

The Grant Farm

March 23, 2015

CalRecycle
Greenhouse Gas Reduction Programs
1001 I Street
Sacramento, CA 95814

To whom it may concern:

Since 2007, The Grant Farm has managed public and private proposal and incentive submissions for many successful renewable and advanced technology projects in California, with a total valuation of more than \$1 billion. These projects have successfully earned grant, loan and incentive support from the US Department of Energy, US Department of Commerce, US Department of Transportation, US Department of Agriculture, California Energy Commission, and the San Joaquin Valley Air Pollution Control District, among others. A significant focus of the company has been supporting development of bioenergy projects in California, and we've developed successful projects for CleanWorld, CalBio Energy, Recology, Southern California Gas, CALSTART, Crimson Biofuels, and Buster Biofuels, including several submissions to this program in 2014.

Thank you for accepting the following comments:

1. The Grant Management System (GMS) developed and utilized by CalRecycle represents a dramatic step forward for the solicitation of funding submissions by prospective applicants. Our company found the process simple to use and well-administered, resulting in dramatic increases in efficiency of submission development and the elimination of waste and GHGs related to paper-based submissions;
2. CalRecycle allowed for an extended open window of receiving questions related to the application and the application process. We applaud this and encourage CalRecycle to adopt a process by which the agency can answer questions ongoingly throughout the submission window. CDFA recently allowed for this in its recent Organics program, where questions regarding intent and process were answered right up to within several days of the submission deadline.
3. CalRecycle proposes to earmark \$2 million for rural applicants. While we agree with this concept in the abstract, the available funding for Organics program is already painfully insufficient to the need, demonstrated clearly with the high oversubscription rate in 2014. Further earmarking additional funds is premature, and would likely undermine the attractiveness and competitiveness of an already dramatically under-funded program to prospective applicants that are not rural, not located in DAC, or both.
4. Additionally, while we strongly agree with the DAC designation, in 2014 all CalRecycle funds went to Disadvantaged Communities. This is a strong signal that the point values associated with this designation for all intents and purposes disqualifies potentially very good projects that are not in DAC,

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which in our opinion would be an inappropriate market signal. In 2015, CalRecycle intends to further increase by 50% the points for a project in DAC, meaning this outcome where excellent, non-DAC projects can't even compete for CalRecycle funds becomes even more likely. We request CalRecycle reconsider the additional points being allocated to DAC, as the program clearly was successful in directing funds to DAC communities in 2014 without the additional 50% increase in points;

5. The limit of one application per primary business unit will be difficult for CalRecycle to implement. We suggest that the agency use its already existing and robust vetting process to evaluate whether an applicant should be considered for one or more awards, rather than an artificial barrier to consideration of more than one application. Keep in mind, there are an array of complicated business structures that are utilized to develop and operate many facilities, that include investor companies, partner entities, etc that provide beneficial legal status and tax affects that support business models in bioenergy that are not otherwise available;
6. We do not believe the objections to so-called "grant stacking" present a considerable issue for the state or CalRecycle. Bioenergy and organics projects can cost between \$2 million and \$50 million, and many larger projects offer benefits to ratepayers and taxpayers—demand response, time-shifting, dispatchable power—that should allow for consideration of multiple state and federal partnership opportunities;
7. We do support CalRecycle developing policies that strongly favor shovel-ready, CEQA-ready projects. We are concerned about "grant-banking" – Applicants that commit resources to developing successful grant proposals but don't truly intend on building facilities for some time. We encourage CalRecycle to preserve and utilize contractual opportunities to rededicate funds away from projects that are clearly not going to meet site preparation, construction and operation goals as early as possible in the process.

Thank you again for your consideration of these issues and for all the good work being done at your agency.

Sincerely,

Shawn Garvey
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From: Shawn Garvey [mailto:shawn@thegrantfarm.com]
Sent: Tuesday, March 24, 2015 9:23 AM
To: GHGReductions; Mark Filimonov; Molly Gaebler
Subject: Shawn Garvey 2 Comments to GHG Organics Program

CalRecycle:

Additional issue:

CalRecycle's 2015 Organics GHG process will be requesting a great deal of information (corporate financial statements, feedstock agreements and contracts, off-take agreements and contracts, etc) that many companies and partners rightfully deem "confidential."

This need for confidentiality has been accepted by both the California Energy Commission and the more recent CDFA GHG Program, by allowing confidential material to be designated as such and eliminating the Public Information requirements of confidential material for period of time (3 years, 7 years).

We request that CalRecycle develop and communicate similar rules regarding confidentiality of information submitted to the CalRecycle Organics GHG Program.

/shawn