

Sectoral Fund CONACYT-Secretariat of Energy-Energy Sustainability

TERMS OF REFERENCE¹

**REQUEST FOR PROPOSALS – CONACYT – SECRETARIAT OF ENERGY – SUSTAINABILITY FUND
2017-01**

**COLLABORATIVE ENERGY EFFICIENCY PROJECTS
Cooperation with the University of California**

1. Description

Promoted by the Secretariat of Energy (SENER) and the National Council for Science and Technology (CONACYT), the request for proposals for Collaborative Energy Efficiency Projects between Mexico and the University of California (UC) is primarily aimed at energy-efficient technological development and capacity building for Mexico. The research contribution of the projects shall be directed toward reducing the energy demands of buildings and urban services (lighting and water pumping) in cities and transitioning to a low-carbon economy via demonstration projects and comprehensive energy efficiency solutions. The projects are expected to focus on harnessing the experience of industry (manufacturers, installers, and operators), the government, and academia in both Mexico and California, with special emphasis in California's case on the experience of the UC system, which includes the Lawrence Berkeley National Laboratory and the Lawrence Livermore National Laboratory.

The knowledge challenges of the energy sector that are intended to be covered by the request for proposals, also selected as being of common interest for SENER and UC, has to do with three priority areas of collaboration: (a) Scientific and technological research; (b) energy regulation and governance; and (c) industrial development, giving rise to five major topics to be developed: (1) Diagnosing public policies, regulations, and strategies for energy use in buildings; (2) evaluating and technologically developing high-efficiency equipment; (3) measuring, demonstrating, and implementing energy-efficiency retrofits in buildings; (4) implementing energy-saving and energy-efficiency measures in cities with a focus on public lighting and the nexus of water and energy; and, (5) a project to create a database for efficient exchange of information among the different participants involved in energy efficiency in Mexico.

Lastly, it is important to add that, by promoting scientific research and development, the strategic partnership with the UC system will make it possible to understand current energy demand in Mexican buildings and cities, acquire technology to reduce energy demand, and implement measures for efficient energy use, as well as to determine the environmental and economic impacts of implementing them.

2. Types of Proposals that May Be Funded by This Request

¹ Translation provided for reference purposes. In case of any doubts or disputes, the documents in Spanish posted on CONACYT website will prevail.

The financial support granted through this request for proposals shall be used to carry out applied research projects and demonstration projects related to energy efficiency, which will promote understanding of energy use and management in Mexican buildings and cities, and will develop strategies to meet objectives for energy demand reduction in close cooperation with UC.

Supported projects must be focused on energy saving and efficient use of electrical energy in cities, with a special emphasis on non-residential buildings, including public buildings, commercial buildings, and municipally-owned facilities such as potable water systems, drainage systems, and public lighting. Below are the topics for projects that may receive support under this request for proposals:

Topic 1. Diagnosing public policies, regulations, and strategies for energy use in buildings - strengthening the energy-efficiency ecosystem for buildings in Mexico.

Projects within this group will analyze progress in the efficient use of energy in buildings and the impact of different programs and projects in the context of the Transition Strategy to Promote the Use of Cleaner Technologies and Fuels, Mexico's National Determination Contributions, and other objectives and commitments of the Mexican Government.

Research projects within Topic 1 must increase the capacity to analyze energy demand in buildings and their associated environmental and economic impacts. Proposals can follow the following guidelines:

- Collecting and analyzing data related to the variables that determine energy consumption in buildings, and strategies to overcome barriers to acquiring and generating high quality data.
- Evaluating existing national and regional projects and programs for energy efficiency in buildings, including institutional capacity to design, develop, implement, and operate projects and programs and strategies to develop energy efficiency.
- Elements for the development of a Master Plan for Energy Efficiency in Buildings and its recommended integration into the Transition Strategy to Promote the Use of Cleaner Technologies and Fuels.
- Policies and strategies in buildings with a comprehensive perspective that includes energy efficiency and renewable energy.
- Evaluating energy performance of technologies, systems implemented in buildings, and of complete buildings.
- Analyzing and identifying possible funding entities for project implementation.

Topic 2. Evaluating and demonstrative development projects for equipment and new systems to increase energy efficiency

Projects in this group will be aimed at eliminating barriers to and risk of adopting equipment and new systems to increase energy efficiency, including equipment or systems for control and management of electric supply and demand and their relation to electric microgrids. Proposals under Topic 2 may include the following:

- Applied research, design, development, and demonstration projects for lighting. Efforts to accelerate the development and commercialization of efficient and innovative lighting solutions for both indoor and outdoor applications. This includes projects that support the deployment of advanced public lighting solutions
- Applied research, design, development, and demonstration projects for microgrids in order to demonstrate decentralized electrical networks that put into practice the most advanced equipment or systems for control and management of electric supply and demand. Microgrid projects may include software development to model and optimize consumption in buildings and microgrid operations.
- Air conditioning and ventilation technologies. Market assessment, energy baseline assessment, and assessment of usage patterns for air conditioning and ventilation equipment in buildings.
- Efficiency of equipment and the Internet of Things. Assessment of alternative approaches to energy consumption related to networked devices, including specific technology policies or more general approaches.

Topic 3. Measuring, demonstrating, and implementing energy-efficiency retrofits in buildings.

Projects in this topic will improve understanding of actions to improve the energy efficiency of existing buildings. Proposals under Topic 3 may cover the following areas:

- Characterizing, bench-marking, measuring, and evaluating energy consumption in non-residential buildings, preferably commercial buildings, including public buildings, hospitals, and schools.
- Energy audits, demonstration projects and pilot projects to implement new technologies, including the replacement of obsolete or inefficient equipment with new energy-efficiency equipment for building retrofits.

Topic 4. Implementing energy-saving and energy-efficiency measures in urban services (lighting and water pumping) and forging ties with municipal and state programs, including the nexus of water and energy.

Municipal governments are often the "front line" in implementing public policies and projects for energy efficiency. Cities are major energy consumers with buildings and facilities run by the municipal government, such as water systems and services. Projects in this topic focus on public lighting and the nexus of water and energy by researching joint programs to save energy and water and to optimize their consumption (especially

programs focusing on low-investment, water-saving opportunities). Emphasis should be placed on collecting and analyzing data that can lead to tangible energy and water savings.

Topic 5. Project to create a database for efficient exchange of information among the different participants and projects involved in energy efficiency in Mexico.

The aim is to fund research work that integrates information, knowledge, experiences, and best practices into energy efficiency in Mexico to develop a hard database on these projects and establish mechanisms to share information and put it in use. The successful proposal must include a technical workshop that brings together the teams and projects that are selected under this request for proposals and submit a report containing the progress and recommendations of these teams, as well as a work plan to create a public database containing information and hard data on energy efficiency in Mexico.

Demonstration projects are expected to have a component for capacity-building in research, training, and human capital development in Mexico.

The amounts of support for each topic shall be determined according to the following classification:

Topic	Maximum Amount (to Be Granted per Project)	Total Maximum Amount (to Be Granted per Topic)	Total Minimum Concurrent Funding Required per Topic
Topic 1	\$5,000,000.00 MXN	\$10,000,000.00 MXN	20%
Topic 2	\$45,000,000.00 MXN	\$90,000,000.00 MXN	25%
Topic 3	\$25,000,000.00 MXN	\$50,000,000.00 MXN	25%
Topic 4	\$22,500,000.00 MXN	\$45,000,000.00 MXN	25%
Topic 5	\$5,000,000.00 MXN	\$5,000,000.00 MXN	20%

3. Contents of Proposals

Proposals must include letters of intent signed by each institution participating in the project, including UC.

Proposals shall include a General Project Plan that provides a description of the contributions and added value of each of the institutions participating in the project, which must exhibit contributions that go beyond the concurrent resources provided to the consortium

The General Project Plan shall propose the activities to be carried out by the consortium and the goals for a four-year period. The description of such activities shall include a breakdown of the institutions involved and their specific contributions.

The General Project Plan shall include a general budget containing a financial breakdown organized according to the eligible headings (set out in Item 8 of these Terms of Reference), the participating entities, and the annual stages (Activity Schedule). Resources may be allocated to the different institutions that make up the consortium, including UC, provided that such is consistent with the proposed projects, activities, and objectives and has been approved by the Fund's Technical Administrative Committee.

4. Concurrent Funds

The participating institutions must make concurrent contributions of at least 20% of the total resources requested from the Fund for projects under Topics 1 and 5. Projects under Topics 2, 3, and 4 must have concurrent contributions by the companies or third parties of at least 25% of the amount requested from the Fund. Concurrent contributions may be in cash or in kind. Preference shall be given to Proposals with greater concurrent funds and Proposals with concurrent contributions in cash.

5. Eligibility Criteria and Responsible Parties

5.1 Eligibility

Private and public Mexican Institutions of Higher Education (IES, in Spanish) and Research Centers (CI, in Spanish), Non-Profit Associations, and Civil Organizations may participate if they are registered or pre-registered with RENIECYT and present, in consortium with UC, proposals for applied research and technological development for energy efficiency in buildings and cities. Where appropriate, proposals may be submitted collectively or in association with other national and foreign academic institutions, research centers, governmental institutions, non-profit organizations, private companies with no conflicts of interest, among others.

Proposals are eligible for acceptance if they are submitted through CONACYT's Project Management Computer System (SIAP, per its Spanish initials) during the period established for the request for proposals and include the annexes requested in these terms of reference (as set out in Item 6 of these Terms of Reference), which must be attached in the same System.

A proposal must describe in detail the work to be undertaken by the Mexican participants and the corresponding work to be carried out by UC.

A proposal shall be submitted in Spanish through the SIAP of CONACYT and must include its English translation in the annexes set out in Item 6 of these Terms of Reference.

The proposal must provide for a maximum duration of four years, which shall be counted from the first provision of funds.

5.2 Equity and Non-Discrimination

The selection of institutions, programs, Projects, and persons to be recipients of support by the Fund shall take place via competitive, efficient, equitable, transparent, and public procedures based on merit and quality. The support funds to be granted are subject to evaluation, selection, formalization, and follow-up procedures under the terms of the regulatory framework corresponding to each program. Therefore, in allocating resources to beneficiaries, the Fund agrees not to discriminate against applicants for any reason, including those of race, gender, age, origin, or social or physical status.

5.3 Responsible Parties

All proposals must have a Technical Manager (coordinator of the Mexican institution leading the consortium), an Administrative Manager, and a Legal Representative belonging to the Project's lead institution (Supported Party)

The Technical Manager must be a staff member of the Supported Party and shall be in charge of achieving the objectives, goals, and expected results of the Project; generating deliverables; and preparing technical reports. It is his or her responsibility to integrate technical progress and results, coordinate the work team, and oversee the proper execution of the Project in order to ensure fulfillment of the agreed-upon commitments, as well as the Project's optimal performance, development, and impact.

The Administrative Manager shall be responsible for the Project's administrative and accounting control and shall be a staff member of the Supported Party. He or she shall be in charge of properly disbursing, applying, and verifying resources, as well as preparing the Project's required financial and administrative reports.

The Legal Representative shall be the natural person with powers for administrative acts, lawsuits, and collections—and, where applicable, acts of ownership with a special clause—in order to be able to conclude legal acts on behalf of his or her principal, both with the Fund and with other participating institutions.

6. Structure and Characteristics of Proposals

Applicants must provide all the information required by the electronic application of the Project Management Computer System (SIAP) of CONACYT. They must have a SIAP access code; in the absence thereof, the person in charge of the proposal must generate an access code through the online registration system of CONACYT (<http://www.conacyt.gob.mx/>).

The SIAP electronic application form must be filled out in Spanish by the Technical Manager of the Project. The proposal must contain the information and documents required by the electronic form and by the annexes set out in this document.

The annexes to the proposal must be sent as PDF files no larger than 2 Mb in the quantity required in order to fulfill the proposal requirements. The annexes must be submitted in the language required for each annex, as specified below.

The proposal must be focused on meeting the requirements set out in Item 2 of these Terms of Reference and contain the following mandatory elements:

- a) The Completed Form on CONACYT's SIAP platform (in Spanish).
- b) Annex I. Letter of Responsibility (Spanish): Letter from the applicant signed by the Legal Representative of the lead institution (Supported Party) with a declaration under affirmation to tell the truth that all the information is truthful and verifiable; that he or she owes no money to CONACYT and has no lawsuits brought against it before administrative or judicial authorities that arise from projects supported by any CONACYT program, including the Funds regulated under the Law on Science and Technology; and that he or she has read and understood the Terms of Reference and the Conditions of this request for proposals.
- c) Annex II. Letters of Intention (Spanish): The letter of intention of each institution participating in the consortium must be submitted with the signature of the Legal Representative of each.
- d) Annex III. General Project Plan (Spanish and English), which must contain:
 - I. Name
 - II. Applicant institution: Name, profile, characteristics, etc.
 - III. Participating institutions other than the applicant institution in the case of group projects. Include the collaborating international institutions.
 - IV. The Project's Technical and Administrative Managers.
 - V. Members of each institution's work team.
 - VI. Background and rationale, including the relevance of the Project.
 - VII. Objectives and goals
 - VIII. Scope and full description of project.
 - IX. Expected results.
 - X. Proposed methodology/ies.
 - XI. Activity schedule with deliverables (period of execution and milestones).
 - XII. Financial breakdown organized by heading (budget) and by entity participating in the consortium.
 - XIII. Impacts (environmental, scientific, social, technological, and economic)
 - XIV. Impact measurement indicators and measures to take to maximize such impacts
 - XV. Barriers
 - XVI. Analysis of Opportunities

7. Resources

The resources from the Fund shall cover eligible expenses to execute the Proposals as set out in the General Project Plan and especially in the budget authorized by the Fund's Technical and Administrative Committee. The resource budget shall be distributed among the institutions participating in the consortium in accordance with the breakdown of the submitted budget. It is recommended that the transfers be made within periods defined by the institutions and that such periods should be defined in the consortium's Consortium Agreement,

provided that such distribution is consistent with the objectives, goals, and activities set out in the General Project Plan.

The concurrent contributions mentioned in Item 4 of these Terms of Reference may be in kind or in cash and must be clearly identified in the budget of the Proposal.

In all cases, the number of projects and their scope shall be subject to the Fund's budget availability, in accordance with the Fund's procedures, rules, and regulations.

The provision of resources shall be carried out annually in the manner set out in the General Project Plan.

The first provision of resources shall take place in accordance with Item 12.2 of these Terms of Reference.

Subsequent resources deposits shall be subject to a positive technical and financial evaluation and to full compliance with the provisions established in the Resource Allocation Agreement and in the Terms of Reference and Conditions of this Request for Proposals.

8. Eligible Headings

The resources granted by the Fund may be used to cover all expenses and investments related to the project and that, in the opinion of the Evaluation Commission and the Technical and Administrative Committee of the Fund, are indispensable for the project's successful execution. Such expenses and investments must be justified and must correspond to the amounts and headings approved by the Technical and Administrative Committee.

The Fund shall consider the payment of taxes generated from acquiring goods and services necessary in order to carry out the project as part of such project.

The resources shall be delivered by the Fund to the Supported Party, which in turn shall distribute them among the consortium members as set out in the General Project Plan.

8.1 Human Resources

This involves the man-hour costs directly related to the project that will be covered for the entities participating in carrying out the Project, including the Supported Party and UC. It also takes into account economic support for researchers, experts, technologists, and associated professionals involved in carrying out the Project at their levels of experience, whether as holders of a basic technician's diploma, a bachelor's degree, a master's degree, a doctorate, or a postdoctoral degree who are not associated with any institution on a full-time basis, provided that they are indispensable for the success of the Project. Such participation may be for the duration of the project, and the amounts of support for each level will be governed by the regulations of the applicant institution.

In pursuit of training human talent, scholarships may be awarded to students associated with the project who perform their thesis or final work for their degree, or who seek to obtain a master's degree or doctorate degree through participation in the Project. Additionally, and in accordance with the scientific and technological complexity of the Project, monthly support funds may be included to cover postdoctoral stays for experts on the topic.

8.2 Expenses Relating to Payment of Tuition, Courses, or Conferences

The Fund may support expenses relating to payment of tuition or fees for domestic or foreign diploma-based, specialty, master's, doctorate, or postgraduate programs; study materials; support for the creation, development, or certification of diploma-based, specialty, bachelor's, and postgraduate courses or programs; or support for organizing or participating in courses, seminars, conferences, congresses, and forums related to the Project to train specialized human resources.

8.3 Tickets and Travel Expenses

These are the necessary expenses for mobility, lodging, and food for human resources directly connected to the execution of the Project and for activities related to it.

8.4 Expenses Relating to Studies and Permits Concerning Environmental Regulations and Industrial Safety.

These are the expenses necessary to meet minimum requirements in terms of environmental regulations and industrial safety, as defined by the corresponding authorities, in order to obtain authorization to construct demonstration projects. These requirements could include, for example, viability or feasibility, or environmental impact, as the case may be, and the laws and regulations within the federal entities in question. The budget submitted in the proposal must include the costs related to these headings.

8.5 Operating Expenses

They are the expenses in materials, development, and operation of laboratories and pilot plants; bibliographical collections, documentary collections, and scientific and technological information useful for the Project; as well as the acquisition of laboratory instruments for prototypes, pilot plants, and test tools. All of the above are associated with training and certification, research, development, and technology scaling.

8.6 Machinery and Equipment

This refers to acquisition of experimental and test laboratory equipment; machinery; pilot plants; specialized computer equipment, software, and information systems related to activities provided for in the General Project Plan, among others. The machinery and equipment to be acquired shall be consigned to exclusive use within Mexican territory in the Project selected.

8.7 Protection of Intellectual Property

Expenses related to the protection of domestic and international intellectual property.

8.8 External Domestic or Foreign Services

The Fund may support external services by domestic and/or foreign natural and/or juridical persons whose activities or services are directly related to the Project with up to 30% of the total budget in the Proposal approved by the Fund's Technical and Administrative Committee.

8.9 Audited Expenditure Report

The Fund shall cover the cost of the Project's financial report audited by an audit firm accredited under the Ministry of the Civil Service.

9. Ineligible Headings

Approved resources may not be used for activities that are not included among the eligible headings detailed in Item 8 of these Terms of Reference. Ineligible headings include the following:

- a) Civil works for production purposes.
- b) Administrative expenses for production purposes.
- c) Recruitment of personnel for production or commercialization.
- d) Advertising and marketing expenses for commercial purposes.
- e) Interest.
- f) Losses due to changes in exchange rates.
- g) Credits for third parties.
- h) Financial expenses, including the costs of bank commissions.
- i) Maintenance of intellectual property rights.
- j) Procurement of vehicles (such goods may be leased if their use is required).
- k) Payment of taxes resulting from income generated by the Supported Party, whether due to fines or tax surcharges.

10. Evaluation Process

In accordance with Item 2.1.7 of the Fund's Rules of Operation, the Evaluation Commission (CEVAL) may propose the creation of evaluation subcommittees on topics that, due to their technical specificity, require an expert opinion for the discharge of its activities.

The criteria to be considered in the evaluation of complete Proposals shall include the following:

- Clarity and relevance of the proposed objectives and activities.
- Percentage of concurrent funds to be contributed, as well as the nature of the contribution (whether in cash or in kind).
- Participation of the UC System and the magnitude of its in-kind contribution.

- The experience, capacity, and quality of the managers and the working group established in the proposal.
- Relevance of the proposal as set out in these Terms of Reference.
- Technical, scientific, technological, and innovative feasibility.
- Importance of the deliverables and benefits for Mexico in the event that the project is carried out.
- Congruence between the technical proposal and the requested budget.
- Impact of the results obtained in the energy sector. Projects that include measures to evaluate the success of the project—i.e., observable and quantifiable metrics—will give the proposal greater value.

A proposal's clarity and quality are fundamental factors for its proper evaluation. The rulings of the Evaluation Commission and the Technical and Administrative Committee of the Fund shall be final and may not be appealed.

11. Publication of Results

The Technical and Administrative Committee of the Energy Sustainability Fund shall determine which Proposals are approved based on the recommendations made by the Evaluation Commission. The results will be announced after the adoption of a resolution. These results will be published in the same media used to publish the Request for Proposals.

12. Project Resource Allocation and Follow-up

12.1 Formalization of Financial Support

Resources shall be allocated to the Project with the signing of a Resource Allocation Agreement on the form established for such purpose by the Fund to be concluded by and between the Applicant Institution and the Trustee. Such Agreement shall establish the Terms and conditions of the granting of such resources. In order to be formalized, it is indispensable for each institution participating in the consortium to have its definitive record of registration with RENIECYT available.

The Resource Allocation Agreement must include the General Project Plan (Annex III of the Proposal) as an annex. Additionally, in the Resource Allocation Agreement, the applicable sanctions resulting from non-compliance with the provisions governing support shall be established, providing for, among others, the return of the total amount of resources, the suspension and cancellation of the Project, or disqualification from participating in other requests for proposals.

Once the notice of approval by the Fund has been given, the Resource Allocation Agreement shall be formalized within the following 90 business days from the date of the publication of the results. Failure to formalize the Resource Allocation Agreement within this period for reasons attributable to the Supported Party shall result in the cancellation of support.

The Consortium Agreement with the institutions and companies participating in the consortium must be formalized before the signing of the Resource Allocation Agreement.

12.2 Delivery of Financial Support

The Supported Party must open a productive joint checking account at a bank operating in Mexico, through which the Trustee shall transfer the resources. The yields of the productive checking accounts may be used for the budgeted headings of the Project in the proposal. Unused resources must be returned to the Fund.

In the event that the Supported Party operates a concentrating account for the entire Institution according to such Party's own regulations, it must certify the mechanisms that ensure that its operations will not affect the proper execution of the Project, enabling identification of resources and their delivery with due diligence and opportunity.

The productive account shall be handled jointly by the Technical and Administrative Managers only to administer the resources intended for the Project. The account must be certified with the Fund prior to the first provision of resources.

Furthermore, for the first provision of resources, the Supported Party shall send the Administrative Secretary of the Fund a request for provision that must include documentation showing that the Project's productive account was opened. For subsequent provisions of resources, the Supported Party must send the corresponding request for provision.

The subsequent provisions shall be deposited annually and the amount shall correspond to the one established in Item 7 of these Terms of Reference. The following amounts shall be subject to the proper disbursement and application of the resources of the previous cycle; if such is not the case, the corresponding deduction shall be made in the next cycle.

The proper disbursement and oversight of the use of resources in accordance with the headings authorized by the Technical and Administrative Committee of the Fund, as well as their correlation with technical progress, are the responsibility of the Supported Party through its Administrative Manager.

12.3 Reports

Each year, the Supported Party shall prepare and submit a technical progress report and a financial report for the Project, as set out in the General Project Plan.

The technical report must be submitted in Spanish with an attached English version, and must state, *inter alia*, the Project's progress, results, and impacts in the immediately preceding period. The technical report must also consider the next stage and identify opportunities, challenges, and possible deviations from the General Project Plan; areas for improvement; and possible risks expected to be confronted in the following stages.

The Fund shall follow up on the Project throughout its duration and execution. Furthermore, it shall verify the agreed-upon results and benefits obtained upon its completion, which shall be taken into account for the granting of subsequent financial support, as established in Article 12, Section II, of the Law on Science and Technology, without such being conditional for the granting of such support.

The financial progress report shall describe how the Fund's support was spent annually and shall include sections that will enable the Fund to verify the basis of actual expenditures by the beneficiaries and the eligible headings under which the support was used. Throughout the duration of the Project, and as part of the Federal Government's established commitment to accountability, the financial report submitted by the Supported Party must be audited annually by an audit firm accredited under the Ministry of the Civil Service, and such firm shall issue its ruling on the actual expenses incurred during the mentioned period; this financial report must include elements that enable clear verification of the basis of expenditures made by the beneficiary/ies and the eligible headings under which the support was used.

Such reports shall be jointly prepared by the Project's Technical Manager and the Project Manager.

The subsequent provisions of resources shall be deposited during the ten (10) business days following the approval of the technical report and the financial report, after delivery of the corresponding request for provision.

13. Termination

At the end of the Project's funding period, the Supported Party shall issue a technical closure report describing the results obtained, impacts, and deliverables generated and the extent to which the established objectives were met, among other topics.

Likewise, the Supported Party shall submit a financial report audited by an audit firm accredited under the Ministry of the Civil Service that is consistent with the technical report and the results obtained.

Both the technical closure report and the final financial report shall be taken into account when considering whether to continue supporting the Project or, where applicable, its termination. The termination of Projects shall take place in accordance as set out in the Resource Allocation Agreement.

14. Conditions of the Fund's Support

Proposals that are supported or have been supported by other Funds among those regulated in the Law on Science and Technology and/or other CONACYT programs shall not be considered eligible to receive the resources of this Fund.

Proposals shall not be supported if the Supported Party has failed to comply or owes money with respect to support from other CONACYT funds or programs.

Proposals in which members have debts to or unresolved conflicts with CONACYT or any of the Funds managed or supported in any way by CONACYT shall not be taken into account.

15. Other Obligations and Commitments of the Supported Party

The Supported Party shall take into account the principles of equity and non-discrimination, with particular care for gender equity in training the working group needed for the execution of the Project. Any violation of these principles shall be grounds for cancellation of the support.

Likewise, the Supported Party shall be obliged to comply with its tax obligations and the legal immigration status of the foreign researchers that belong to the working groups.

It is the duty of the Supported Party to provide any information required by the Fund. All necessary issues of confidentiality and intellectual property shall be respected in all cases.

It is also the duty of the Supported Party to have independent and simplified accounting that enables identification of the resources disbursed for the supported Project's execution. In the event that this does not occur, the Fund's Technical and Administrative Committee shall determine the actions to be taken, such as the suspension of support or even the final cancellation of the project.

In accordance with Article 15 of the Law on Science and Technology, it is the duty of the Supported Parties to provide the information required by the Integrated Information System on Scientific Research, Technological Development, and Innovation and to give credit to the Fund in Proposals, publications, materials for conferences, exhibitions, videos, and all the deliverable information or information resulting from the support.

The Project results shall always be available to the Fund, which shall respect the principles and provisions of the Federal Law on Transparency and Access to Public Information.

16. Confidentiality and Information Management

The information received as a result of this Request for Proposals shall be subject to the provisions of the Federal Law on Transparency and Access to Public Information and shall therefore be considered public. Any document that needs to be classified as confidential or restricted must be explicitly identified as such in the application.

The incorporation of sensitive or confidential information and the consequences of its possible exposure to third parties shall be the exclusive responsibility of the applicant. Persons who have sensitive or confidential information in their custody shall be required to keep it as such. Those who fail to comply with this provision shall be punished in as set out in applicable criminal and/or administrative laws.

The Fund shall establish the necessary mechanisms to ensure the confidentiality of the information contained in the submitted Proposals, both in the evaluation phase and in the follow-up phase, provided that the information is considered confidential in terms of the Federal Law on Transparency and Access to Public Information.

The evaluators and members of the Evaluation Commission and the Technical and Administrative Committee of the Fund, and any person at all who participates in the process of reception and evaluation of Proposals, agree not to disclose to third parties, reproduce, or distribute by any means or have in their possession any material submitted to their consideration, thereby maintaining absolute secrecy regarding the information that is handled in such process. Any breach shall be punished under the terms detailed in the first paragraph of this section.

17. Social Appropriation of Knowledge

Knowledge generated through scientific, technological, and innovation research must be used by Mexican society in its process of permanent transformation and in social and economic development. Such knowledge must specifically become a driving force for development and a determining factor for social change. Knowledge must be disseminated in order to have a real impact.

The social appropriation of knowledge must serve to consolidate the institutions and groups of researchers engaged in research.

In accordance with Article 12, Section XV of the Law on Science and Technology, beneficiaries of federal government grants for science, technology, and innovation shall disseminate their activities and the results of their research and development to society, without prejudice to the corresponding intellectual property rights and information that, by its nature, must remain restricted.

The Supported Party must present, as part of the Proposal, an executive summary of the objectives of the initiative and the expected results and impacts to be achieved. This information shall be public, and the Supported Party or beneficiary may be requested to present it at events or public workshops organized by CONACYT or any agency or entity in the sector in question.

The information submitted by the Supported Party or beneficiaries must be included in the Integrated Information System on Scientific Research, Technological Development, and Innovation mentioned in Articles 14 and 15 of the Law on Science and Technology.

In the event of failure to comply with this provision, the Proposals shall not be evaluated, thereby eliminating any possibility of support.

18. Intellectual Property

Private appropriation of knowledge plays an essential role as an economic trigger in the country, which is an essential motivator of economic development.

The Supported Party or beneficiary in the execution of the Project shall respect the intellectual property rights of the developers who are entitled to them.

Any violation of the aforementioned rights as determined by a firm resolution of the corresponding authority shall be grounds for cancellation of support.

The Fund reserves no intellectual property rights associated with the Project. Therefore, these rights shall belong to the entity/ies established in the Consortium Agreement, as the case may be.

19. Sanctions

Suspension, cancellation, or early termination of the Project, or prohibition from participating in other requests for proposals shall be determined by the Technical and Administrative Committee of the Energy Sustainability Fund in accordance with the severity of any failure to comply.

20. Reviews and Audits

The Fund may carry out reviews, on-site visits, and selective audits at any time during the course of the Project to verify the information submitted by the Supported Party, the fulfillment of its responsibilities, and the proper application of the economic resources granted. If it is detected that the information provided includes false and/or incorrect data for reasons directly attributable to the Supported Party, it shall be grounds for immediate cancellation of the Project, and the Supported Party shall not be permitted to receive future support from the Energy Sustainability Fund and CONACYT and shall be obliged to repay all resources based on the written request formulated for such purpose.

21. Interpretation and Unforeseen Situations

The interpretation of this Request for Proposals, as well as any situations not provided for herein, shall be resolved by the Fund's Technical and Administrative Committee in accordance with the Fund's established procedures, rules, and regulations.

The decisions of the Fund's Technical and Administrative Committee shall be indisputable.

22. Ecological Balance and Environmental Protection

Preservation and restoration of ecological balance, as well as protection of the environment on national territory and in the areas where the country exercises its sovereignty and jurisdiction, represent a constitutional right for all Mexicans. Provisions on this matter are a public issue and of social interest and are aimed at

promoting sustainable development and respect for the right to live in an environment conducive to development, health, and well-being. This principle is meant to encourage CONACYT's committed participation in strengthening ecological awareness and disseminating sustainable development Projects.

In the execution of the Project, the Supported Party agrees to respect the provisions relating to the preservation and restoration of ecological balance, as well as to environmental protection. It is the responsibility of the Supported Party to obtain any permits, concessions, or requirements in respect of the mentioned issues prior to the execution of the Project from the corresponding authority. Any violation of these declared principles as determined by resolution of an authority shall be grounds for cancellation of support.

In the selection of Proposals, preference shall be given to applicants who, in equal circumstances, will carry out voluntary environmental certification processes and demonstrate social responsibility to the environment and society, in accordance with the provisions of relevant applicable legislation.

23. Transparency, Efficiency, Effectiveness, Economy, and Honesty

It is an obligation of the federal government and its public servants to manage economic resources with transparency, efficiency, effectiveness, economy, and honesty, thereby meeting the objectives for which such resources are to be used.

Likewise, the Supported Parties or beneficiaries shall observe these principles, administering the support granted to them to meet the objectives and expected results described in the General Project Plan.

The technical and financial reports shall be presented under the terms detailed in this Request for Proposals. CONACYT may verify them at any time.

Any failure to comply with these principles shall be grounds for cancellation of support.

24. Glossary of Terms

Applicant: The juridical person submitting a proposal for the consideration of the Fund on the basis of this Request for Proposals and/or of the indications of Article 88 of the Federal Law on Budget and Fiscal Responsibility.

Company: A Mexican or foreign public or private company providing concurrent funds to the project.

Consortium Agreement: A document indicating how the lead institution of the Mexican consortium will be integrated with the University of California to work in coordination with the objectives and scope defined in this request for proposals, which must be signed at least by the Legal Representative of the institution leading each of the two parties of the consortium.

Demonstration Project: An applied research project that demonstrates technological solutions and scaled application of the latest technologies in energy used to optimize the supply and demand of energy for subsequent industrial and/or commercial application. A demonstration project includes the stages of design, development, construction, and operation collectively, not separately.

Dissemination: The process and activities to propagate scientific and technological knowledge and its linkage with the productive and service sectors.

Fund: The CONACYT-SENER-Sustainable Energy Sectoral Fund.

Innovation: The generation of a new product, design, process, service, method, or organization or the addition of value to existing ones.

Project: A series of activities aimed at achieving a final objective that are associated with time parameters (activity schedule), costs (budget and cash flow), as well as originality, relevance, and quality (assurance of generation of knowledge, fulfillment of goals, and rigor of processes).

Proposals: Applications for support that the applicants submit in accordance with this Request for Proposals and that are eligible to receive support from the Fund.

Resource Allocation Agreement: The legal instrument undersigned by the Supported Party with the Fund through the Trustee to formalize the granting of resources for the execution of a Project. It contains the terms and conditions of the support.

Retrofit: A partial or total modification and/or renovation of elements that determine the a building's energy consumption, which includes those that make up the casing: end-use equipment (lighting and thermal comfort); and systems for handling fluid, electricity, and information in a way that reduces a building's total energy consumption.

Training: Training of researchers and technologists to solve fundamental national problems to contribute to the the country's development and increase the well-being of the population in all its aspects.

Trustee: The financial institution designated as such by the Trustor.

Trustor: CONACYT.

25. List of Acronyms and Abbreviations

CONACYT: National Council for Science and Technology

Fund: The CONACYT-SENER-Sustainable Energy Sectoral Fund.

IHE: Institution of Higher Education

Mb: Megabytes.

PDF: Portable Document Format.

RC: Research Center or Institute

RENIECYT: National Registry of Scientific and Technological Institutions and Companies.

SENER: Ministry of Energy

UC: University of California system, which includes UC Berkeley, UC Davis, UC Irvine, UC Los Angeles, UC Merced, UC Riverside, UC San Diego, UC San Francisco, UC Santa Barbara, UC Santa Cruz, Lawrence Berkeley National Laboratory, and Casa de California.

26. Contacts

For clarifications about this Request for Proposals, please contact:

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The submission of applications under the terms of this Request for Proposals implies the applicant's express agreement with the conditions, terms of reference, and annexes, as well as with the regulations issued by CONACYT or that are applicable to the case in question.

Issued in Mexico City on March 22nd, 2017.