and document detailed project-level information as it relates to refrigerant GHG emission reductions and energy savings throughout the grant term.

Some FRIP projects may require one or more critical project review meetings at a predesignated milestone(s) in which the CARB project manager will review the progress to date and determine whether the progress to date justifies proceeding to the next phase of the project and/or make necessary corrections to ensure project success. For all projects, CARB may call a critical project review at any time during the project if the grant manager believes there is a significant issue with the progress or administration of the project that needs to be discussed, and could result in a change to the project or its termination.

Grantees will be subject to a number of requirements (see Attachment H, Draft Grant Agreement) with some of the requirements listed below.

Primary requirements for Tier I Grantees:

- Participate in a kick-off meeting to establish deliverable expectations, roles and responsibilities, invoicing procedures, and reporting requirements.
- Submit periodic progress reports to ensure the Grantee is complying with the task schedules specified in the Grant Agreement and provide required deliverables as specified in the Scope of Work.
- Monitor and verify refrigerant and energy use GHG emissions reductions using the FRIP tool and quantification methodology.
- Develop final case study upon project completion and once M&V sufficient data has been collected.

Primary requirements of Tier II Grantees:

- For retrofit only projects, prepare a brief final report confirming project completion including final refrigerant charge.
- For charge reduction and retrofit projects, prepare a final report confirming measures implemented to reduce charge, final system charge and performance data, as applicable.
- Monitor and verify refrigerant and energy use GHG emissions reductions using the FRIP tool and quantification methodology.

7.2 Reporting Requirements for Grantees

After full grant execution, Tier I Grantees must submit Quarterly reports to CARB and continue through the end of the grant term. Tier I Grantees will also be required to submit reports, although not as frequently. Specific due dates will be included in the Grant Agreement. These requirements could exceed the grant term. The format in which this information is to be tracked and reported will be provided by CARB. This information is to be retained for a period of three years following completion of the project.

In addition to the Quarterly reports, Grantees will be required to develop a final case study for the project. Tier I and Tier II Grantees will develop draft case study and a final case study at pre-determined milestones. The format for the reports and case study will be provided by CARB. All reports must be provided to LADWP for projects funded by LADWP.

Reports may be submitted electronically to FRIP@arb.ca.gov identified in the executed agreement and may include the following details:

- Applicant information;
- Date of submissions;
- Grant number;
- Project description;
- Project location;
- Project photos;
- Census tract;
- Dates: project selected and completed;
- GGRF dollars allocated;
- Leveraged and/or match funds;
- Costs associated with the refrigeration system;
- Grant funds remaining and expended;
- Expenditure summary showing all FRIP Grant funds for which reimbursement was requested since last report;
- M&V results;
- Estimated/actual total project GHG emission reductions;
- Estimated/actual total project co-benefits i.e. air pollutant emission reductions;
- Estimated/actual energy saved (kWh) if applicable;
- Summary of work completed and in progress since the last progress report, including location (i.e. address or latitude and longitude) of educational events and/or monitoring activities;
- Trainings/workshops conducted;
- Other benefits or results;
- Benefits to priority populations (as applicable); and
- Any challenges or barriers encountered in the implementation of your project.

CARB, at its sole discretion, may request additional information and/or institute a new reporting format at any time, for any awarded project.