

DOCKETED

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Foster Farms FPIP Comments

Additional submitted attachment is included below.



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April 6, 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 appreciates the work the CEC has done in drafting 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—Measure and Verification—we recommend broadening eligible energy system retrofits to include the reduction of other fossil fuels. The statement would then read: “All targeted equipment and systems for retrofits must reduce GHG emissions through on-site reductions in electricity, natural gas, and/or other fossil fuels or through the use of low global warming refrigerants.”

By adding fossil fuels this will allow eligibility for important projects that can reduce on-site use of other energy sources such as diesel, propane, or other fuels.

Comment 2—Eligibility—we would like to see Capped Entities and **any** of their CA facilities prioritized in Tier I and Tier II. The intent of the funding is to ensure companies that are part of the Cap & Trade program have the first opportunity at the funding. In the last comment period we recommend the below prioritization and it appears by the last draft comments the food processing industry agrees with this prioritization.

- Priority 1—Capped Facilities under Cap & Trade
- Priority 2---Other facilities in CA of capped entities.
- Priority 3---All other Food Processors in CA

If there is a need to simplify we would recommend the following prioritization:

- Priority 1---Companies that have a capped entity and any of their facilities
- Priority 2---All other Food Processors in CA

Comment 3---Bundling-this comment ties into the eligibility comment above. We feel it is important that bundling be allowed in Tier I across multiple facilities. With this change it would allow a food processor to install those Tier I technologies at multiple facilities in CA and achieve reduction in GHG's. An example would be economizers. If a food processor has a facility that is a capped entity the funding would allow them to install economizers at any of their CA facilities. This project would reduce GHG's and at the same time help offset the dollars companies are paying into the Cap & Trade program. At the same time we feel that bundling for Tier II projects can be removed.

Comment 4—Minimum Match and Award Sizes-we support leaving Tier I minimum match at 40% and keeping the award size from \$100,000 to \$3 million.

We recommend changing the minimum match in Tier II to 20%. We also recommend changing the award size to read “2 million to 8 million.” With these type of cutting edge technologies there are risk associated with these type of projects and in order for a food processor to take those risks the match requirement needs to be lower and the award size needs to be higher.

Recommended Funding Chart

Tier	Priority	Percent of FPIP Funds	Estimated Award Size	Min Match Requirement	Bundling
I	1 st —Companies with capped entities and any of their facilities in CA 2 nd —All other food processors in CA	Up to 100%	\$100,000 to \$3 million	40% of eligible cost	Yes-at one facility or across multiple facilities
II	1 st —Companies with capped entities and any of their facilities in CA 2 nd —All other food processors in CA	Up to 50%	\$2 million to \$8 million	20% of eligible cost	No-only one facility

Comment 5—Tier II criteria—we recommend taking out the >5 or greater reduction in GHG. This favors a smaller facility versus a larger facility because the reduction percentage would be higher in a smaller facility. We would recommend using total GHG reductions and GHG reduction per dollar awarded.

Comment 6—Preference Points-we would recommend a higher priority be given to projects that impact AB 1550 communities over equipment being purchased from a vendor in CA. In the latest draft the same number of preference points were given for AB 1550 communities as purchasing from a vendor in CA.

Comment 7—Tier I Project list-we recommend not limiting the technology to the ones listed. Although this is a solid list there may be new technology or technologies not listed that could fit into this Tier I category that we don't feel should be excluded. The intent of the list is solid but a simple statement should be included that other technologies would be considered that may have been missed.

Comment 8—Separate Solicitations-we would recommend removing this from the guidelines and feel the two tiers should be solicited at the same time and both tiers should move forward at the same time. This allows the CEC to gauge interest in both tiers and gives the CEC the authority to move funds around based on the table above to meet the needs of the industry.

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