

## DOCKETED

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California Energy Commission



# Renewable Energy for Agriculture Program (REAP)

Renewable Energy Division

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Geoff Dodson  
March 8, 2018





# Workshop Agenda

- ▶ Overview of the Proposed Renewable Energy for Agriculture Program Framework
- ▶ Discussion Questions and Public Comment
- ▶ Next Steps



# Commitment to Diversity

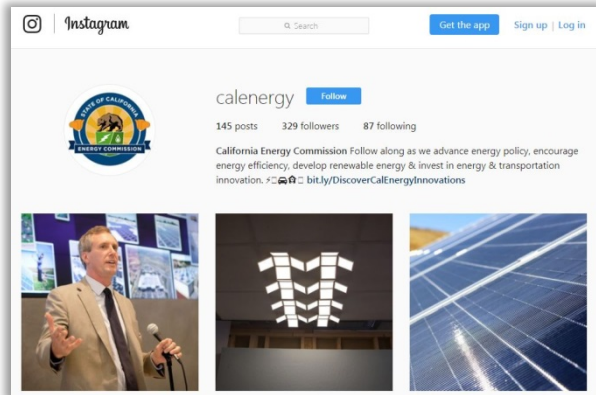
The Energy Commission adopted a formal resolution strengthening its commitment to diversity in our funding programs.

To meet this commitment, Energy Commission staff conducts outreach efforts and activities to:

- Engage with disadvantaged and underrepresented groups throughout the state.
- Notify potential new applicants about the Energy Commission's funding opportunities.
- Assist applicants in understanding how to apply for funding from the Energy Commission's programs.
- Survey participants to measure progress in diversity outreach efforts.



# Connect with Us





# Background on REAP

- ▶ Established under the Budget Act of 2017, AB 109
  - ▶ "...shall be used to support renewable energy projects in the agriculture sector."
- ▶ California Climate Investments (Greenhouse Gas Reduction Fund)
- ▶ \$6 million in funding



# Statutory Deadlines for REAP

- ▶ Encumbrances: June 30, 2019
- ▶ Liquidation: June 30, 2023



# Overview of REAP

- ▶ General Program Schedule
- ▶ Program Goals
- ▶ Funding Overview
- ▶ Eligibility
- ▶ Project Types





# Proposed REAP Implementation Schedule

Date	Event
<b>February 27, 2018</b>	Public workshop to solicit public feedback on program proposals
<b>March 8, 2018</b>	Public workshop – Bakersfield, CA
<b>March 26, 2018</b>	Comments due on proposed program framework
<b>May 2018</b>	Release draft REAP guidelines for public comment
<b>June 2018</b>	Public workshop on draft guidelines
<b>July 2018</b>	Comments due on draft guidelines
<b>August 2018</b>	Adopt guidelines at Energy Commission Business Meeting
<b>August 2018</b>	Anticipated release of grant solicitation
<b>September 2018</b>	Deadline to submit applications
<b>October 2018</b>	Internal scoring and selection
<b>October/November 2018</b>	Anticipated Notice of Proposed Awards



# Proposed Program Goals

- ▶ Reduce GHG emissions
- ▶ Encourage installation of on-site renewable energy in agricultural operations
- ▶ Increase resiliency and electricity reliability of agriculture operations
- ▶ Provide benefits to disadvantaged and low-income communities
- ▶ Encourage local community investment and benefits



# Funding Overview

- ▶ Available Funding \$6 million
- ▶ Award Size: \$50,000 - \$250,000 (24-120 awards)
- ▶ One award per facility; or potentially Assessors Parcel Number basis
- ▶ Projects receiving funding from other programs will need to identify those sources



# Proposed Eligibility and Definitions

- ▶ Potential eligible entities
  - ▶ Agricultural operation owner must be party on grant agreement
  - ▶ Private parties and Non-profit agencies
  - ▶ Academic Institutions



# Agricultural Operations Definition

## ► Potential Definition of Agricultural Operations

The definition of “Agricultural operations” in ARB’s Regulation for in-Use Off-Road Diesel Vehicles (Title 13 CCR § 2449) is as follows:

“Agricultural operations” means (1) the growing or harvesting of crops from soil (including forest operations), and the raising of plants at wholesale nurseries, but not retail nurseries, or the raising of fowl or animals for the primary purpose of making a profit, providing a livelihood, or conducting agricultural research or instruction by an educational institution, or (2) agricultural crop preparation services such as packinghouses, cotton gins, nut hullers and processors, dehydrators, and feed and grain mills. Agricultural crop preparation services include only the first processing after harvest, not subsequent processing, canning, or other similar activities. For forest operations, agricultural crop preparation services include milling, peeling, producing particleboard and medium density fiberboard, and producing woody landscape materials.

The State Water Efficiency and Enhancement Program defines an agricultural operation as row, vineyard, field and tree crops, commercial nurseries, nursery stock production, and greenhouse operations.



# Agricultural Operations Definition

## ► Potential Definition of Agricultural Operations

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(1) the growing or harvesting of crops from soil, and the raising of plants at wholesale nurseries, but not retail nurseries, or the raising of fowl or animals for the primary purpose of making a profit, providing a livelihood, or conducting agricultural research or instruction by an educational institution, or

(2) agricultural crop preparation services such as packinghouses, cotton gins, nut hullers and processors, dehydrators, and feed and grain mills. Agricultural crop preparation services include only the first processing after harvest, not subsequent processing, canning, or other similar activities.



# Proposed Project Types

- ▶ All projects are required to show a net GHG benefit and must be located on-site. Examples include, but are not limited to:
  - ▶ Renewable energy to serve on-site load
    - ▶ Solar PV systems
    - ▶ Wind turbines
    - ▶ Battery storage
  - ▶ Upgrading fossil fuel equipment combined with installation of renewable energy systems to serve the new equipment
  - ▶ Solutions that integrate solar for agricultural pumps and charging for other equipment
  - ▶ Innovative ideas such as solar trees



# Eligible Costs

## ▶ Eligible Costs:

- ▶ Equipment
- ▶ Measurement and Verification
- ▶ Engineering & Design
- ▶ Labor & Fringe
- ▶ Interconnection Costs

## ▶ Ineligible Costs:

- ▶ Travel
- ▶ Permits
- ▶ Overhead
- ▶ Any other costs





# Disadvantaged Community and Low-Income Community and Household Investment Requirements

- ▶ California Climate Investments require investment minimums
- ▶ REAP Program proposal is to allocate:
  - ▶ 50% of funds to projects located in and benefiting disadvantaged communities
  - ▶ 10% of funds to projects within and benefiting low income communities

\* <https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm>



# Project Considerations

- ▶ Additional preference will be given to projects based on:
  - ▶ Improving local air quality
  - ▶ Provide public health benefits
  - ▶ Fostering job creation
  - ▶ Investments in or additional benefits for the local community
  - ▶ Projects that demonstrate innovation
  - ▶ Projects that provide match funding



# Match Funding

- ▶ Applicants are not required to provide match funding but they are encouraged to provide match funding.
- ▶ Match funding can be cash and/or in-kind contributions.
- ▶ Examples of in-kind match include, but are not limited to:
  - ▶ Labor hours
  - ▶ Equipment
  - ▶ Facilities and other property
  - ▶ Costs to complete outreach and education activities



# Coordination With Other Programs

- ▶ Pursuant to the Funding Guidelines, Programs Should Seek Opportunities to work together, maximize benefits from each program, and leverage resources.
  - ▶ FARMER Program
  - ▶ SWEEP Program

\* <https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm>



# Questions for Discussion



# Discussion Questions to Consider

- ▶ What needs of the agricultural community can be met by the REAP program?
- ▶ What barriers does the agricultural community face that impacts the ability to install on-site renewable resources?
- ▶ How can renewable energy best support agricultural operations?



# Discussion Questions

- ▶ Should academic institutions be eligible grant recipients?
- ▶ Are there other types of existing renewable energy resources or project types not noted in the proposal that should be considered?
- ▶ Are the funding levels proposed sufficient to support projects that will provide sufficient renewable energy to meet identified needs?



# Discussion

- ▶ Are there any other important items to consider?





# Next Steps

- ▶ Visit REAP Program Website  
<http://www.energy.ca.gov/renewables/18-MISC-03/>
- ▶ Develop and Post Draft Guidelines
- ▶ Subscribe to the REAP list serve to receive program notifications
  - ▶ Submit Comments



# Comments and Contact Information

- ▶ Written comments
  - ▶ Due by March 26, 2018 at 5:00 pm
  - ▶ Submit electronically at:  
<https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=18-MISC-03>
  - ▶ Submit in hard copy by mail at address identified in workshop notice
- ▶ Contact
  - ▶ Geoff Dodson – [Geoffrey.Dodson@energy.ca.gov](mailto:Geoffrey.Dodson@energy.ca.gov)
  - ▶ (916) 654-5171