

Responses to Questions and Answers

Advanced Vehicle Technology Manufacturing Solicitation

PON-14-604

October 8, 2014

ADMINISTRATION/PROCESS

1. What do you consider a “manufacturing line”?

A manufacturing line is the equipment utilized to manufacture, assemble, convert, upfit, or produce a complete vehicle or vehicle component(s).

2. Are manufactured vehicles required to go straight to dealer or can they go to upfitter first?

There is no restriction preventing a manufacturer from working with an upfitter to create a complete vehicle.

3. How many vehicles must there be for an eligible complete vehicle project?

There is no minimum for the number of complete vehicles that a manufacturer must produce under the proposed project. However, the business plan should include projections of the number of vehicles manufactured and sold. In addition, project benefits must reflect the benefits from vehicle manufacturing projections.

4. Is the replacement of manufacturing execution systems a reimbursable expense? Additionally, can software purchases be considered eligible for reimbursement or match when used as an expense line item or equivalent to capital equipment purchase (PPE) as long as their uses are consistent with recognized accounting principles?

Yes, the replacement of manufacturing execution systems is a reimbursable expense as long as the system is directly linked to the manufacturing line. Software purchases used for manufacturing are eligible for reimbursement and/or match share.

5. **Would a project that is in part federally funded to build multiple medium-duty trucks by a California truck OEM as part of a multi-year demonstration be eligible?**

No. The purpose of this solicitation is to cost-share the development of advanced vehicle technology manufacturing facilities in California. Demonstration projects are ineligible.

The Energy Commission will be funding vehicle demonstration projects through a future solicitation. When available, information on this vehicle demonstration solicitation will be posted at: <http://energy.ca.gov/contracts/transportation.html> .

6. **Can grant funds be used to establish a pilot line to build electric cars that can be sold as pre-assembled kit car? Or do eligible vehicles only include fully crash-tested, air-bag equipped vehicles?**

Eligible vehicles must be fully warranted and must meet all applicable state and federal laws to be registered and operated in California. Please see Addendum #1 for more information.

7. **Is the installation of hydrogen propulsion systems for light, medium, and heavy duty trucks an eligible activity?**

No. The intent of the solicitation is to fund the manufacturing of complete vehicle and vehicle components, not the installation of components.

8. **Is building rent/lease an allowable expense?**

Rent/lease expenses are ONLY allowable as match share expenditure as long as the values are documentable, reasonable, and allocable to the proposed project.

9. **Is the cost of grant writer to complete this PON application a reimbursable expense?**

No. The Applicant is responsible for the cost of developing an application, and this cost cannot be charged to the State as reimbursable or match share.

10. **Would the creation or expansion of a manufacturing production/assembly line in California for an off-board electric vehicle charging product, such as a DC Fast Charger used as an external component of the vehicle fueling system be eligible for funding with a grant under PON-14-604?**

Yes. Please see Addendum #1 for more information.

11. Do lithium-ion cells/batteries qualify as eligible components?

Yes, as long as the cells/batteries are manufactured solely for the purpose of supplying power to electric drive-train, or power-train of an alternative fuel vehicle.

12. Is the procurement of vehicle platform and/or chassis an eligible expense or activity?

No. Costs associated with the manufacture of complete vehicles or vehicle components which will be made commercially available and sold are not eligible activities or expenses under this solicitation. This includes raw material costs, manufacturing labor costs, and other costs associated with the manufacturing of vehicles or components. Please see Addendum #1 for more information.