

DOCKETED

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DC Energy Services FPIP Docket Comments/Concerns Regarding Customer Eligibility

Additional submitted attachment is included below.

The following comments outline concerns regarding customer eligibility for the FPIP.

Customers not Meeting Tier 1 Criteria:

According to the current FPIP guidelines, in order to participate in Tier 1 of the program, a customer must participate in the Cap and Trade program; meaning they must emit a minimum of 25,000 metric tons of GHG emissions annually. Currently, there are 37 food processing facilities (based on NAICS code 311 & 312) who participate in the Cap and Trade program. However, the list below from the California Air Resource Board’s (CARB) Mandatory Reporting of Greenhouse Gas Emissions Regulation (MRR) contains 42 customers who, at the time of the MRR’s inception, exceeded annual GHG emissions of 10,000 metric tons, but remain below the 25,000 metric ton Tier 1 threshold. As the list demonstrates, there are many food processing facilities that will be deemed ineligible to participate in Tier 1. These are customers who could likely implement prescriptive type measures/projects that could result in significant direct and indirect GHG reductions. Disallowing these customers to participate in Tier 1 would be doing a great disservice to the program’s success.

ARB ID	Facility Name	Total CO ₂ e (combustion, process, vented, and supplier)	Total Covered Emissions	Total Non- Covered Emissions	North American Industry Classification System (NAICS) Code and Description
104379	Arteca Milling, L.P.	12,828	0	12,828	311211 - Flour Milling
104334	Baker Commodities, Inc., Kerman Division	19,975	0	19,975	311613 - Rendering and Meat Byproduct Processing
104621	Baker Commodities, Inc., Vernon Division	12,488	0	12,488	311613 - Rendering and Meat Byproduct Processing
104411	California Dairies, Inc. Artesia	9,541	0	9,541	311514 - Dry, Condensed, and Evaporated Dairy Product Manufacturing
104410	California Dairies, Inc. Los Banos	11,580	0	11,580	311514 - Dry, Condensed, and Evaporated Dairy Product Manufacturing
104353	California Natural Products	14,474	0	14,474	311511 - Fluid Milk Manufacturing
104199	Campbell Soup Supply Company, L.L.C. - Stockton	23,655	0	23,655	311421 - Fruit and Vegetable Canning
101691	Clougherty Packing, LLC	19,043	0	19,043	311613 - Rendering and Meat Byproduct Processing
104338	Darling Ingredients Inc - Fresno	11,555	0	11,555	311613 - Rendering and Meat Byproduct Processing
104337	Darling Ingredients Inc - Los Angeles	18,010	0	18,010	311613 - Rendering and Meat Byproduct Processing
104339	Darling Ingredients Inc - Turlock	18,799	0	18,799	311613 - Rendering and Meat Byproduct Processing
104138	Del Monte - Modesto	13,665	0	13,665	311421 - Fruit and Vegetable Canning
104655	Delano Growers Grape Products	11,772	0	11,772	311411 - Frozen Fruit, Juice, and Vegetable Manufacturing
104433	Diamond Pet Food Processors of California, LLC - Lathrop	11,757	0	11,757	311111 - Dog and Cat Food Manufacturing
104690	Diamond Pet Food Processors of California, LLC - Ripon	10,766	0	10,766	311111 - Dog and Cat Food Manufacturing
104640	E & J Gallo Winery - Livingston	18,461	0	18,461	312130 - Wineries
104200	Escalon Premier Brands, a Division of Kraft Heinz Company	22,934	0	22,934	311421 - Fruit and Vegetable Canning
104541	Foster Dairy Farms - Modesto Creamery	13,635	0	13,635	311511 - Fluid Milk Manufacturing
104548	Foster Farms Porterville Plant	9,948	0	9,948	311615 - Poultry Processing
104549	Foster Farms Traver Complex	9,276	0	9,276	311119 - Other Animal Food Manufacturing
104207	Frito Lay - Modesto	24,493	0	24,493	311919 - Other Snack Food Manufacturing
104672	Harris Ranch Beef Company	9,980	0	9,980	311611 - Animal (except Poultry) Slaughtering
104580	Hood Dairy	17,197	0	17,197	311514 - Dry, Condensed, and Evaporated Dairy Product Manufacturing
104224	J.G. Boswell Company West Processing Townsite	9,341	0	9,341	311223 - Other Oilseed Processing
104354	Kraft Heinz Foods Company - Tulare	21,265	0	21,265	311513 - Cheese Manufacturing
104106	Leprino Foods - Lemoore East	20,189	0	20,189	311513 - Cheese Manufacturing
104105	Leprino Foods - Tracy	16,388	0	16,388	311513 - Cheese Manufacturing
104384	Maruchan, Inc. - Laguna Canyon	16,855	0	16,855	311824 - Dry Pasta, Dough, and Flour Mixes Manufacturing from Purchased Flour
104629	Mission Bell Winery	14,435	0	14,435	312130 - Wineries
104658	Mission Foods Corporation	12,607	0	12,607	311830 - Tortilla Manufacturing
104418	Morton Salt, Inc.	15,264	0	15,264	311942 - Spice and Extract Manufacturing
104457	Nor-Cal Beverage Company, Inc. - Anaheim	12,115	0	12,115	312111 - Soft Drink Manufacturing
101284	Olam West Coast, Inc. - Gilroy (Opt-in 2018)	22,859	0	22,859	311423 - Dried and Dehydrated Food Manufacturing
104632	Sacramento Rendering Company	13,540	0	13,540	311613 - Rendering and Meat Byproduct Processing
104398	San Benito Foods	14,864	0	14,864	311421 - Fruit and Vegetable Canning
104395	Saputo Cheese USA Inc. - Newman	7,986	0	7,986	311513 - Cheese Manufacturing
104396	Saputo Cheese USA Inc. - Levin	11,372	0	11,372	311513 - Cheese Manufacturing
104610	Seneca Foods Corporation	9,431	0	9,431	311421 - Fruit and Vegetable Canning
104638	Western Milling, Goshen CA	8,678	0	8,678	311119 - Other Animal Food Manufacturing
104679	WP&A Firebaugh	13,626	0	13,626	311911 - Roasted Nuts and Peanut Butter Manufacturing
104678	WP&A King	12,283	0	12,283	311911 - Roasted Nuts and Peanut Butter Manufacturing
104618	WWF Operating Company	17,859	0	17,859	311511 - Fluid Milk Manufacturing

Also, there are approximately 50 food processing facilities, which come to mind, that are not listed in the MRR; this indicates they emit less than 10,000 metric tons of GHG per year. However, similar to the customers listed above, many of these customers are very large electrical energy consumers. These types of customers have significant potential for direct and indirect GHG reductions through prescriptive type measures/projects, but would not qualify for Tier 1 based on the current guidelines. Again, this would be doing a disservice to the program’s success if these customers cannot participate in Tier 1.

Customers with Misleading NAICS Codes:

The MRR list does not label the customers below as 311 or 312 NAICS codes. Additionally, approximately 25% of the aforementioned 50 facilities emitting less than 10,000 metric tons of GHG per year are not labeled as 311 or 312 NAICS codes. With that said, we believe these customers should qualify to participate in the FPIP based on the definition of a Food Processor as outlined in the CEC’s 3/28/18 presentation: “Manufacturers that transform livestock and agricultural products into products for intermediate or final consumption”.

ARB ID	Facility Name	Emitter Covered Emissions	City	North American Industry Classification System (NAICS) Code and Description
104709	SunSelect Produce (California) Inc	25,711	Tehachapi	111419 - Other Food Crops Grown Under Cover
104643	Ventura Coastal	0	Visalia	333294 - Food Product Machinery Manufacturing
104359	Windset Farms	40,835	Santa Maria	111419 - Other Food Crops Grown Under Cover