

DOCKETED

Docket Number:	18-MISC-01
Project Title:	Food Production Investment Program
TN #:	223148
Document Title:	The Wonderful Company's Comments on the FPIP Draft Guidelines
Description:	N/A
Filer:	System
Organization:	The Wonderful Company/Melissa Poole
Submitter Role:	Public
Submission Date:	4/6/2018 12:49:01 PM
Docketed Date:	4/6/2018

Comment Received From: Melissa Poole

Submitted On: 4/6/2018

Docket Number: 18-MISC-01

The Wonderful Company's Comments on the FPIP Draft Guidelines

Additional submitted attachment is included below.



April 6, 2018

VIA Electronic Submission

California Energy Commission
Dockets Office, MS-4
RE: Docket No. 18-MISC-01
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Food Production Investment Program (FPIP) Draft Guidelines

Members and staff of the California Energy Commission:

The Wonderful Company LLC ("Wonderful") appreciates the opportunity to provide comments to the California Energy Commission ("CEC") regarding the proposed structuring of the Food Production Investment Program (FPIP).

Wonderful and its related entities farm and process almonds, pistachios, citrus, pomegranates, nursery stock, and wine grapes throughout California. Every year we grow, harvest, package and ship healthy products to our customers on a global scale. In addition, Wonderful's nut processing facility is subject to the cap-and-trade program. The FPIP program is a critical tool for helping California agriculture expand its environmental stewardship to improve air quality and reduce greenhouse gas emissions. As such, we respectfully request you consider the following when finalizing the rules for the FPIP:

Funding:

- 1) Program funding should not be arbitrarily and unnecessarily limited to NAICS Codes 311 and 312 so as not to restrict beneficial projects from industries that fall under other codes, including Crop Preparation Services for Market (0723), Canned Fruits and Specialties (2033), Other Food Manufacturing (311900), Fruit and Vegetable Preserving and Specialty Food Manufacturing (311400), Wineries (312130), Almond Hulling and Shelling (115144) and Food Packaging (327). Restricting program eligibility to NAICS codes 311 and 312 fails to capture all potential food production facilities that should be eligible to compete for these funds as well as potential GHG reductions that could be realized from these facilities with funding assistance.
- 2) Program funding should be available for GHG reductions achieved through means other than equipment, (e.g., process improvements and innovations in software).
- 3) Program funding priority should be provided for entities subject to the cap-and-trade program. Both Tier I and Tier II funding opportunities should be available to all eligible food processors, however priority should be given to businesses in the statewide cap-and-trade program. Capped entities are at a competitive disadvantage when compared to their counterparts in other states that do not have to participate in similar programs and in comparison to competitors within

California that do not have emissions that exceed the cap. Additionally, these companies have already made significant investments in facilities and in the program in an effort to maintain their businesses in California and reduce emissions. These investments should be recognized by providing significant priority in the "preference points," section of the FPIP. .

- 4) The FPIP should not artificially and unnecessarily limit the number of projects a single applicant is permitted for each grant solicitation as a single entity may have multiple locations and multiple quality projects.
- 5) In finalizing the rules, we request that the CEC reconsider the 40% matching requirement for Tier II project applicants as these applicants are assuming significant risks while advancing industry's ability to reduce GHGs. Furthermore, the 40% match could deter applicants from demonstrating technologies that could eventually be applied in other facilities when the purchase of offsets proves to be more cost effective.
- 6) Allow for the inclusion of labor costs in grant applications as labor costs constitute a significant portion of project costs and should be reflected and funded accordingly.

Points of Clarity Needed:

- 1) Please clarify the language regarding renewable energy projects to ensure inclusion of advanced microgrid and energy storage solutions as an eligible technology.
- 2) Provide further clarity in distinguishing between Tier 1 and Tier 2 technologies as it is not always easy to clarify the distinction between a "commercially available and proven" equipment (Tier 1) and "disruptive cutting edge technologies" (Tier 2).
- 3) Explain the rationale for disallowing bundling of technologies within multiple facilities; as written, the prohibition of bundling multiple facilities eliminates potential efficiencies in rolling out new equipment in similar facilities under common ownership as well as the efficiency in realizing GHG reductions.
- 4) A timeline for development of the quantification methodology should be developed and included in the final guidelines for use in the FPIP application process.
- 5) Although it is assumed that all projects funded by the Greenhouse Gas Reduction Fund (GGRF), including the FPIP would be required to use the quantification methodology, it is unclear. Please expand on the expected uses of the quantification methodology.

Implementation:

- 1) FPIP awards should not be subject to prevailing wage requirements. Because projects funded by the CEC are considered public works projects, the FPIP requires that outside contractors be paid prevailing wage for their particular trade. Project applicants are not government entities who likely have existing relationships and agreements with independent contractors. Requiring prevailing wages could significantly increase costs and reduce project feasibility.
- 2) Execute and distribute funds for both Tier I and II concurrently in order to most efficiently fund projects.

We would be happy to discuss these comments at your convenience and look forward to providing additional input as the FPIP develops.

April 6, 2018
Page / 3

Sincerely,

A handwritten signature in blue ink, consisting of a series of connected loops and curves, likely representing the name Melissa Poole.

Melissa Poole
Senior Counsel/Director of Government Affairs