

## DOCKETED

<b>Docket Number:</b>	18-MISC-01
<b>Project Title:</b>	Food Production Investment Program
<b>TN #:</b>	223143
<b>Document Title:</b>	Yaroslav Chudnovsky Comments FPIP DRAFT GUIDELINES
<b>Description:</b>	N/A
<b>Filer:</b>	System
<b>Organization:</b>	Yaroslav Chudnovsky
<b>Submitter Role:</b>	Public
<b>Submission Date:</b>	4/5/2018 9:42:44 PM
<b>Docketed Date:</b>	4/6/2018

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*Submitted On: 4/5/2018*

*Docket Number: 18-MISC-01*

## **FPIP DRAFT GUIDELINES**

Quick comments/suggestions:

1. Program objectives (page 5) - "modernization" and "driving the future". To my mind "modernization" does not mean "equipment" only. It also may include any proven and commercially available process enhancement technologies, control optimization means, etc. If so - the Tier I projects description could be expanded beyond the "equipment only" category. However, in this case the eligible costs for Tier I must be reconsidered to include labor.
2. Match funding (page 6, Table 1) - in most cases match funds (entirely or partially) to be contributed by the applicant and the applicant would be interested to get a reasonable payback. Since a lot of Food Processors in California are seasonal operators the payback may be an issue. Tier I projects have low-risk nature and should be simply 50% discounted (means 50% of cost is paid by FPIP and 50% of cost is match). Tier II projects are "high risk and high return" type of projects, so in order to make them attractive to Food Processors the minimum match should be reduced to 10-20% to ensure the reasonable payback.
3. Tier I is open for the Food Processors emitting over 25,000 MT GHG per year, while Tier II is open for all. To accomplish the second objective of FPIP - "to accelerate industry into a low carbon future" the focus should be made to large GHG emitters. I would suggest to set focus of "...greater than 5% facility-wide GNG emission reduction..." for the applicants operating outside of the compliance limit, while for the operators that emitting within the compliance limits to set the higher target ... That should stimulate the intense GHG emitters to somehow reduce their carbon footprint.
4. To make life easier for small and medium Food Processing companies with limited administrative resources I would suggest to simplify the typical paperwork and reporting procedures.