



IN THE MATTER OF:)	Docket No. 18-MISC-01
)	
Implementation of the Food Production)	Food Production Investment Program
Investment Program and Request for)	RE: Comments on Draft Solicitation
Comments on Draft Solicitation)	

NOTICE OF STAFF WORKSHOP ON THE FOOD PRODUCTION INVESTMENT PROGRAM

California Energy Commission staff will conduct stakeholder workshops to present results from the first year of the Food Production Investment Program (FPIP), seek input on potential program changes, and discuss upcoming funding on:

Thursday, May 9, 2019
10:00 a.m. – 2:00 p.m.
San Joaquin Valley Air Pollution Control District
1990 E Gettysburg Avenue
First Floor, Governing Board Room
Fresno, California 93726
(Wheelchair Accessible)

Tuesday, May 14, 2019
10:00 a.m. – 1:00 p.m.
Warren-Alquist State Energy Building
1516 Ninth Street
First Floor, Charles R. Imbrecht Hearing Room
Sacramento, California 95814
(Wheelchair Accessible)

Remote access is available by computer or phone via WebEx™
(Instructions below.)

Agenda

The program aims to accelerate the adoption of advanced energy efficiency and renewable energy technologies at California food processing facilities by providing grants to eligible food processors. The following topics will be discussed at the workshop:

1. Program Background
2. Summary of Funded Projects
3. Proposed Changes
4. Workshop Questions
5. Schedule and Next Steps

6. Public Comment

Background

California's food processing industry is the third largest manufacturing sector in California, contributing \$82 billion to California's economy, and providing important employment opportunity. However, this industry is a large user of energy which results in high operating costs and emissions of greenhouse gases (GHG). This industry also faces stiff out-of-state and international competition. Providing support for updating and improving food production facilities with energy efficient and/or renewable energy technologies can reduce operating costs and GHG emissions. This could help California's food processing industries to remain competitive and operational, and keep jobs associated with food production in California.

The Energy Commission established the FPIP in 2018 in response to Assembly Bill 109 (Ting, Chapter 249, Statutes of 2017). Senate Bill 856 (Chapter 30, Budget Act of 2018) subsequently provided additional funds for the program. Funding for the program comes from the California Climate Investments (CCI) program and other funding sources.¹ The CCI program requires that all funded projects reduce GHG emissions and further the purposes of AB 32 (Nunez, Chapter 488, Statutes of 2006) and SB 32 (Pavley, Chapter 249, Statutes of 2016).

The goals of the program are to accelerate the adoption of advanced energy efficiency and renewable energy technologies at California food processing facilities, help California food processors work toward a low carbon future, and maximize benefits to disadvantaged and low-income communities, all of which support achieving the state's long term GHG emissions reduction goals.

Current FPIP

In 2018 and 2019, the Energy Commission had two competitive solicitations. The solicitations sought projects in two tiers as described in Table 1.

Table 1: Summary of Current FPIP Eligible Projects

Category	Tier I	Tier II
Definition	Commercially available, energy efficient equipment upgrades that are drop in replacements or additions to existing equipment or processes that provide greater GHG emission reductions than	Emerging technologies that are not widely used in California but have been proven elsewhere to reduce GHG emissions

¹ California Climate Investments, Background, <http://www.caclimateinvestments.ca.gov/about-cci>

Category	Tier I	Tier II
	current best practices or industry standard equipment	
Eligible Applicants/ Facilities	<ul style="list-style-type: none"> • Food production facilities defined by NAICS codes 311 and 3121 • Applicant must be a California food processor • GHG emission reductions occur at applicant's facility 	
Eligible Costs	<ul style="list-style-type: none"> • Equipment • Measurement & Verification (M&V) when outside parties are used 	<ul style="list-style-type: none"> • Equipment • Subcontractor costs for Engineering Design and M&V
Match Requirement	<ul style="list-style-type: none"> • 35 percent of eligible costs 	<ul style="list-style-type: none"> • 15 percent of eligible costs
Eligible Technologies	<ul style="list-style-type: none"> • Compressor controls and system optimization • Machine drive controls and upgrades • Mechanical dewatering • Advanced motors and controls • Refrigeration optimization • Drying equipment • Process equipment insulation • Boilers, economizers • Steam traps, condensate return, heat recovery • Evaporators • Alternatives to natural gas • Internal metering and software to manage and control energy use • Controls for compressed air, automatic blow down for boilers • Waste heat to power • Additional technologies subsequently approved* 	<ul style="list-style-type: none"> • Solar thermal • Renewable energy generation, including biogas production • Microgrids • Fuel switching • Additional technologies subsequently approved*

* Additional technologies added based on information submitted during the question and answer period of an active solicitation.

All project proposals are scored according to specific selection criteria identified in the Grant Funding Opportunity and include: 1) Technical Merit and Need, 2) Technical Approach, 3) Impacts and Benefits, 4) Market Potential, 5) Capped and Uncapped Facilities. This last criterion provides preference to capped facilities that emit more than

25,000 metric tons of CO₂e annually or to uncapped facilities that emit more than 10,000 metric tons of CO₂e annually. This criterion is explained as follows:

Capped and Uncapped Facilities

Capped facilities are those that emit more than 25,000 metric tons of CO₂e annually and they must reduce emissions or purchase allowances in quarterly auctions. Uncapped facilities include those that: 1) emit more than 10,000 but less than 25,000 metric tons of CO₂e annually, or 2) those that emit less than 10,000 metric tons of CO₂e annually.

For both Tiers, priority consideration will be given as follows:

Entity Description for each Tier ²	Points
Projects in a capped facility	20
Projects in a facility that emits between 10,000 and 25,000 metric tons of CO ₂ e annually	10
Projects in a facility that emit less than 10,000 metric tons of CO ₂ e annually	0

For detailed descriptions of each selection criteria and lists of previous program awardees: https://www.energy.ca.gov/contracts/other_research.html.

Tentative Schedule

ACTIVITY	DATE
Stakeholder Workshops	May 9 and May 14
Comments and Responses to Workshop Questions due	May 24, 2019, 5:00 p.m.
Release draft FPIP Guidelines	June 14, 2019
Public Comment on draft Guidelines	June 21, 2019
Final FPIP Guidelines	July 5, 2019
Energy Commission Business Meeting Approval of FPIP Guidelines	July 17, 2019
Solicitation Release	July-September 2019
Deadline to Submit Applications	3 months following release

² Tier I projects are allowed to bundle multiple facilities under the same ownership in one application. Points are awarded based on the highest emitting facility.

ACTIVITY	DATE
Post Notice of Proposed Awards	4-5 months following release
Anticipated Agreement Start Date	March-June 2020

Questions for Workshop Participants

Energy Commission staff is seeking input on the following questions related to FPIP program. This information could be used to update the program.

1. What other technologies should be considered for Tier I or Tier II and why? Provide justification and references for suggested additions.
2. Currently, Tier I projects are providing up to 100 percent in match (35 percent minimum required) and Tier II projects are providing up to 20 percent in match (15 percent minimum required). What adjustments, if any, should be made on the match funds requirement?
3. What adjustments, if any, should be made on the criterion that provides preference to capped facilities that emit more than 25,000 metric tons of CO₂e annually or to uncapped facilities that emit between 10,000 and 25,000 metric tons of CO₂e annually?
4. The Energy Commission is providing three months for the application period. Is this sufficient time? Should the Energy Commission include a second deadline in the solicitation to applicants who need more time to prepare its application?³
5. What other program requirements have been a barrier for application (e.g., securing match funding commitment letters)?

Public Comment

Oral comments: Staff will accept oral comments during the workshop. Comments may be limited to three minutes per speaker. Any comments may become part of the public record for this proceeding.

Written comments: Written comments must be submitted to the Docket Unit by **5:00 p.m. on May 24, 2019**. Written comments will also be accepted at the workshop; however, the Energy Commission may not have time to review them before the conclusion of the meeting. Staff recommends that all comments be submitted in writing.

³ If a second deadline is included, the Energy Commission cannot guarantee that funds will remain after the first deadline.

Written and oral comments, attachments, and associated contact information (e.g. address, phone number, email address) become part of the viewable public record. This information may also become available via any Internet search engine.

The Energy Commission encourages use of its electronic commenting system. Visit <https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=18-MISC-01> which links to the comment page for this docket. Select or enter a proceeding to be taken to the “Add Comment” page. Enter your contact information and a comment title describing the subject of your comment(s). Comments may be included in the “Comment Text” box or attached in a downloadable, searchable Microsoft® Word (.doc, .docx) or Adobe® Acrobat® (.pdf) file. Maximum file size is 10 MB.

Written comments may also be submitted by email. Include the docket number 18-MISC-01 and “Food Production Investment Program” in the subject line and send to docket@energy.ca.gov.

If preferred, a paper copy may be submitted to:

California Energy Commission
Docket Unit, MS-4
Re: Docket No. 18-MISC-01
1516 Ninth Street
Sacramento, CA 95814-5512

Public Adviser and Other Commission Contacts

The Energy Commission’s Public Adviser’s Office provides the public assistance in participating in Energy Commission proceedings. For information on how to participate in this forum, please contact the Public Adviser, at PublicAdviser@energy.ca.gov, (916) 654-4489, or toll free at (800) 822-6228.

Please direct requests for reasonable accommodation to Yolanda Rushin at yolanda.rushin@energy.ca.gov or (916) 654-4310 at least five days in advance.

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Questions on the subject matter of this meeting should be directed to Estella Shi at Estella.Shi@energy.ca.gov or (916) 327-1351.

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Availability of Documents

Documents and presentations for this meeting will be available at <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=18-MISC-01>.

Information on FPIP: <https://www.energy.ca.gov/research/fpip/documents/>

Dated: 4/26/19 at Sacramento, California

[Laurie ten Hope](#)

Deputy Director, Energy Research and Development Division

Mail Lists:
foodproduction
opportunity
research