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California Poultry Federation FPIP comments

Additional submitted attachment is included below.



IN THE MATTER OF:

Implementation of the Food Production
Investment Program and Request for
Comments on Draft Solicitation

DOCKET NO. 18-MISC-01

Food Production Investment Program
RE: Comments on Draft Solicitation

The California Poultry Federation (CPF) appreciates this opportunity to comment on the Food Production Investment Program (FPIP). CPF represents the interests of the meat poultry industry in California, including all major producers and processors in the state. CPF and its members were instrumental in the creation and implementation of the FPIP. We strongly support the program and believe the CEC has done an excellent job in its implementation.

In this docket CPF will focus on additional eligible technologies, funding levels and program application. CPF also responds, herein, to the questions posed by commission staff.

Inclusion of Carbon Capture Technologies

CPF strongly encourages the inclusion of carbon capture technologies in Tier II of the FPIP. Tier II of the program is focused on “emerging technologies that are not widely used in California but have been proven elsewhere to reduce GHG emissions.” Carbon capture technologies have the ability to substantially eliminate the CO₂ emissions at poultry and other food processing operations to offset the substantial continued reliance on natural gas used for process heat in these operations. The use of natural gas accounts for the overwhelming quantity of GHG emissions from most food processing facilities. While economical solutions to natural gas usage are not currently available, carbon capture technologies represent the best opportunity to substantially reduce emissions in the sector. Carbon capture applications that can demonstrate a life cycle reduction in GHG emissions should be included in the program.

Carbon capture technologies, including amine-based technologies, are increasingly used in applications related to the combustion of fossil fuels for energy, including power plants. Inclusion of these technologies in the program will expand their application to the food processing sector and represent a promising solution for the state’s efforts to reduce GHG from the food processing sector.

Funding Levels and Matched Funding

CPF generally supports the current funding match requirement included in both program tiers. CPF believes funding matches are appropriate to maximize efficiency and leverage state dollars made available by the program. Given the amount of money being made available in this solicitation, \$74 million, CPF does believe increasing the amount of grant available in Tier II to \$10 million per project and eliminating the company limit will ensure the program can be more fully utilized and effectively allow the program to adopt new technologies to the food processing sector.

Capped Facilities and Application Periods

CPF supports the concept of two separate application periods for the upcoming solicitation. This will ensure sufficient time and opportunity for project applications. A second application period will also help ensure the funding is fully utilized during 2019. CPF also supports a second application period as an effective means to address any concerns about project scoring and the appropriate prioritization of funding for capped facilities. CPF strongly supports the continued use of the existing scoring system which provides appropriate priority points for capped facilities that emit more than 25,000 metric tons of CO₂e annually and for uncapped facilities that emit between 10,000 and 25,000 metric tons of CO₂e annually. The prioritization of capped facilities remains appropriate and important due to the significant and increasing costs associated with the state's Cap and Trade Program. Moreover, these facilities are required to purchase allowances under the program which provides the funding for programs such as FPIP under the California Climate Investments Program. Continued prioritization is consistent with industry and legislative intent that led to creation of the program. CPF does support reducing the prioritization points in the second application period. This will ensure opportunity is provided to capped facilities in round one and will also ensure funding will be fully utilized if funding remains available for a second application period under the upcoming solicitation. CPF represents both capped and uncapped facilities and believes this staged implementation will best and fairly serve the interests of industry participants, while keeping with the intent of the program that capped facilities receive priority for funding.

Conclusion

CPF appreciates the opportunity to comment on the proposed solicitation and appreciates consideration of our comments. We are available to answer any questions CEC staff have as the process moves forward.