<table>
<thead>
<tr>
<th><strong>Docket Number:</strong></th>
<th>19-TRAN-01</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Title:</strong></td>
<td>Low Carbon Fuel Production Program</td>
</tr>
<tr>
<td><strong>TN #:</strong></td>
<td>227261</td>
</tr>
<tr>
<td><strong>Document Title:</strong></td>
<td>Presentation - Low Carbon Fuel Production Program</td>
</tr>
<tr>
<td><strong>Description:</strong></td>
<td>March 5, 2019 by Andrew Hom and Taiying Zhang</td>
</tr>
<tr>
<td><strong>Filer:</strong></td>
<td>Jessica Martinez</td>
</tr>
<tr>
<td><strong>Organization:</strong></td>
<td>California Energy Commission</td>
</tr>
<tr>
<td><strong>Submitter Role:</strong></td>
<td>Commission Staff</td>
</tr>
<tr>
<td><strong>Submission Date:</strong></td>
<td>3/4/2019 2:51:01 PM</td>
</tr>
<tr>
<td><strong>Docketed Date:</strong></td>
<td>3/4/2019</td>
</tr>
</tbody>
</table>
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/cciqquantification
  – 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 gCO$_2$e/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 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

Disadvantaged communities 25%

Low-income households or low-income communities anywhere in the State 5%

Low-income households or low-income communities that are outside of, but within ½ mile of, disadvantaged communities 5%

https://www.arb.ca.gov/ccifundingguidelines
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

<table>
<thead>
<tr>
<th>Key Activities</th>
<th>Approximate Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deadline for written comments</td>
<td>March 12, 2019</td>
</tr>
<tr>
<td>Post final draft Guidelines</td>
<td>April, 2019</td>
</tr>
<tr>
<td>Guideline approval</td>
<td>June 2019</td>
</tr>
<tr>
<td></td>
<td>Business Meeting</td>
</tr>
<tr>
<td>Solicitation release</td>
<td>Summer/Fall 2019</td>
</tr>
<tr>
<td>Release NOPA</td>
<td>January 2020</td>
</tr>
<tr>
<td>Grant agreements approval</td>
<td>March/April 2020</td>
</tr>
<tr>
<td></td>
<td>Business Meeting</td>
</tr>
<tr>
<td>Encumbrance deadline</td>
<td>June 30, 2020</td>
</tr>
</tbody>
</table>
Ways to Comment


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

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/
• 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!