

DOCKETED

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Low-Carbon Fuel Production Program (LCFPP)

2019 Program Implementation Draft Guidelines
Fuels and Transportation Division



Andrew Hom
Taiying Zhang
March 5, 2019
California Energy Commission





Welcome

- Housekeeping/Logistics
 - Emergency Procedures
 - Restrooms
- WebEx Participants

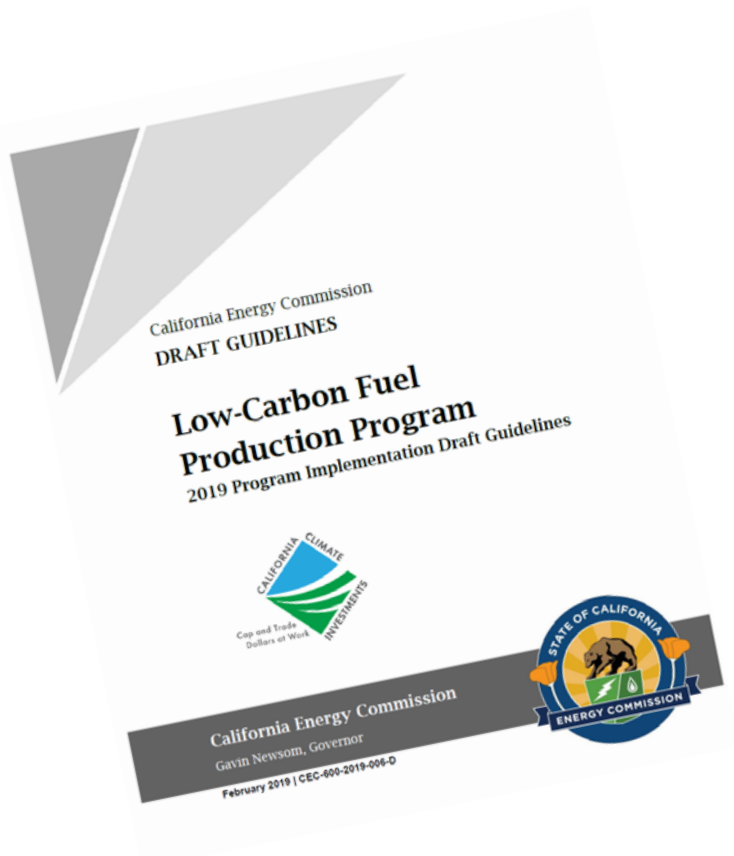




Purpose of Workshop



For public to
comment on the
Low-Carbon Fuel
Production Program
Draft Guidelines.





Agenda

- Commitment to Diversity
- Draft Guidelines
- Program Objectives
- Eligibility Requirements
- Funding
- Solicitation Process and Scoring
- Estimated Timeline
- How to Submit Comments to the Guidelines
- Quantification Methodology
- Comments, Q&A



Commitment to Diversity

The Energy Commission adopted a resolution on April 8, 2015, to firmly commit to:

- Increase participation of women, minority, disabled veteran and LGBT business enterprises in program funding opportunities
- Increase outreach and participation by disadvantaged communities
- Increase diversity in participation at Energy Commission proceedings
- Increase diversity in employment and promotional opportunities

<https://www.surveymonkey.com/r/QM6MJLS>



Commitment to Diversity, continued



Fairness – Increase funding accessibility to all Californians

Inclusion – Small businesses make up a significant portion of the U.S. economy

Job Creation – Projects can create jobs for residents of the under-served communities

Diversity of Ideas – Great ideas occur in a variety of areas

Diversity in Communities' Needs – Needs vary widely from one area to the next (air quality, socioeconomic, etc.)

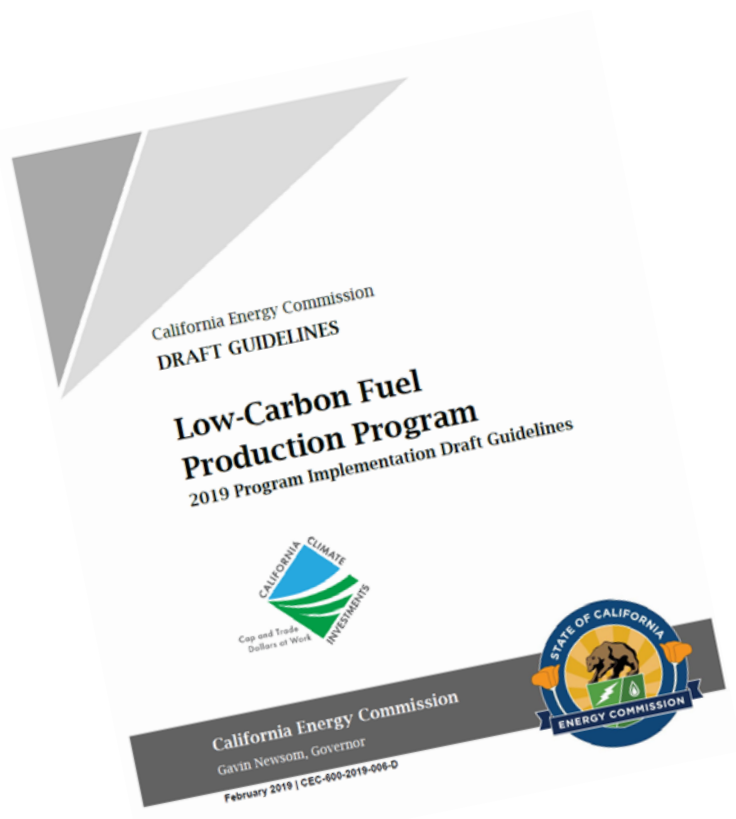


2019 Program Implementation Draft Guidelines



Contains:

- Program structure
- Eligible applicants
- Eligible projects
- Solicitation process
- Application scoring





California Climate Investments



- Administered by California Air Resources Board (CARB).
- Puts Cap-and-Trade dollars to work.
- Reduces greenhouse gas emissions.
- Strengthens the economy.
- Improves public health and the environment, particularly in disadvantaged communities.



Program Objectives



- Reduce greenhouse gas (GHG) emissions
 - Support new or expanded renewable ultra-low-carbon transportation fuel production projects
 - Support the use of underutilized feedstocks
- Benefit disadvantaged communities and provide meaningful co-benefits to priority populations as defined by SB 535 and AB 1550
- Displace fossil fuels



Quantification Methodology



- Developed by CARB to estimate GHG emission reductions and other co-benefits from LCFPP projects.
- LCFPP quantification methodology and benefits calculator tools are under development.
 - Draft of the tool is available for public comment at www.arb.ca.gov/cci-quantification
 - LCFPP webpage will post the link and notify the subscribers of lowcarbonfuels listserve



Eligibility Requirements



- All public and private entities.
- Business presence in California.
- All low-carbon fuel production plants and existing biorefineries must be in California.
- Projects must reduce GHG emissions by producing transportation fuel using eligible feedstock.



Eligibility Requirements, continued



- New or expanded renewable ultra-low-carbon transportation fuel (30 gCO₂e/MJ or less) production at advanced fuel production plants.
- Minimum production 1 million DGE per year.



Eligible Feedstock



- Must be organic material.
- Not derived from fossil fuels or inorganic greenhouse gases.
- Including, but not limited to:
 - Prelandfilled waste-based biomass
 - Alternative purpose-grown crops
 - Agricultural residues
 - Biocrude
 - Woody biomass and forest residues
 - Animal manures
 - Food waste
 - The organic portion of municipal solid waste
- Landfill waste-based biomass sources are NOT eligible feedstocks.



Eligible Feedstock, continued



- Eligible renewable hydrogen sources include:
 - Biomethane or biogas such as:
 - Biomass digester gas
 - Sewer (wastewater) gas
 - Municipal solid waste gas from pre-landfilled material
 - Other waste fuels



Eligible Feedstock, continued



- Eligible renewable electricity sources include:
 - Fuel cells using eligible renewable feedstocks
 - Geothermal
 - Small hydroelectric (30 megawatts or less)
 - Ocean wave, ocean thermal, tidal current
 - Photovoltaics (PV), solar thermal
 - Biomass digester gas
 - Municipal solid waste conversion (non-combustion thermal process)
 - Wind
 - Outlined in Section 25741(a)(1) of the California Public Resources Code, but **excluding landfill gas**



Funding Authority



- Budget Act of 2018, as amended by Senate Bill 856.
- \$12.5 million from California Climate Investments (Greenhouse Gas Reduction Fund) to support low carbon fuel production.



Funding Levels



- Maximum total funding: \$12.5 million
- Awarded through competitive grant solicitations.
- Maximum single award: \$5 million
- Applicant must disclose all sources of GGRF funding in application.



Funding Deadlines



Encumbrance Deadline

June 30, 2020

Liquidation Deadline

June 30, 2024



Solicitation Process



- Posted on the Energy Commission website.
- All requirements for submitting a proposal will be described in the grant solicitation.
- Preapplication workshop will be conducted.
 - Following the workshop, parties can submit written questions.
 - Written responses to all questions will be posted to the solicitation webpage.



Solicitation Process, continued



The Energy Commission may use a two-phase evaluation process. A two-phase process requires applicants to submit:

- A preapplication abstract based on the requirements listed in the solicitation.
- A detailed full application for applicants who receive a passing score on their preapplication abstracts.



Solicitation Process, continued



- Proposal must pass administrative screening.
- All proposals that pass screening will be scored by an evaluation team based on technical scoring criteria.
- Applications are ranked by final score.
- NOPA is published on the Energy Commission website.



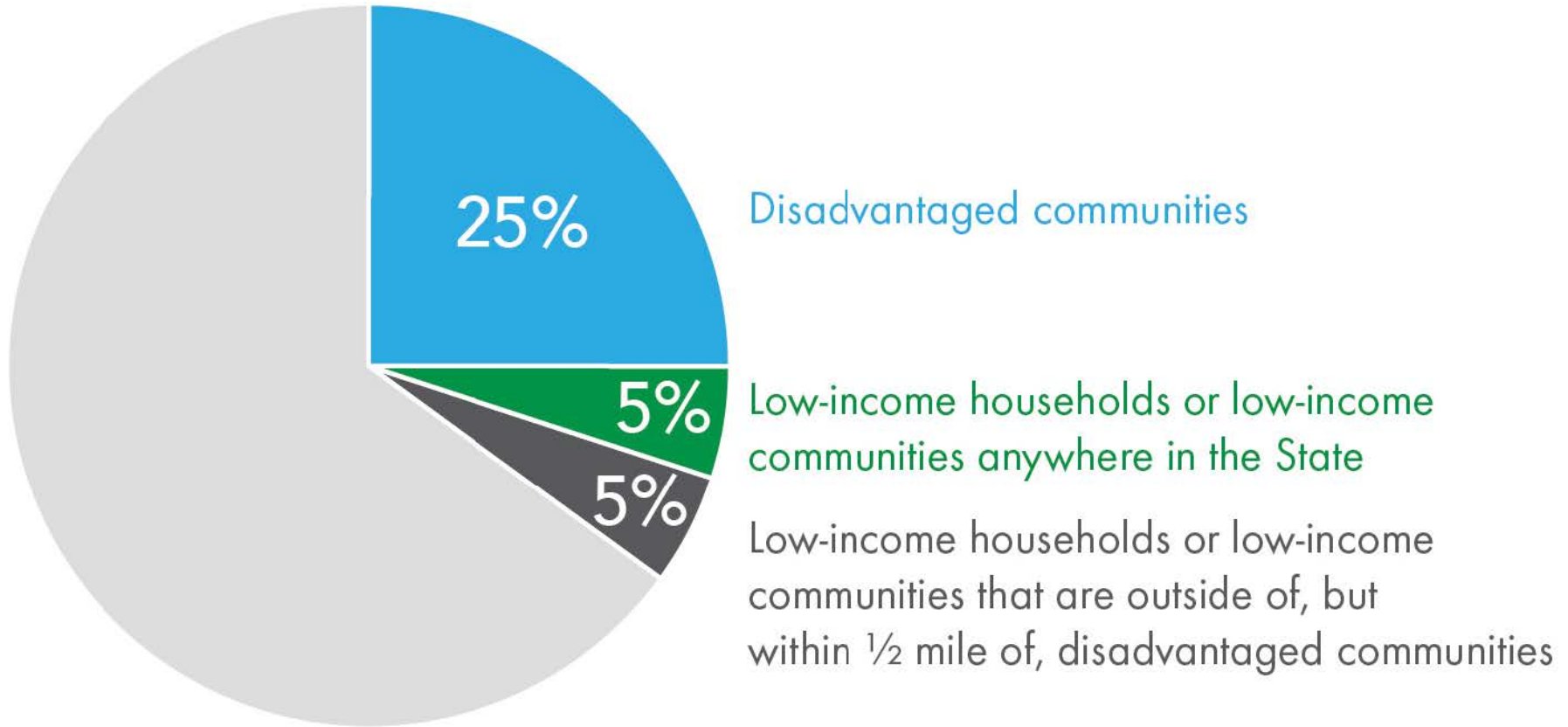
Scoring Categories



- Administrative Screening: pass/fail
- Technical Scoring Categories:
 - Project Team Qualifications
 - Business Plan including technology, marketing, and financial plans
 - Project Readiness and Implementation
 - Project Budget and Cost-Effectiveness
 - Project Benefits – GHG emission reductions
 - Sustainability
 - Priority population considerations



Priority Populations Climate Investment Minimums





Funding Awards



- Funding will be awarded based on final score starting with the highest score and proceeding until all funds are expended.
- Final agreements must be approved at an Energy Commission Business Meeting.
- Costs incurred prior to executing an agreement will not be reimbursed by the Energy Commission.



Estimated Timeline



Key Activities	Approximate Timeline
Deadline for written comments	March 12, 2019
Post final draft Guidelines	April, 2019
Guideline approval	June 2019 Business Meeting
Solicitation release	Summer/Fall 2019
Release NOPA	January 2020
Grant agreements approval	March/April 2020 Business Meeting
Encumbrance deadline	June 30, 2020



Ways to Comment



1. Electronic commenting system:

<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=19-TRAN-01>

2. Email:

Include docket number 19-TRAN-01 and Low Carbon Fuel Production in the subject line and email to docket@energy.ca.gov



Ways to Comment, continued



3. Mail to the following address:

California Energy Commission

Docket Unit, MS-4

Re: Docket No. 19-TRAN-01

1516 Ninth Street

Sacramento, CA 95814-5512

Written Comments to the LCFPP Guidelines

Deadline: Tuesday, March 12, 2019 by 5:00 pm



Website & Listserve



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Low Carbon Fuel Production Program

The California Energy Commission's Low Carbon Fuel Production Program will invest \$12.5 million to support low carbon fuel production projects in California.

The program, created in 2018, will support new and expanded renewable ultra-low carbon transportation fuel production at commercial scale, helping the state's fuel industry work towards a low-carbon future.

The program is part of [California Climate Investments](#), a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy and improving public health and the environment — particularly in disadvantaged communities. The program will also help achieve the state's climate change and clean air goals.

Check this webpage and subscribe to the listserv for additional information about the program, including funding opportunities, upcoming workshops, and opportunities for public input.

For questions or more information, please contact lowcarbonfuels@energy.ca.gov.

Proceedings

- Workshops, Notices, and Documents
- Docket Log (19-TRAN-01)
- Submit e-Comment (19-TRAN-01)

Upcoming Events

March 05, 2019
Staff Workshop to Discuss Draft Guidelines for the Low Carbon Fuel Production Program

Subscribe

Low Carbon Fuels Production List Serve

Automated Email Notifications

First name:

Last name:

Email address:

You will receive an email requesting that you confirm your subscription.

<https://www.energy.ca.gov/transportation/lowcarbonfuels/>



Program Resources



- LCFPP Main webpage:
<https://www.energy.ca.gov/transportation/lowcarbonfuels/>
- LCFPP workshop documents:
<https://www.energy.ca.gov/transportation/lowcarbonfuels/documents/>
- LCFPP dockets log:
<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=19-TRAN-01>
- Contact: lowcarbonfuels@energy.ca.gov



Deadlines for Public Comments



Deadline for Draft Guidelines

March 12, 2019

By e-file, email, or mail.

Deadline for Quantification Methodology

March 19, 2019

Contact: GGRFProgram@arb.ca.gov



Questions? Comments?





Thank You!

