



GRANT REQUEST FORM (GRF)

A) New Agreement # FPI-19-025 (to be completed by CGL office)

B) Division	Agreement Manager:	MS-	Phone
ERDD	Claire Sweeney	51	916-327-1544

C) Recipient's Legal Name	Federal ID Number
PepsiCo, Inc.	13-3848661

D) Title of Project
Condensing Heat Recovery Project

E) Term and Amount

Start Date	End Date	Amount
6/30/2020	3/31/2023	\$ 366,254

F) Business Meeting Information

ARFVTP agreements \$75K and under delegated to Executive Director

Proposed Business Meeting Date 6/10/2020 Consent Discussion

Business Meeting Presenter Cyrus Ghandi Time Needed: 5 minutes

Please select one list serve. Food Production Investment Program

Agenda Item Subject and Description:

PEPSICO, INC. Proposed resolution approving agreement FPI-19-025 with PepsiCo, Inc. for a \$366,254 grant to install a condensing heat recovery system to reduce GHG emissions at the recipient's beverage production facility in Ventura, and adopting staff's determination that this action is exempt from CEQA. This project is expected to benefit priority populations through criteria pollutant emission reductions.

(GGRF Funding) Contact: Cyrus Ghandi. (Staff presentation: 5 minutes)

G) California Environmental Quality Act (CEQA) Compliance

1. Is Agreement considered a "Project" under CEQA?

Yes (skip to question 2)

No (complete the following (PRC 21065 and 14 CCR 15378)):

Explain why Agreement is not considered a "Project":

2. If Agreement is considered a "Project" under CEQA:

a) Agreement **IS** exempt.

Statutory Exemption. List PRC and/or CCR section number:

Categorical Exemption. List CCR section number: 14 CCR 15301, 15303

Common Sense Exemption. 14 CCR 15061 (b) (3)



Explain reason why Agreement is exempt under the above section:

This project will involve minor alteration of existing mechanical equipment at an existing food processing facility and will result in negligible or no expansion of the existing use. The condensing heat recovery system consists of heat recovery economizer units, heat exchangers, pumps, fans, control dampers, support structures, and associated mechanical and electrical components. The materials used to construct the system are chemically inert, not hazardous to human health, and do not have a significant effect on the environment. In addition, all required permits for installation and operation of the system will be obtained prior to system installation and demonstration. The demonstrations will not have a significant impact on local air quality, noise, or traffic, and is expected to reduce local criteria pollutant emissions. For these reasons, the project will not have a significant effect on the environment and falls under the categorical exemption listed in 14 C.C.R.15301.

Additionally, this project involves the construction, location, and installation of new, small facilities, structures, and equipment. In order to perform the demonstration, the system must be installed at the demonstration site. The installation will require minimal construction activity. The equipment will be placed within the existing industrial facility. It is possible additional small concrete pads will be poured or small enclosures will be built for supporting systems such as electrical support equipment. This minimal construction is well within the size limits listed in the examples given in 14 C.C.R. 15303 (e.g., it is less than a single-family residence, duplex, and the 2,500 square feet - or 10,000 square feet in urban areas - for a store, motel, office, restaurant, or similar structure). This construction will not have a significant impact on local air quality, noise, or traffic and will not induce additional operations at the site. For these reasons, the project will not have a significant effect on the environment and falls under the categorical exemption listed in 14 C.C.R. 15303.

- b) Agreement **IS NOT** exempt. (consult with the legal office to determine next steps)

Check all that apply

- Initial Study
- Negative Declaration
- Mitigated Negative Declaration
- Environmental Impact Report
- Statement of Overriding Considerations



GRANT REQUEST FORM (GRF)

H) List all subcontractors (major and minor) and equipment vendors: (attach additional sheets as necessary)

Legal Company Name:	Budget
Thermal Energy International, Inc.	\$ 5,275

I) List all key partners: (attach additional sheets as necessary)

Legal Company Name:

J) Budget Information

Funding Source	Funding Year of Appropriation	Budget List Number	Amount
GGRF	18-19	301.002AB	\$366,254

R&D Program Area: EERO: FPIP

TOTAL: \$ 366,254

Explanation for "Other" selection

Reimbursement Contract #: Federal Agreement #:

K) Recipient's Contact Information

1. Recipient's Administrator/Officer

Name: Mike Miller
Address: 2401 Utah Ave
City, State, Zip: South Seattle, WA 98134
Phone: 206-391 2277
E-Mail: mike.miller@pepsico.com

2. Recipient's Project Manager

Name: Mike Miller
Address: 2401 Utah Ave
City, State, Zip: South Seattle, WA 98134
Phone: 206-391 2277
E-Mail: mike.miller@pepsico.com

L) Selection Process Used

- Competitive Solicitation Solicitation #: GFO-19-901p2
- First Come First Served Solicitation Solicitation #:



STATE OF CALIFORNIA

GRANT REQUEST FORM (GRF)

CEC-270 (Revised 12/2019)

CALIFORNIA ENERGY COMMISSION

M) The following items should be attached to this GRF

- | | | |
|---|---|--|
| 1. Exhibit A, Scope of Work | <input checked="" type="checkbox"/> | Attached |
| 2. Exhibit B, Budget Detail | <input checked="" type="checkbox"/> | Attached |
| 3. CEC 105, Questionnaire for Identifying Conflicts | <input checked="" type="checkbox"/> | Attached |
| 4. Recipient Resolution | <input checked="" type="checkbox"/> N/A | <input type="checkbox"/> Attached |
| 5. CEQA Documentation | <input type="checkbox"/> N/A | <input checked="" type="checkbox"/> Attached |

Agreement Manager

Date

Office Manager

Date

Deputy Director

Date

**Exhibit A
Scope of Work
PepsiCo/DFA**

I. TASK ACRONYM/TERM LISTS

A. Task List

Task #	CPR ¹	Task Name
1		General Project Tasks
2		Site Preparation and Equipment Procurement
3	X	Equipment Installation
4	X	Measurement & Verification
5		Technology/Knowledge Transfer Activities

B. Acronym/Term List

Acronym/Term	Meaning
CAM	Commission Agreement Manager
CAO	Commission Agreement Officer
CPR	Critical Project Review
M&V	Measurement and Verification
GHG	Greenhouse Gas
Recipient	PepsiCo, Inc.

II. PURPOSE OF AGREEMENT, PROBLEM/SOLUTION STATEMENT, AND GOALS AND OBJECTIVES

A. Purpose of Agreement

The purpose of this agreement is to install a condensing heat recovery system at the Recipient's beverage production facility. The project will reduce natural gas consumption and consequent greenhouse gas (GHG) emissions by utilizing the waste heat from the boiler stacks to preheat boiler feedwater and process water.

B. Problem/ Solution Statement

Problem

Beverage production is an energy intensive process involving substantial natural gas use to produce steam for heating and cleaning. Steam systems have the potential to operate at up to 90 percent efficiency but typically operate around 55 to 60 percent efficiency. Approximately 18 percent of the heat energy is lost when superheated gases leave the boiler exhaust stack. Many boiler systems utilize economizers to recover this energy, however the Recipient's facility currently does not have any economizers and is exhausting all waste gases at high temperature (between 280°F – 380°F) representing a significant amount of wasted energy and excess GHG emissions.

¹ Please see subtask 1.3 in Part III of the Scope of Work (General Project Tasks) for a description of Critical Project Review (CPR) Meetings.

Exhibit A

Scope of Work

PepsiCo/DFA

Solution

A condensing heat recovery system will be installed at the Recipient's beverage production facility, which will capture and recover the waste heat from the boilers exhaust to preheat boiler feedwater and process water. This system will reduce natural gas consumption for steam generation and reduce consequent GHG emissions. This project will demonstrate the potential for condensing economizers to reduce GHG emissions, energy consumption, and operating costs at similar food and beverage production facilities.

C. Goals and Objectives of the Agreement

Agreement Goals

The goals of this Agreement are to reduce natural gas usage and GHG emissions by installing a condensing heat recovery system to reduce energy waste through lost steam.

Agreement Objectives

The objectives of this Agreement are to:

- Measure the beverage production facility's natural gas consumption in order to establish a baseline for future comparisons.
- Specify and procure the equipment and materials necessary for the condensing economizer systems.
- Install commercially available drop in ready equipment; to include, condensing heat recovery heat exchanger, process heat exchangers, instrumentation, flow meters and temperature probes to support measurement and verification (M&V).
- Develop and implement an M&V plan to monitor and verify efficiency and emissions of equipment.
- Reduce annual facility natural gas consumption by at least 12 percent approximately equivalent to 125,000 therms per year.
- Reduce annual facility GHG emissions by at least 5 percent approximately equivalent to 660 metric tons of carbon dioxide equivalent per year.
- Share projects outcomes within the California food and beverage industry.

III. TASK 1 GENERAL PROJECT TASKS

PRODUCTS

Subtask 1.1 Products

The goal of this subtask is to establish the requirements for submitting project products (e.g., reports, summaries, plans, and presentation materials). Unless otherwise specified by the Commission Agreement Manager (CAM), the Recipient must deliver products as required below by the dates listed in the **Project Schedule (Part V)**. Products that require a draft version are indicated by marking "**(draft and final)**" after the product name in the "Products" section of the task/subtask. If "(draft and final)" does not appear after the product name, only a final version of the product is required. With respect to due dates within this Scope of Work, "**days**" means working days.

Exhibit A Scope of Work PepsiCo/DFA

1 **The Recipient shall:**
2

3 For products that require a draft version, including the Final Report Outline and Final Report

- 4 • Submit all draft products to the CAM for review and comment in accordance with the
5 Project Schedule (Part V). The CAM will provide written comments to the Recipient on
6 the draft product within 15 days of receipt, unless otherwise specified in the task/subtask
7 for which the product is required.
- 8 • Consider incorporating all CAM comments into the final product. If the Recipient
9 disagrees with any comment, provide a written response explaining why the comment
10 was not incorporated into the final product.
- 11 • Submit the revised product and responses to comments within 10 days of notice by the
12 CAM, unless the CAM specifies a longer time period, or approves a request for
13 additional time.

14 For products that require a final version only

- 15 • Submit the product to the CAM for acceptance. The CAM may request minor revisions or
16 explanations prior to acceptance.
17

18 For all products

- 19 • Submit all data and documents required as products in accordance with the following:
20

21 Instructions for Submitting Electronic Files and Developing Software:
22

23
24 ○ **Electronic File Format**

- 25 ■ Submit all data and documents required as products under this Agreement in
26 an electronic file format that is fully editable and compatible with the Energy
27 Commission's software and Microsoft (MS)-operating computing platforms, or
28 with any other format approved by the CAM. Deliver an electronic copy of the
29 full text of any Agreement data and documents in a format specified by the
30 CAM, such as memory stick or CD-ROM.

31
32 The following describes the accepted formats for electronic data and documents
33 provided to the Energy Commission as products under this Agreement, and
34 establishes the software versions that will be required to review and approve all
35 software products:

- 36 ■ Data sets will be in MS Access or MS Excel file format (version 2007 or later),
37 or any other format approved by the CAM.
38 ■ Text documents will be in MS Word file format, version 2007 or later.
39 ■ Documents intended for public distribution will be in PDF file format.
40 ■ The Recipient must also provide the native Microsoft file format.
41 ■ Project management documents will be in Microsoft Project file format,
42 version 2007 or later.

43
44 ○ **Software Application Development**

45 Use the following standard Application Architecture components in compatible
46 versions for any software application development required by this Agreement
47 (e.g., databases, models, modeling tools), unless the CAM approves other
48 software applications such as open source programs:

Exhibit A Scope of Work PepsiCo/DFA

- 1 ▪ Microsoft ASP.NET framework (version 3.5 and up). Recommend 4.0.
- 2 ▪ Microsoft Internet Information Services (IIS), (version 6 and up)
- 3 Recommend 7.5.
- 4 ▪ Visual Studio.NET (version 2008 and up). Recommend 2010.
- 5 ▪ C# Programming Language with Presentation (UI), Business Object and Data
- 6 Layers.
- 7 ▪ SQL (Structured Query Language).
- 8 ▪ Microsoft SQL Server 2008, Stored Procedures. Recommend 2008
- 9 R2.
- 10 ▪ Microsoft SQL Reporting Services. Recommend 2008 R2.
- 11 ▪ XML (external interfaces).

12 Any exceptions to the Electronic File Format requirements above must be approved
13 in writing by the CAM. The CAM will consult with the Energy Commission's
14 Information Technology Services Branch to determine whether the exceptions are
15 allowable.
16

MEETINGS

Subtask 1.2 Kick-off Meeting

17 The goal of this subtask is to establish the lines of communication and procedures for
18 implementing this Agreement.
19

The Recipient shall:

- 20 • Attend a "Kick-off" meeting with the CAM, the Commission Agreement Officer (CAO),
21 and any other Energy Commission staff relevant to the Agreement. The Recipient will
22 bring its Project Manager and any other individuals designated by the CAM to this
23 meeting. The administrative and technical aspects of the Agreement will be discussed at
24 the meeting. Prior to the meeting, the CAM will provide an agenda to all potential
25 meeting participants. The meeting may take place in person or by electronic
26 conferencing (e.g., WebEx), with approval of the CAM.
27

28 The administrative portion of the meeting will include discussion of the following:

- 29 ○ Terms and conditions of the Agreement;
- 30 ○ Administrative products (subtask 1.1);
- 31 ○ CPR meetings (subtask 1.3);
- 32 ○ Match fund documentation (subtask 1.6);
- 33 ○ Permit documentation (subtask 1.7);
- 34 ○ Subcontracts (subtask 1.8); and
- 35 ○ Any other relevant topics.

36 The technical portion of the meeting will include discussion of the following:

- 37 ○ The CAM's expectations for accomplishing tasks described in the Scope of Work;
- 38 ○ An updated Project Schedule;
- 39 ○ Technical products (subtask 1.1);
- 40 ○ Progress reports and invoices (subtask 1.5);
- 41 ○ Final Report (subtask 1.6); and
- 42 ○ Any other relevant topics.

Exhibit A Scope of Work PepsiCo/DFA

- 1 • Provide an *Updated Project Schedule*, *List of Match Funds*, and *List of Permits*, as
2 needed to reflect any changes in the documents.

3 4 **The CAM shall:**

- 5 • Designate the date and location of the meeting.
- 6 • Send the Recipient a *Kick-off Meeting Agenda*.

7 8 **Recipient Products:**

- 9 • Updated Project Schedule (*if applicable*)
- 10 • Updated List of Match Funds (*if applicable*)
- 11 • Updated List of Permits (*if applicable*)

12 13 **CAM Product:**

- 14 • Kick-off Meeting Agenda

15 16 **Subtask 1.3 Critical Project Review (CPR) Meetings**

17 The goal of this subtask is to determine if the project should continue to receive Energy
18 Commission funding, and if so whether any modifications must be made to the tasks, products,
19 schedule, or budget. CPR meetings provide the opportunity for frank discussions between the
20 Energy Commission and the Recipient. As determined by the CAM, discussions may include
21 project status, challenges, successes, final report preparation, and progress on technical
22 transfer and production readiness activities (if applicable). Participants will include the CAM and
23 the Recipient, and may include the CAO and any other individuals selected by the CAM to
24 provide support to the Energy Commission.

25
26 CPR meetings generally take place at key, predetermined points in the Agreement, as
27 determined by the CAM and as shown in the Task List on page 1 of this Exhibit. However, the
28 CAM may schedule additional CPR meetings as necessary. The budget will be reallocated to
29 cover the additional costs borne by the Recipient, but the overall Agreement amount will not
30 increase. CPR meetings generally take place at the Energy Commission, but they may take
31 place at another location, or may be conducted via electronic conferencing (e.g., WebEx) as
32 determined by the CAM.

33 34 **The Recipient shall:**

- 35 • Prepare a *CPR Report* for each CPR meeting that: (1) discusses the progress of the
36 Agreement toward achieving its goals and objectives; and (2) includes recommendations
37 and conclusions regarding continued work on the project.
- 38 • Submit the CPR Report along with any other *Task Products* that correspond to the
39 technical task for which the CPR meeting is required (i.e., if a CPR meeting is required
40 for Task 2, submit the Task 2 products along with the CPR Report).
- 41 • Attend the CPR meeting.
- 42 • Present the CPR Report and any other required information at each CPR meeting.

43 44 **The CAM shall:**

- 45 • Determine the location, date, and time of each CPR meeting with the Recipient's input.
- 46 • Send the Recipient a *CPR Agenda* and a *List of Expected CPR Participants* in advance
47 of the CPR meeting. If applicable, the agenda will include a discussion of match funding
48 and permits.

Exhibit A Scope of Work PepsiCo/DFA

- 1 • Conduct and make a record of each CPR meeting. Provide the Recipient with a
2 *Schedule for Providing a Progress Determination* on continuation of the project.
- 3 • Determine whether to continue the project, and if so whether modifications are needed
4 to the tasks, schedule, products, or budget for the remainder of the Agreement. If the
5 CAM concludes that satisfactory progress is not being made, this conclusion will be
6 referred to the Deputy Director of the Energy Research and Development Division.
- 7 • Provide the Recipient with a *Progress Determination* on continuation of the project, in
8 accordance with the schedule. The Progress Determination may include a requirement
9 that the Recipient revise one or more products.

10 **Recipient Products:**

- 11 • CPR Report(s)
- 12 • Task Products (draft and/or final as specified in the task)

13 **CAM Products:**

- 14 • CPR Agenda
- 15 • List of Expected CPR Participants
- 16 • Schedule for Providing a Progress Determination
- 17 • Progress Determination

18 **Subtask 1.4 Final Meeting**

19 The goal of this subtask is to complete the closeout of this Agreement.

20 **The Recipient shall:**

- 21 • Meet with Energy Commission staff to present project findings, conclusions, and
22 recommendations. The final meeting must be completed during the closeout of this
23 Agreement. This meeting will be attended by the Recipient and CAM, at a minimum. The
24 (meeting may occur in person or by electronic conferencing (e.g., WebEx), with approval
25 of the CAM.

26 The technical and administrative aspects of Agreement closeout will be discussed at the
27 meeting, which may be divided into two separate meetings at the CAM's discretion.

- 28 ○ The technical portion of the meeting will involve the presentation of findings,
29 conclusions, and recommended next steps (if any) for the Agreement. The CAM will
30 determine the appropriate meeting participants.
- 31 ○ The administrative portion of the meeting will involve a discussion with the CAM and
32 the CAO of the following Agreement closeout items:
 - 33 ■ Disposition of any state-owned equipment.
 - 34 ■ Need to file a Uniform Commercial Code Financing Statement (Form UCC-1)
35 regarding the Energy Commission's interest in patented technology.
 - 36 ■ The Energy Commission's request for specific "generated" data (not already
37 provided in Agreement products).
 - 38 ■ Need to document the Recipient's disclosure of "subject inventions"
39 developed under the Agreement.
 - 40 ■ "Surviving" Agreement provisions such as repayment provisions and
41 confidential products.
 - 42 ■ Final invoicing and release of retention.

Exhibit A Scope of Work PepsiCo/DFA

- 1 • Prepare a *Final Meeting Agreement Summary* that documents any agreement made
- 2 between the Recipient and Commission staff during the meeting.
- 3 • Prepare a *Schedule for Completing Agreement Closeout Activities*.
- 4 • Provide *All Draft and Final Written Products* on a CD-ROM or USB memory stick,
- 5 organized by the tasks in the Agreement.
- 6

7 **Products:**

- 8 • Final Meeting Agreement Summary (*if applicable*)
- 9 • Schedule for Completing Agreement Closeout Activities
- 10 • All Draft and Final Written Products
- 11

12 **REPORTS AND INVOICES**

13 **Subtask 1.5 Progress Reports and Invoices**

14 The goals of this subtask are to: (1) periodically verify that satisfactory and continued progress
15 is made towards achieving the project objectives of this Agreement; and (2) ensure that invoices
16 contain all required information and are submitted in the appropriate format.

17

18 **The Recipient shall:**

- 19 • Submit a quarterly *Progress Report* to the CAM. Each progress report must:
 - 20 ○ Summarize progress made on all Agreement activities as specified in the scope of
 - 21 work for the preceding month, including accomplishments, problems, milestones,
 - 22 products, schedule, fiscal status, and an assessment of the ability to complete the
 - 23 Agreement within the current budget and any anticipated cost overruns. See the
 - 24 Progress Report Format Attachment for the recommended specifications.
- 25 • Submit a quarterly *Invoice* that follows the instructions in the “Payment of Funds” section
- 26 of the terms and conditions, including a financial report on Match Fund and in-state
- 27 expenditures.
- 28

29 **Products:**

- 30 • Progress Reports
- 31 • Invoices
- 32

33 **Subtask 1.6 Final Report**

34 The goal of this subtask is to prepare a comprehensive Final Report that describes the original
35 purpose, approach, results, and conclusions of the work performed under this Agreement. The
36 CAM will review the Final Report according to the Project Schedule. When creating the Final
37 Report, the Recipient must use the Style Manual provided by the CAM.

38

39 **The Recipient shall:**

- 40 1) Prepare a *Final Report* for this Agreement in accordance with the Style Manual, and
- 41 Final Report Template provided by the CAM with the following considerations:
 - 42 ■ Ensure that the report includes the following items, in the following order:
 - 43 • Cover page (**required**)
 - 44 • Credits page on the reverse side of cover with legal disclaimer
 - 45 (**required**)
 - 46 • Acknowledgements page (optional)
 - 47 • Table of Contents (**required**, followed by List of Figures and List
 - 48 of Tables, if needed)

Exhibit A Scope of Work PepsiCo/DFA

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- Executive summary (**required**) following the Executive Summary Template
 - Include a summary table that includes the following information, but is not limited to (**required**):
 - Recipient name;
 - Project description;
 - Project location(s);
 - Census tract;
 - Dates: project selected and completed;
 - GGRF dollars allocated;
 - Leveraged and/or match funds;
 - Estimated/actual total project GHG emission reductions;
 - Estimated/actual energy saved (kWh, therms, or other fuels) for energy efficiency projects;
 - Estimated/actual energy generated (kWh or therm equivalents) for renewable energy projects;
 - Other benefits or results;
 - Other market sectors that can benefit from the project
 - Benefits to priority populations.
 - Appendices - Include a copy of the M&V report for each demonstration site funded by the Energy Commission grant). (**required**)
 - Follow the Style Guide format requirements for headings, figures/tables, citations, and acronyms/abbreviations.
 - Ensure that the document omits subjective comments and opinions. However, recommendations in the conclusion of the report are allowed.
 - Submit a draft of the report to the CAM for review and comment according to the project schedule. The CAM will provide written comments to the Recipient on the draft product within 15 days of receipt
 - Consider incorporating all CAM comments into the Final Report. If the Recipient disagrees with any comment, provide a written response explaining why the comment was not incorporated into the final product
 - Submit the revised Final Report and responses to comments within 10 days of notice by the CAM, unless the CAM specifies a longer time period or approves a request for additional time.
 - Submit one bound copy of the *Final Report* to the CAM along with *Written Responses to Comments on the Draft Final Report*.
- Products:**
- Final Report (draft and final)
 - Written Responses to Comments on the Draft Final Report
- CAM Product:**
- Written Comments on the Draft Final Report

Exhibit A

Scope of Work

PepsiCo/DFA

MATCH FUNDS, PERMITS, AND SUBCONTRACTS

Subtask 1.7 Match Funds

The goal of this subtask is to ensure that the Recipient obtains any match funds planned for this Agreement and applies them to the Agreement during the Agreement term.

While the costs to obtain and document match funds are not reimbursable under this Agreement, the Recipient may spend match funds for this task. The Recipient may only spend match funds during the Agreement term, either concurrently or prior to the use of Energy Commission funds. Match funds must be identified in writing, and the Recipient must obtain any associated commitments before incurring any costs for which the Recipient will request reimbursement.

The Recipient shall:

- Prepare a *Match Funds Status Letter* that documents the match funds committed to this Agreement. If no match funds were part of the proposal that led to the Energy Commission awarding this Agreement and none have been identified at the time this Agreement starts, then state this in the letter.

If match funds were a part of the proposal that led to the Energy Commission awarding this Agreement, then provide in the letter:

- A list of the match funds that identifies:
 - The amount of cash match funds, their source(s) (including a contact name, address, and telephone number), and the task(s) to which the match funds will be applied.
 - The amount of each in-kind contribution, a description of the contribution type (e.g., property, services), the documented market or book value, the source (including a contact name, address, and telephone number), and the task(s) to which the match funds will be applied. If the in-kind contribution is equipment or other tangible or real property, the Recipient must identify its owner and provide a contact name, address, telephone number, and the address where the property is located.
 - If different from the solicitation application, provide a letter of commitment from an authorized representative of each source of match funding that the funds or contributions have been secured.
- At the Kick-off meeting, discuss match funds and the impact on the project if they are significantly reduced or not obtained as committed. If applicable, match funds will be included as a line item in the progress reports and will be a topic at CPR meetings.
- Provide a *Supplemental Match Funds Notification Letter* to the CAM of receipt of additional match funds.
- Provide a *Match Funds Reduction Notification Letter* to the CAM if existing match funds are reduced during the course of the Agreement. Reduction of match funds may trigger a CPR meeting.

Products:

- Match Funds Status Letter
- Supplemental Match Funds Notification Letter (*if applicable*)
- Match Funds Reduction Notification Letter (*if applicable*)

Exhibit A Scope of Work PepsiCo/DFA

1 **Subtask 1.8 Permits**

2 The goal of this subtask is to obtain all permits required for work completed under this
3 Agreement in advance of the date they are needed to keep the Agreement schedule on track.
4 Permit costs and the expenses associated with obtaining permits are not reimbursable under
5 this Agreement, with the exception of costs incurred by University of California recipients.
6 Permits must be identified and obtained before the Recipient may incur any costs related to the
7 use of the permit(s) for which the Recipient will request reimbursement.
8

9 **The Recipient shall:**

- 10 • Prepare a *Permit Status Letter* that documents the permits required to conduct this
11 Agreement. If no permits are required at the start of this Agreement, then state this in the
12 letter. If permits will be required during the course of the Agreement, provide in the letter:
13 ○ A list of the permits that identifies: (1) the type of permit; and (2) the name,
14 address, and telephone number of the permitting jurisdictions or lead agencies.
15 ○ The schedule the Recipient will follow in applying for and obtaining the permits.
16

17 The list of permits and the schedule for obtaining them will be discussed at the Kick-off
18 meeting (subtask 1.2), and a timetable for submitting the updated list, schedule, and
19 copies of the permits will be developed. The impact on the project if the permits are not
20 obtained in a timely fashion or are denied will also be discussed. If applicable, permits
21 will be included as a line item in progress reports and will be a topic at CPR meetings.

- 22 • If during the course of the Agreement additional permits become necessary, then
23 provide the CAM with an *Updated List of Permits* (including the appropriate information
24 on each permit) and an *Updated Schedule for Acquiring Permits*.
25 • Send the CAM a *Copy of Each Approved Permit*.
26 • If during the course of the Agreement permits are not obtained on time or are denied,
27 notify the CAM within 5 days. Either of these events may trigger a CPR meeting.
28

29 **Products:**

- 30 • Permit Status Letter
- 31 • Updated List of Permits (*if applicable*)
- 32 • Updated Schedule for Acquiring Permits (*if applicable*)
- 33 • Copy of Each Approved Permit (*if applicable*)
34

35 **Subtask 1.9 Subcontracts**

36 The goals of this subtask are to: (1) procure subcontracts required to carry out the tasks under
37 this Agreement; and (2) ensure that the subcontracts are consistent with the terms and
38 conditions of this Agreement.
39

40 **The Recipient shall:**

- 41 • Manage and coordinate subcontractor activities in accordance with the requirements of
42 this Agreement.
- 43 • Incorporate this Agreement by reference into each subcontract.
- 44 • Include any required Energy Commission flow-down provisions in each subcontract, in
45 addition to a statement that the terms of this Agreement will prevail if they conflict with
46 the subcontract terms.
- 47 • If required by the CAM, submit a draft of each *Subcontract* required to conduct the work
48 under this Agreement.
- 49 • Submit a final copy of the executed subcontract.

Exhibit A Scope of Work PepsiCo/DFA

- Notify and receive written approval from the CAM prior to adding any new subcontractors (see the discussion of subcontractor additions in the terms and conditions).

Products:

- Subcontracts (*draft if required by the CAM*)

IV. TECHNICAL TASKS

TASK 2: SITE PREPARATION AND EQUIPMENT PROCUREMENT

The goal of this task is to procure the necessary equipment and materials for this project and prepare the site for equipment installation.

The Recipient shall:

- Finalize documentation to allow for multiple installation bids.
- Review received bids and make a selection based upon scheduling, availability and plant knowledge criteria.
- Create a secure space for delivery of equipment.
- Within the engineering workshop a space will be made available for installation contractors to store tools and equipment.
- Prepare a schedule that details equipment downtime to plan for installation.
- Complete contractor safety training.
- Procure the equipment including condensing heat recovery unit, heat exchangers, and related components (e.g., piping, valves, fittings, fasteners, ductwork, instrumentation).
- Provide a *Site Preparation and Equipment Procurement Memo* that shall include, but not be limited to:
 - Summary of the steps to prepare the site;
 - Copy of the performance specifications for each equipment purchased by the grant;
 - Summary of the bids received and from whom;
 - Copies of all required permits needed for installation at each site;
 - Copies of the final procurement documents and purchase orders; and
 - Status of the planned installation including preliminary schedule for equipment delivery and installation for each site.

Products:

- Site Preparation and Equipment Procurement Memo

TASK 3: EQUIPMENT INSTALLATION AND COMMISSIONING

The goal of this task is to install and commission the equipment for this project.

The Recipient shall:

- Plan and schedule the installation of the new equipment based on production downtime and availability.
- Work with the vendors of both equipment and installation to accomplish the installation work.
- Prepare for retrofit modifications.

Exhibit A Scope of Work PepsiCo/DFA

- 1 • Ensure lock out procedures are in place for safe removal and replacement of equipment.
- 2 • Ensure vendor availability for startup and commissioning of the equipment and to make
- 3 necessary adjustments to meet stated performance.
- 4 • Install the condensing economizer system including condensing heat recovery unit, heat
- 5 exchangers, and related components.
- 6 • Perform all required system safety checks.
- 7 • Commission the equipment and make adjustments as needed, to meet the stated
- 8 equipment performance specifications.
- 9 • Provide an *Equipment Installation Memo* that shall include, but not be limited to:
 - 10 ○ Summary of the equipment installation requirements for each demonstration site;
 - 11 ○ Identification of barriers involved during installation and discuss the steps taken
 - 12 to overcome those barriers; and
 - 13 ○ Discuss results of equipment start-up and commissioning at each site with
 - 14 respect to whether the equipment as installed meets the stated performance
 - 15 specifications.
- 16 • Prepare *CPR Report #1* and participate in a CPR Meeting in accordance with subtask 1.3.

17 **Products:**

- 18 • Equipment Installation Memo (draft and final)
- 19 • CPR Report #1

20 **TASK 4: MEASUREMENT AND VERIFICATION**

21 The goal of this task is to report the benefits resulting from this project by performing M&V of
22 GHG and energy consumption reduction.

23 **The Recipient shall:**

- 24 • Enter into agreement with M&V subcontractor per Task 1.9.
- 25 • Coordinate site visits with the M&V subcontractor at the demonstration site.
- 26 • Develop M&V protocol for pre-installation measurement (and calculation):
 - 27 ○ Electric, natural gas and/or other fossil fuel consumption and GHG emissions (use
 - 28 appropriate emissions factor from Attachment 8 of the grant solicitation) of the
 - 29 equipment/process/system(s)/sub-system(s) that are to be upgraded and/or replaced
 - 30 and/or modified.
 - 31 ○ Ensure installation of sub-metering equipment and data loggers for pre/post data
 - 32 analysis.
- 33 • Prepare and provide a detailed *M&V Plan* to include but not be limited to:
 - 34 ○ A description of the monitoring equipment and instrumentation which will be used.
 - 35 ○ A description of the key input parameters and output metrics which will be measured.
 - 36 ○ A description of the M&V protocol and analysis methods to be employed.
 - 37 ○ A description of the independent, third-party M&V services to be employed, if
 - 38 applicable.
- 39 • Perform three months (or shorter period as approved in writing by the CAM) of pre-
- 40 installation measurements (and calculations) based on the M&V protocol for pre-
- 41 installation.
- 42 • Prepare and provide a Pre-Installation M&V Findings Report that includes M&V protocol,
- 43 pre-install measurements (and calculations), analysis, and results performed in this task.
- 44 • Develop M&V protocol for post-installation measurements (and calculations) of:

Exhibit A Scope of Work PepsiCo/DFA

- 1 ○ Electric, natural gas and/or other fossil fuel consumption and GHG emissions (use
2 appropriate emissions factor from Attachment 8 of the grant solicitation) of the
3 equipment/process/system(s)/sub-system(s) that will be upgraded and/or replaced
4 and/or modified
- 5 ● Perform 12 months (or shorter period as approved in writing by the CAM) of post-
6 installation measurements based on M&V protocol for post-installation.
- 7 ● Provide a summary of post-installation M&V progress in Progress Report(s) (see
8 subtask 1.5) which shall include but not be limited to:
 - 9 ○ A narrative on operational highlights from the reporting period, including any
10 stoppages in operation and why; and
 - 11 ○ A summary of M&V findings from the reporting period.
- 12 ● Analyze post-installation electrical, natural gas and/or other fossil fuel consumption and
13 GHG emissions.
- 14 ● Prepare and provide a *Post-Installation M&V Findings Report* that includes M&V
15 protocol, pre and post install measurements (and calculations), analysis, and results
16 performed in this task. Results should at a minimum report on the reduction of
17 electricity, natural gas and/or other fossil fuel usage and reductions of GHG emissions
18 that directly result from this project and include the following:
 - 19 ○ Provide all key assumptions used to estimate and determine energy and GHG
20 reductions (and additions, if applicable).
 - 21 ○ Provide all key assumptions used to estimate projected benefits, including targeted
22 market sector (e.g., population and geographic location), projected market
23 penetration, baseline and projected energy use and cost, operating conditions, and
24 emission reduction calculations.
 - 25 ○ Discuss whether the energy and GHG emission reductions identified in section II.C
26 were met.
- 27 ● Prepare *CPR Report #2* and participate in a CPR Meeting in accordance with subtask 1.3.

29 **Products:**

- 30 ● M&V Plan (draft and final)
- 31 ● Pre-Installation M&V Findings Report (draft and final)
- 32 ● Post-Installation M&V Findings Report(s) (draft and final)
- 33 ● CPR Report #2

35 **TASK 5: TECHNOLOGY/KNOWLEDGE TRANSFER ACTIVITIES**

36 The goal of this task is to make the knowledge gained, project results, and lessons learned
37 available to the public and key decision makers.

39 **The Recipient shall:**

- 40 ● When directed by the CAM, develop *Presentation Materials* for an Energy Commission-
41 sponsored conference/workshop(s) on the project.
- 42 ● When directed by the CAM, participate in workshops symposium(s) sponsored by the
43 California Energy Commission.
- 44 ● Provide at least (6) six *High Quality Digital Photographs* (minimum resolution of
45 1300x500 pixels in landscape ratio) of pre and post technology installation at the project
46 site(s) or related project photographs.

48 **Products:**

- 49 ● Presentation Materials (draft and final)

Exhibit A
Scope of Work
PepsiCo/DFA

- 1 • High Quality Digital Photographs
- 2 • High Quality Infra-Red Images
- 3
- 4 **V. Project schedule**
- 5 Please see the attached Excel spreadsheet.

To: Office of Planning and Research
PO Box 3044
1400 Tenth Street, Room 113
Sacramento, CA 95812-3044

From: California Energy Commission
1516 Ninth Street, MS-48
Sacramento, CA 95814

Project Applicant: PepsiCo, Inc.

Project Title: Condensing Heat Recovery Project

Project Location – Specific: 4375 N Ventura Ave

Project Location – City: Ventura 93001 Project Location – County: Ventura

Description of Nature, Purpose and Beneficiaries of Project:

This project will install a condensing heat recovery system at the Pepsi beverage production facility in Ventura, CA. The condensing heat recovery system will recover otherwise wasted heat energy from boiler exhaust stacks resulting in reduced greenhouse gas emissions.

Name of Public Agency Approving Project: California Energy Commission

Name of Person or Agency Carrying Out Project: PepsiCo, Inc.

Exempt Status: (check one)

- Ministerial Exemption (Pub. Resources Code § 21080(b)(1); Cal. Code Regs., tit 14, § 15268);
- Declared Emergency (Pub. Resources Code § 21080(b)(3); Cal. Code Regs., tit 14, § 15269(a));
- Emergency Project (Pub. Resources Code § 21080(b)(4); Cal. Code Regs., tit 14, § 15269(b)(c));
- Categorical Exemption. State type and section number
Cal. Code Regs., tit 14, §15301; Cal. Code Regs., tit 14, § 15303
- Statutory Exemptions. State code number.
- Common Sense Exemption. (Cal. Code Regs., tit 14, §15061(b)(3))

Reasons why project is exempt:

This project will involve minor alteration of existing mechanical equipment at an existing food processing facility and will result in negligible or no expansion of the existing use. The condensing heat recovery system consists of heat recovery economizer units, heat exchangers, pumps, fans, control dampers, support structures, and associated mechanical and electrical components. The materials used to construct the system are chemically inert, not hazardous to human health, and do not have a significant effect on the environment. In addition, all required permits for installation and operation of the system will be obtained prior to system installation and demonstration. The demonstrations will not have a significant impact on local air quality, noise, or traffic, and is expected to reduce local criteria pollutant emissions. For these reasons, the project will not have a significant effect on the environment and falls under the categorical exemption listed in 14 C.C.R.15301.

Authority cited: Sections 21083 and 21110, Public Resources Code. Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Additionally, this project involves the construction, location, and installation of new, small facilities, structures, and equipment. In order to perform the demonstration, the system must be installed at the demonstration site. The installation will require minimal construction activity. The equipment will be placed within the existing industrial facility. It is possible additional small concrete pads will be poured or small enclosures will be built for supporting systems such as electrical support equipment. This minimal construction is well within the size limits listed in the examples given in 14 C.C.R. 15303 (e.g., it is less than a single-family residence, duplex, and the 2,500 square feet - or 10,000 square feet in urban areas - for a store, motel, office, restaurant, or similar structure). This construction will not have a significant impact on local air quality, noise, or traffic and will not induce additional operations at the site. For these reasons, the project will not have a significant effect on the environment and falls under the categorical exemption listed in 14 C.C.R. 15303.

Each exemption is an independent basis for finding the project exempt.

Lead Agency

Contact Person: Claire Sweeney **Area code/Telephone/Ext:** _____

If filed by applicant:

- 1. Attach certified document of exemption finding.
- 2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: _____ **Date:** _____ **Title:** _____

Signed by Responsible Agency

Signed by Lead Agency

Signed by Applicant

Date received for filing at OPR: _____

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION - RE: PEPSICO, INC.

RESOLVED, that the State Energy Resources Conservation and Development Commission (CEC) adopts the staff CEQA findings contained in the Agreement or Amendment Request Form (as applicable); and

RESOLVED, that the CEC approves Agreement FPI-19-025 with PepsiCo, Inc. for a \$366,254 grant to install a condensing heat recovery system to reduce GHG emissions at the recipient's beverage production facility in Ventura. This project is expected to benefit priority populations through criteria pollutant emission reductions; and

FURTHER BE IT RESOLVED, that the Executive Director or his/her designee shall execute the same on behalf of the CEC.

CERTIFICATION

The undersigned Secretariat to the Commission does hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted at a meeting of the CEC held on June 10, 2020.

AYE:

NAY:

ABSENT:

ABSTAIN:

Cody Goldthrite
Secretariat