

## DOCKETED

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*Comment Received From: Tom Bower*

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## **FPIP February Workshop**

*Additional submitted attachment is included below.*



Foster Farms  
1000 Davis Street  
P.O. Box 457  
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February 28, 2018

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

**RE: Proposed CEC Food Production Investment Program (FPIP)**

Foster Farms has participated in the Food Processors Work Group since late 2017 and generally support the direction of the CEC's draft of the Food Production Investment Program. This funding is very important to food processors that need to remain competitive with out of state competition while incurring the rising cost of keeping up with California's aggressive climate policies.

**Comment 1—Program Goals—Slide 12**—we would recommend adding 2 goals.

- 1) Benefits to SB 535 disadvantaged communities
- 2) Enhanced long-term sustainability

The food processing industry is under increased pressure in the State of CA due to higher labor and energy cost and more climate regulations than our out of state competitors. In order to continue to provide jobs long term we suggest economic and environmental sustainability should be part of the program goals.

Job retention is important, especially in the San Joaquin Valley where unemployment rates are high which result in higher levels of poverty. We would also ask that consideration be given to the benefits for SB 535 disadvantaged communities.

We understand the primary goal of the program is GHG reduction, however, other benefits such as criteria pollutant reductions should be considered in SB 535 communities.

**Comment 1—Technology—Slide 14**--In Tier I it calls for "Advanced" technology. The objective of the funding is to reduce GHG and the requirement of "Advanced" puts another criteria in place that we feel is not necessary and can be eliminated. In Tier II it calls for "Cutting Edge Technology" and again we feel this is an unneeded criteria and instead suggest changing too "Transformative" or "Efficient". It would be hard to define what is advanced or cutting edge. Instead, if a project or a new piece of equipment produces a positive result towards meeting the goals it should be considered.

**Comment 2—Funding Priority—Slide 15**--In the Tier 1 category as written, eligibility, is open to all food processors. We would like to see this changed. The intent of the entire funding program is to offset the high cost incurred by food processors that are covered entities under the

Cap & Trade program. This was the intent by the Governor and Legislature when passing the funding bill.

We would also like to see the “First Come First Serve Basis” be taken out so all covered entities have a fair shot at the funding.

We would propose a priority rating system with separate application deadlines for each of the below priorities along with a decision deadline on when we would hear back on funding applications.

Priority 1—Capped Facilities under Cap & Trade

Priority 2---Other processing facilities in CA of capped entities.

Priority 3---All other Food Processors in CA

**Comment 3—Proposed Unique Tier II Attributes—Slide 17**

Foster Farms supports the eligibility of only capped facilities for this bucket of funding. This helps offset the cost incurred through the Cap & Trade programs.

**Comment 5—Proposed Funding—Slide 18**

Foster Farms supports the proposed split of Tier I of \$37M and Tier II of \$20M. We would also support flexibility by the CEC to move money between the two Tiers once all applications are received to insure all the money is allocated.

**Comment 5-- Funding Attributes—Slide 16--**Tier 1 bucket we recommend that the Engineering design work of the project eligible for funding. The time and engineering effort put into these projects warrants it being included.

**Comment 6—Expectation if Awarded—Slide 27—**Under “What to expect if you receive an Award” section we recommend any information that is proprietary and jeopardizes our competitive position we would not be required to disclose. We certain understand companies will need to disclose information due to the fact this is public funding and are fine with that as long as it does not impact a competitive situation.

**Comment 7—Eligibility—Slide 13--**Would like clarity on the statement “meet other eligibility criteria defined in the solicitation.”

**Comment 8—Tier II Attributes—Slide 17—**would like clarity around reduction quantity. How much is “deep” or “significant?” We would also suggest energy savings be based on usage.

Foster Farms appreciates the opportunity to work on this funding program with the CEC and consideration on these comments.

Respectfully,

Tom Bower  
Vice President-Supply Chain  
Foster Farms Poultry

