

# Program Design and Implementation Guide – Agriculture Electrification

## 1. Description

- 1.1. This program provides incentives to CCCE customers for replacement of fossil fuel powered agricultural equipment with new electric equipment including irrigation pumps, farm tools, utility vehicles and other equipment.

Incentives will be provided “downstream” directly to the customer. The Program will be administered and implemented by CCCE Energy Programs staff.

## 2. Program Objectives

- 2.1. Reduce AG related GHG emissions
- 2.2. Improve air quality for AG workers
- 2.3. Stimulate local economy

## 3. Program Term

- 3.1. October 1, 2021 – September 30, 2022, or until funds are fully reserved.

## 4. Applicant Types

- 4.1. Agriculture customers
  - 4.1.1. Customers whose primary business is agriculture production and/or agriculture processing.

## 5. Applicant Eligibility

- 5.1. Must be an enrolled CCCE customer in good standing.
- 5.2. Customer must be commercial agricultural producer and/or processor.
- 5.3. Customers who can confirm small business status will, if awarded, receive enhanced incentives.
  - 5.3.1. “Small business” shall be defined as set forth in Government Code Section 14837(d)(1) and means an independently owned and operated business that is not dominant in its field of operation, the principal office of which is located in California, the officers of which are domiciled in California, and which, together with affiliates, has 100 or fewer employees, and average annual gross receipts of fifteen million dollars (\$15,000,000) or less over the previous three years, or is a manufacturer, as defined in subdivision (c), with 100 or fewer employees.

## 6. Project Eligibility

- 6.1. Project site must be enrolled in CCCE electrical service.
- 6.2. Project must include an electrification (fuel switching) measure.

**7. Project Types**

7.1. Examples of eligible equipment/project types include:

- 7.1.1. High impact projects:
  - a) Irrigation pumps
  - b) Chillers/boilers/refrigeration
  - c) Other heating and cooling equipment (HVAC)
- 7.1.2. Low impact projects:
  - a) Forklifts
  - b) Tractors
  - c) Harvest equipment
  - d) Utility vehicles/haulers (ATV, OHV, etc.)
  - e) Medium to Heavy Duty vehicle purchase/replacement
  - f) Other equipment justified at CCCE’s discretion

7.2. If applicable, the primary device and/or charging device (when utilized) shall be "network capable". This means that for the purpose of participating in "demand response" type programs, the device and/or it's charger shall be enabled with communications capability such that either or both may be controlled (throttled down, turned off/on, etc.) through a local network signal, wi-fi, radio frequency (RF) or cellular communications.

**8. Incentives**

**8.1. Incentive Amounts**

8.1.1. Based on project data from past program iterations, CCCE has identified certain project types as having a higher impact in terms of GHG emissions. It is the intent of the program to incentivize higher impact projects with higher incentive levels. Incentive levels listed by project type are provided in the table below.

<b>Project type</b>	<b>Percentage of total project cost possible – base incentive</b>	<b>Percentage of total project cost possible - Small Business incentive</b>	<b>Incentive Not to Exceed value</b>
High impact project	Up to 80%	Up to 100%	\$30,000
Low impact project	Up to 70%	Up to 90%	\$20,000

**8.2. Base Incentives**

- 8.2.1. The base incentive for low impact projects is up to 70% of the total project cost, not to exceed \$20,000.
- 8.2.2. The base incentive for high impact projects is up to 80% of the total project cost, not to exceed \$30,000.

### 8.3. Small Business Incentives

- 8.3.1. Small businesses will be eligible for up to 100% of the total project cost for high impact projects.
- 8.3.2. Small businesses will be eligible for up to 90% of the total project cost for low impact projects.

### 8.4. Incentive Allocation by County<sup>1</sup>

County	Total Budget Allocation*	High impact projects <sup>2</sup>	Low impact projects	% of Total
Monterey	\$200,000	\$80,000	\$120,000	33%
San Benito	\$30,000	\$12,000	\$18,000	5%
San Luis Obispo	\$80,000	\$32,000	\$48,000	13%
Santa Barbara	\$185,000	\$74,000	\$111,000	31%
Santa Cruz	\$105,000	\$42,000	\$63,000	18%
<b>Total</b>	<b>\$600,000</b>	<b>\$240,000</b>	<b>\$360,000</b>	<b>100%</b>

\* Allocation based on total electricity demand

### 8.5. Incentive Distribution Process

- 8.5.1. Eligible applicants will be awarded on a first come, first served basis.
- 8.5.2. Eligible projects will be issued a Letter of Intent (LOI) which will reserve program incentive until the project is complete.
- 8.5.3. Upon completion of the project, the applicant will provide proof of project completion (invoices, photos etc.), after which the incentive will be distributed.
- 8.5.4. Upon full subscription/reservation of a counties' budget allocation, additional applications for projects in said county will be put on a waitlist. If there are funds remaining in other county budget allocations at the end of the program term, applications on waitlist will receive incentive funding in the order placed on the waitlist.
- 8.5.5. Incentives will be processed by CCCE Rates & Finance Department staff and sent as a check in the mail to the address provided on the application.

## 9. Application Process

### 9.1. Applicant Checklist

- 9.1.1. The application will be accessible online and shall require the following information:
- CCCE Account information (Account status, ID number, service address, etc.)
  - Details regarding the project (type of equipment, fuel source, estimated fuel reduction, etc.)

<sup>1</sup> CCCE maintains the right to re-allocate funding by County for any reason and at any time.

<sup>2</sup> CCCE will set aside 40% of the total budget for high impact project types

c) Project cost (equipment, labor/install, control equipment/software)

**9.2. Letter of Intent (LOI)**

9.2.1. If application is successful, CCCE will reserve funding with the issuance of an LOI to the applicant.

9.2.2. Applicants will have 90 days after the LOI is issued to prove that the project has been completed.

9.2.3. If the project requires more than 90 days to complete, applicants are able to request one 90-day extension upon the demonstration of a good faith effort (e.g. proof of down payment) to peruse the project.

9.2.4. Incentive will be distributed once the project is complete via paper check sent to the mailing address provided in the application.

**9.3. Application Process Flow**

# \*\*DRAFT\*\* CCCE AG Electrification Program Process Flow

