



**Los Angeles Cleantech Incubator
EPIC Pilot Prize Official Rules
2022**

Preface	2
Executive Summary	2
Introduction	2
Prize Description	3
Anticipated Prize Impact	4
Eligibility	4
How to Enter	5
What to Submit	5
Scoring Criteria	6
How We Determine and Award Winners	8
Key Personnel	9
Definitions	10
FAQs	11
Appendix A - Application Questionnaires	12
Appendix B - Additional Terms and Conditions	12

Preface

Prize awards are governed by U.S. Department of Energy EPIC Award Number: DE-EE0009602.0000, 15 U.S.C. §3719, and this Official Rules document.

Executive Summary

The primary goal of Los Angeles Cleantech Incubator (LACI) for this project is to speed startups' technical validation, investment-readiness, and market-readiness by helping them to design and deploy small-scale pilots¹ (EPIC Pilots) with input from third-party stakeholders in the emerging Southern California energy ecosystem (EPIC Partners). Competitors are eligible to receive the following awards:

- Phase 1: up to \$20,000 in cash prizes
- Phase 2: up to \$40,000 as a performance bonus

We believe that the best way to obtain essential de-risking data from startups' pilots is to engage third-party stakeholders that can help companies to define meaningful metrics for success and design pilot projects that are most likely to be relevant to future investors and customers.

To accomplish this goal, we will establish regional collaborative partnerships with at least ten corporations, academic institutions, community-based organizations, and local electric utilities for startup pilot deployments. To find the right startups, we will recruit, support, and accelerate the growth of a diverse set of entrepreneurs bringing hardware and hard-tech innovations from lab to market. Specifically, the outcome of our LACI EPIC Pilot Prize is for all startups that win the prize to either raise their first round of investment, engage their first paying customer within 12 months of the pilot launch, or secure a second pilot location to launch a similar or larger scale pilot in a disadvantaged community.

Introduction

The Los Angeles Cleantech Incubator (LACI), a City of Los Angeles-established nonprofit organization, is creating an inclusive green economy by: unlocking innovation through working with startups to accelerate the commercialization of clean technologies; transforming markets through partnerships with policymakers, innovators, and market leaders in transportation, energy, and sustainable cities; and enhancing communities through workforce development, pilots, and other programs. Founded as an economic development initiative by the City of Los Angeles and its Department of Water & Power (LADWP), LACI is recognized as one of the most innovative business incubators in the world by UBI Global. In the past ten years, LACI has helped 315 companies raise \$695M in funding, earn \$317M in revenue, create an estimated 2,481 jobs, and deliver more than \$555M in long term economic value. Learn more at laci.org

LACI's integrated incubation programs leverage a unique blend of best practices in order to

¹ See "[Definitions](#)" section

increase the success rate at which green startups effectively grow in Los Angeles to create long-term economic impact and investment in the region. Our core initiatives translate directly into new green job creation, specifically for a diverse workforce, with a significant number of those jobs at higher wage rates and for those who have been previously unemployed.

LACI's globally recognized business incubation and acceleration programs are designed to meet the unique needs and challenges faced by early- to mid-stage pre-commercialization cleantech companies, with a focus on regional tech deployments in clean energy, zero-emissions transportation, and sustainable cities.

The LACI EPIC Pilot Prize aims to fund organizations for ongoing and/or proposed activities related to climate and clean energy that support, build trust, and strengthen relationships and partnerships with disadvantaged communities. The pilot will be an initial small-scale implementation effort that is used to prove the viability of a project idea involving the exploration of a novel approach or idea or the application of a standard approach which is new to the competitor. The prize seeks to enable and enhance technology incubation, accelerate innovation, and connect other community-based and university-based entrepreneurship to clean energy technologies.

Prize Description

With a Phase 1 award of up to \$20,000 per winner, the LACI EPIC Pilot Prize is an active learning experience that will help LACI startups design, deploy, learn, and leverage a pilot to accelerate their development goals. A well-designed pilot will help startups gather valuable field data that is relevant to customers and funders, accelerating their path to commercialization. LACI is seeking competition from diverse founders in the areas of energy, zero-emissions mobility, sustainable cities, and circular economy.

Phase 1: After 6 months of incubation (Phase 1 Performance Period), competitors pitch their developed concepts at a LACI Pilots Showcase at our "Power Day" event with a maximum of 6 presentation slides to an invite-only audience of internal LACI experts and external audience members including investors, ecosystem partners, and innovators. Up to \$20,000 cash prize will be awarded to the winning competitors in two disbursements (\$10,000 upon award, \$10,000 upon 50% pilot completion).

Phase 2: After 6 months of pilots (Phase 2 Performance Period), up to 2 competitors are eligible for a final prize award of the remaining award pool (maximum \$40,000 cash prize per company) and are evaluated by a panel of internal to LACI experts and external experts based on their activity during Phase 1.

Phase 1 Prizes	Up to 15 cash prizes of up to \$20,000 each (in 2 separate disbursements) are awarded based on performance during Phase 1 performance period.
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Phase 2 Prizes	Up to 2 cash prizes of up to \$40,000 (lump sum) are awarded based on performance during Phase 2 performance period.
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Anticipated Prize Impact

It is expected that awarded funds will enable the winning organizations to fund proposed program personnel and carry out related activities that may include actively engaging with disadvantaged communities in their regions, participating in LACI led workshops and events, providing technical support to pilot hosts or customers, facilitating connections with technical expertise and academic institutions, or grow their employee teams. These are examples of potential activities, and organizations are encouraged to think creatively about specific activities that play to their strengths and serve their communities.

LACI and EPIC Partners seek to identify and support organizations that are community-centric and have experience in successfully engaging disadvantaged communities and/or in promoting environmental, climate, and energy justice.

Additionally, the prize seeks to support and recognize clean energy grassroots innovation related to technology advancement from disciplines beyond science and engineering, which accelerate climate and clean energy technology development and adoption with a focused impact on disadvantaged communities. This may include innovations in processes related to siting, financing, and community ownership of clean energy and climate solutions at the local or state level.

To ensure the success of applications LACI partners the competitors with internal expert advisors, Executive in Residence coaches, as well as EPIC Partner Mentors, that support the execution of the proposed plans.

Eligibility

The competition is open only to LACI Incubation Program cohort members², which are private (for-profit) entities and private individuals, subject to the following requirements:

- Must be scoped for deployment in California
- Private entities must be incorporated in and maintain a primary place of business in the United States with a majority domestic ownership and control.
- LACI and Federal employees, employees of sponsoring organizations, members of their immediate families (e.g., spouses, children, siblings, or parents), and persons living in

² Membership in the LACI Incubation Program is open to all entities fitting the bulleted requirements. Prospective members can apply to the Incubation Program at this link: <https://laincubator.org/innovators-incubation/>

the same household as such persons, whether or not related, are not eligible to participate in the prize.

- In keeping with the goal of growing a community of innovators, competitors are encouraged to form, or be assigned by LACI key personnel, multidisciplinary teams while developing their concept.

How to Enter

To become eligible for this Prize, prospective applicants must first apply for and be accepted by the LACI Incubation Program. You can apply for membership to the LACI Incubation Program at this link: <https://lincubator.org/innovators-incubation/>

Application content and award letters of Phase 1 are listed in Appendix A along with direct application links as follows:

Phase 1: Apply to the Incubation Pilots through LACI's website at: https://laci.smapply.org/prog/incubation_pilots_program/ (Link will only be active when Phase 1 is active for the given prize round.)

Phase 2: Winning competitors be directly notified via electronic means upon extraordinary completion of Phase 1 performance period as reviewed by LACI employees and/or experts by means of direct survey.

Terms of use and service agreements of the awards are listed in Appendix B. All participating competitors must comply with the terms to be eligible for the LACI EPIC Pilot Prize award.

What to Submit

The following items are required for each submission along with detailed application requirements of Phases 1 as outlined in Appendix A:

Item	Will Be Made Public?	Scored Item
Application Document	No	Yes
Pitch Slides	Yes	Yes
Three-Minute Live Video Pitch	Yes	Yes
Impact Survey	No	Yes

Competitively scored items will be evaluated during a limited-attendance open pitch entitled *Spring Power Day* or pitch to LACI at a mutually agreed upon time.

Application: Competitors fill out an application detailing the pilot’s hypothesis, key performance indicators/metrics, budget, project plan, risks, and partners. LACI reviews to approve/deny applications.

Pitch Slides: Make a public-facing, six-slide pitch submission that introduces your team and/or organization, your mission, proposed project, and estimated impacts. There is no template, so competitors are free to present the information in any format.

Three-Minute Live Virtual Pitch: Participate in a three-minute live video pitch that will help the reviewers and public understand your organization and your planned activities. Pitches will be delivered live in a virtual setting at *Spring Power Day*, hosted by LACI or pitch to LACI at a mutually agreed upon time. Competitors who do not want the impact plan or other documents to be made public will need to notify LACI key personnel prior to the event. The virtual pitch showcase will also be recorded and shared with audience attendees and potential investors after the event.

Impact Survey: Completed online at the end of the Phase 2 Performance Period.

Scoring Criteria

Phase 1:

There are eight criteria that need to be addressed in the video pitch and impact plan using the 10-point grading key. Competitors will be evaluated based on their ability to plan for and achieve this criteria to be awarded a \$20,000 prize disbursed in two payments during the Phase 1 Performance Period, 50% cash prize at start and 50% cash prize at 50% pilot completion. The pilot will be an initial small-scale implementation effort that is used to prove the viability of a project idea.

#	Proposal Element	Criteria	0-10
1	Pilot located in CA	<ul style="list-style-type: none"> Statement that pilot is in CA included in brief description 	10
2	Pilot achieves a major business goal	<ul style="list-style-type: none"> Pilots team will review and determine if the metrics collected in the pilot will “meaningfully impact the future growth of your company” In case of doubt of pilots team that proposed scope of work advances their business goals, pilots team consults with Director of Incubation Services and, where necessary, Director of Investor Relations 	10
3	Measurements of	<ul style="list-style-type: none"> 2-5 identified and they are all SMART³ 	10

³ SMART= Specific, Measurable, Achievable, Relevant and Time-Bound

	Success		
4	Scheduling	<ul style="list-style-type: none"> ● Adequate completion of gantt chart <ul style="list-style-type: none"> ○ Planning phase included ○ Inclusion of all associated activities of a task ○ Closeout phase included ● Estimated Start date is identified ● End date is estimated before end of October 2022 	10
5	Risk and risk mitigation	<ul style="list-style-type: none"> ● Risks and mitigation plans are acceptable (based on general pilots team risk perception) ● Adequate planning for logistic elements: <ul style="list-style-type: none"> ○ Real Estate/space/Road/sidewalk Infrastructure ○ Grid interconnection ○ Distributed energy resources ○ Operations and Maintenance ○ Digital and/or Telecommunications 	10
6	Partners	<ul style="list-style-type: none"> ● LOI from partner is already obtained by startups or there are sufficient plans to secure partners ● At least 3 identified partners (for backups in case their lead partner drops out of pilot) 	10
7	Funding	<ul style="list-style-type: none"> ● Budget is completed with sufficient detail based on pilots team review ● 10% contingency included in budget ● Budget justification (requested to explain how costs are estimated) is adequate and well thought out 	10
8	Award approvals	<ul style="list-style-type: none"> ● Project Manager believes all metrics are provable (based on documentation requested in the application) ● Pilots are completed by the approved deadlines ● Pilots are then approved by LACI's CEO and signed off with the Pilot Terms of Use Agreement ● Award total are at most \$20,000 for Phase 1 ● Award total are at most \$40,000 for Phase 2 	10

- Startups submit a Letter of Intent (LOI) from a pilot partner indicating their support of the pilot as host and or mentor during Phase 1
 - The partner can be a collaborator, site host, or customer for the pilot
- Startups acquire General Liability Insurance (and automobile insurance, if applicable) naming LACI as additionally insured

Phase 2:

Using a balanced panel of reviewers that include internal and external experts in the categories of Energy, Battery, Circular Economy, and Green Cities/Ag Tech, two (2) successfully completed pilots will be awarded on October 21, 2022 (anticipated) for a Phase 2 cash prize of \$40,000 (maximum) based on extraordinary performance in the following achievements:

Goal	Impact	Measurement Of Success
Business model validation	10x raise in next funding round	3 new investors after 6 months of pitching pilot results
Product Validation	10x customer pipeline	200 new customers through 6 months of pilot operations
Manufacturing validation	10x Scale of manufacturing	Increase manufacturing efficiency/output by 20% in 3 months
Customer Feedback	10x performance improvement in v2.0	Obtain 50 responses to a survey within 3 months

All Phase 1 winners must provide validated measurements of success at the end of the Phase 1 Performance Period as part of their Phase 2 submissions. Top-performing winners will be announced through direct electronic communications from LACI to the participating business.

How We Determine and Award Winners

LACI key personnel screen all completed submissions and ensure that the teams are eligible. LACI assigns subject-matter-expert reviewers who independently score the content of each submission. They will review the competitor's submitted video pitches, impact plans, and proposed/completed pilots according to the evaluation criteria described above.

The scoring of Phase 1 submissions will proceed as follows:

- Experts will review each proposed pilot individually and assess the response from the competitor.
- Reviewers will score each proposed pilot, depending on the degree to which the reviewer agrees that the pilot can/did achieve the proposed intent.
- Each statement score will be added together to generate a total score.
- The total scores from each reviewer will be averaged to produce a final score for the competing team/organization. This score will inform the decisions on prize awards.
- Pilot Phase 1 Performance Period will take place after this review.

The scoring of Phase 2 submissions will proceed as follows:

- Experts will review each post-pilot impact survey individually and assess the response from the competitor.
- Reviewers will score each post-pilot impact survey, depending on the degree to which the reviewer agrees that the pilot did achieve the proposed intent.
- Each statement score will be added together to generate a total score.
- The total scores from each reviewer will be averaged to produce a final score for the competing team/organization. This score will inform the decisions on final prize awards.

LACI may decide to perform additional interviews prior to the announcement of the winners that would serve to help clarify questions the reviewers may have. Final determination of the winners will take into account the reviewers' feedback and scores, application of program policy factors (including a startups measure of good standing), and the interview findings (as applicable).

LACI will verify the identity and role of all competitors before distributing any prizes. Receiving a prize payment is contingent upon fulfilling all requirements contained herein. Each competitor will be required to sign and return to LACI, within 30 days of the date on the notice, a completed ACH Banking form and a completed W9 form (<https://www.irs.gov/pub/irs-pdf/fw9.pdf>).

In the sole discretion of LACI, a winning competitor will be disqualified from the competition and receive no prize funds if: (i) the business does not respond to notifications; (ii) the business fails to sign and return the required documentation within the required time period; (iii) the notification is returned as undeliverable; (iv) the submission or business is disqualified for any other reason.

Key Personnel

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Definitions

Pilots: initial small-scale implementation effort that is used to prove the viability of a project idea involving the exploration of a novel approach or idea or the application of a standard approach which is new to the competitor

Disadvantaged: Whether a specific community is disadvantaged is based on a combination of variables that may include, but are not limited to, the following:

- Low income, high and/or persistent poverty
- High unemployment and underemployment
- Racial and ethnic residential segregation, particularly where the segregation stems from discrimination by government entities
- Linguistic isolation
- High housing cost burden and substandard housing
- Distressed neighborhoods
- High transportation cost burden and/or low transportation access
- Disproportionate environmental stressor burden and high cumulative impacts
- Limited water and sanitation access and affordability
- Disproportionate impacts from climate change
- High energy cost burden and low energy access
- Jobs lost through the energy transition
- Access to healthcare, determined using the California Office of Environmental Health Hazard Assessment (OEHHA) [CalEnvironScreen Assessment Tool](#)

FAQs

There will be documentation included in the proposal development phase (e.g. gantt chart, application form, and budget). How tightly does the startup need to follow the aforementioned additional documentation?

The additional documentation included in the proposal is for reference only. The pilot scope and timeline can be changed, as agreed upon with LACI, and LACI understands any delays and time estimations cannot be completely accurate during the proposal development phase of the project.

Who will own the rights to data and intellectual property (IP) generated under the pilot?

Incubation companies will own all rights to the data and IP generated from the pilot. LACI will request the results of the key performance indicators (KPIs) developed during the proposal development process for internal program performance.

What are the expectations of LACI sharing pilot data publicly or with a third party?

LACI will request KPI data at the end of the program, as mentioned. If there is data that the startup deems as confidential, this will be noted by the Pilots team and not be shared publicly or to a third party, as requested. Pilot data can also be deemed confidential by a LACI incubation company.

To what degree does the letter of intent or other agreement (between the startup/customer) sent to LACI need to be binding?

The letter of intent or other agreement does not need to be binding, it should just display to LACI that there is a significant partnership interest involved in the pilot.

Do the partners or customers I am engaged with also need to adhere to the requirements?

No, we only require companies directly receiving funding from us to be held to the requirements of the prize.

Is insurance required under the Incubation Pilot Program?

Yes, participating businesses must carry insurance listing LACI as additionally insured.

What types of insurance will I need to satisfy LACI's insurance policies?

General liability and workers comp insurance (if you have W2 employees) are minimum required. Additional insurance may be required including umbrella policies, hazard, or commercial fleet insurance depending on the type of the product produced.

Do we need to pay for automobile insurance if there are no vehicles in the pilot?

If an automobile, or other related insurance requirements, is not involved in the pilot project, or not funded by the \$20,000 that LACI is providing, and the incubation company does not want to expressly remove the insurance, please contact key personnel. If you request a certain insurance requirement to be removed, you must submit a signed letter to LACI stating why you are exempt from the insurance (ex: they are an individual so they do not carry worker's compensation insurance).

Appendix A - Application Questionnaires

- Phase 1 Sample EPIC Pilot Application
- Phase 1 Sample EPIC Pilot Award Letter

Appendix B - Additional Terms and Conditions

- Sample PC Shared Services Terms of Use (PILOT)
- Sample Portfolio Company Services Agreement