

## DOCKETED

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*Comment Received From: Jack DiGiacomo*

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**FPIP Comments by DCE**

See Attachment

*Additional submitted attachment is included below.*

Upon review of the February 16, 2018 presentation, we would like to present the following comments/concerns:

- NAICS codes currently are limited to 311 and 312
  - Although this does include many of the targeted food processing facilities, there are many of which are miscategorized for various reasons:
    - Operations have shifted/expanded since business origination
    - Utility tariff considerations
    - Mistakenly filed incorrectly
  - Suggested NAICS codes to include to the FPIP on case by case basis or exception process:
    - 115 – Support Activities for Agriculture and Forestry
      - This NAICS code is common for smaller food processors that were at one time solely considered a packing house
    - 493 – Warehousing and Storage
      - This NAICS code is common for dry and cold storage where a portion of the facility is processing product
    - 424 – Merchant Wholesalers, Nondurable Goods
      - This NAICS code is common for facilities that are producing products that are distributed at the wholesale level
- Tier 1 Project Costs:
  - We believe the FPIP would be a much more influential program provided that labor costs could be included as part of the project costs.
  - It is common for the installation labor costs associated with these large integrated system modifications to be upwards of 50% of the overall project costs.
  - If these costs are deemed ineligible, it is likely to negatively impact the program's success due to payback criteria.
  - Through the utility incentive programs, we have experienced the negative impacts of eligible cost criteria.
- Tier 1 Minimum Grant Size:
  - In our experience, projects resulting in energy savings of 1 to 10 GWh typically range between \$500,000 - \$2,000,000 in equipment and installation labor costs alone.
  - We believe there is significant potential for high volume projects ranging from 100,000 – 200,000 kWh at smaller food processors.
    - Based on the current grant sizing criteria, these types of projects would not qualify for the FPIP.
    - These smaller opportunities are generally associated smaller processors which are often geographically located in AB 1550 communities and would benefit most from the FPIP.
- Technology Priorities
  - One technology that we noticed was missing from the list are LED lighting upgrades.
    - Food processing facilities commonly operate over 8,500 hours per year resulting in substantial lighting energy usage.
    - Typically, LED retrofits result in 40-60% energy savings.