

**EFFECTIVE JANUARY 8, 2014**

**Title 20, Chapter 4, Article 7.  
Regulations for the Geothermal Grant and Loan Program**

**§ 1660. Purpose.**

This article specifies the criteria and procedures for the State Energy Resources Conservation and Development Commission's ("Energy Commission's") Geothermal Grant and Loan Program.

Note: Authority cited: Sections 3822, 25213, and 25218(e), Public Resources Code.  
Reference: Sections 3820, 3822, 3823, and 25216(c), Public Resources Code.

**§ 1661. Definitions.**

In this article:

(a) "Applicant" means (1) a local jurisdiction as defined in Public Resources Code Section 3807 that has geothermal resources or is impacted by geothermal development; or (2) a private entity as defined in Public Resources Code Section 3809.

(b) "GRDA" means the Geothermal Resources Development Account established by Public Resources Code Section 3820 that provides funding for the Energy Commission's Geothermal Grant and Loan Program. The Energy Commission's Geothermal Grant and Loan Program may also be called the "GRDA Program" after its funding source.

(c) "Resource development project" means a project that assesses, develops, or converts a geothermal resource for direct use or electrical generation.

(d) "Project" means an activity designed to carry out one or more of the purposes identified by Public Resources Code section 3823.

Note: Authority cited: Sections 3822, 25213, and 25218(e), Public Resources Code.  
Reference: Sections 3807, 3808, 3809, 3823, and 25216(c), Public Resources Code.

**§ 1662. Types of Financial Assistance.**

The Energy Commission shall distribute an award as a grant or a loan.

Note: Authority cited: Sections 3822, 25213, and 25218(e), Public Resources Code.  
Reference: Sections 3822 and 25216(c), Public Resources Code.

**§ 1663. Terms for Loan Payment.**

In approving a loan, the Energy Commission shall specify the interest rate, consistent with subdivision (f) of section 3822 of the Public Resources Code, and shall specify the repayment term, the principal, and the number of installments.

Note: Authority cited: Sections 3822, 25213, and 25218(e), Public Resources Code.  
Reference: Sections 3822 and 25216(c), Public Resources Code.

**§ 1664. Notice of Availability of Funds.**

The Energy Commission shall announce the availability of funds for Geothermal Grant and Loan Program awards by posting a notice to the Energy Commission's website, mailing the notice to all persons who have requested notices about the Geothermal Grant and Loan Program by mail, and electronically sending the notice to all persons who have consented to receive notices about the Geothermal Grant and Loan Program by electronic service.

Note: Authority cited: Sections 3822, 25213, and 25218(e), Public Resources Code.  
Reference: Section 25216(c), Public Resources Code.

**§ 1665. Application and Award Procedures.**

(a) Application Requirements. An applicant shall submit an application for each project proposed under this article. The application shall contain:

(1) a cover page with the project name; the applicant's name, mailing address, telephone number, and related Internet websites, if any; the names, mailing addresses, telephone numbers, and e-mail addresses of the project director, the budget officer, and the project manager; and an abstract of the project.

(2) a budget, including, but not limited to, estimates for labor costs, operating expenses, professional and consultant services, equipment, materials, and any construction expenses.

(3) a project narrative describing:

(A) the purpose or objective of the proposed project;

(B) the need for the project;

(C) related activities undertaken;

(D) benefits to the local community;

(E) other funding sources investigated or secured for the project;

(F) anticipated effects of the project on geothermal energy development in the area; and

(G) the products that will result from the project.

(4) a detailed work statement listing and describing the tasks to be undertaken and all documents and products that will be submitted to the Energy Commission.

(5) a schedule showing personnel requirements and a timeline for completing the project tasks.

(6) a detailed description of the purpose for and benefits of each product.

(7) for local jurisdiction applicants: a resolution from the local jurisdiction's governing body authorizing submittal of the application.

(8) for private entity applicants: a discussion of how the applicant, if awarded a grant or loan, will obtain approval for the grant or loan from a representative of the city, county, or Indian reservation where the project is to be located, in accordance with Public Resources Code section 3822(g)(3).

(9) analyses, assessments, or other documents sufficient to support an Energy Commission determination that a decision approving an award for the project is in compliance with the California Environmental Quality Act; and

(10) for resource development projects that will directly result in revenue or energy savings, a feasibility study. The study shall include:

(A) a summary of conclusions;

(B) a description of the geothermal project;

(C) a discussion of the quality and availability of the geothermal resource, based on, but not limited to, technical evaluations such as water samplings, temperature and other logs, geophysical surveys, or flow tests;

(D) a schematic drawing including, but not limited to, well locations, distribution piping, structures, equipment and controls;

(E) a table including, but not limited to a description of any new equipment, itemized capital costs in current dollars, annual operating costs for the new geothermal system, and annual energy savings in current dollars and energy units; and a cash flow analysis table including,

but not limited to, year-by-year estimates in current dollars of the energy cost of any existing nongeothermal systems, the energy cost associated with the proposed geothermal system, operation and maintenance costs associated with the proposed geothermal system, net energy savings, debt service, and net cash flow.

(b) **Application Review and Scoring.** Energy Commission Staff shall evaluate and score all applications using the criteria set forth in Appendix A. Staff may also invite other governmental entities to participate in scoring. After scoring is complete, Staff shall recommend projects for funding based on application scores, notify applicants of projects recommended for funding in a published notice, and submit recommended awards to the Energy Commission for approval.

(c) **Declined Awards.** If an applicant declines all or part of an award, the Energy Commission may use the amount declined to fund another application or to supplement other awards approved during the same funding cycle.

(d) **Requests for Evaluation.** After the Energy Commission notifies applicants of proposed awards, Energy Commission Staff shall make its evaluation and the score for an application available to that applicant upon request.

(e) After the Energy Commission approves an award to a private entity and before the Energy Commission disburses funds for the award, the private entity shall, pursuant to Public Resources Code section 3822(g)(3), submit to the Energy Commission evidence that a representative of the city, county, or Indian reservation within which the project is to be located has approved the award. The Energy Commission will accept a written document, including an e-mail, indicating that the city, county, or Indian reservation has approved the award for the proposed project.

Note: Authority cited: Sections 3822, 25213, and 25218(e), Public Resources Code.  
Reference: Sections 3807, 3822, 3823, and 25216(c), Public Resources Code.

## **Appendix A**

### **Application Evaluation Criteria**

- a. Economic and Employment Benefit ..... (10 points)
- b. Demonstrated Need or Value..... (20 points)
- c. Payback and Cost Effectiveness ..... (10 points)
- d. Proven Extent of the Resource ..... (15 points)
- e. Likelihood of Success ..... (15 points)
- f. Match Contribution ..... (5 points)
- g. Contribution to Development of California's Geothermal Energy..... (15 points)
- h. Public Involvement..... (10 points)