



# GRANT REQUEST FORM (GRF)

## A) New Agreement # FPI-19-031 (to be completed by CGL office)

B) Division	Agreement Manager:	MS-	Phone
ERDD	Hannah Craig	51	916-327-2457

C) Recipient's Legal Name	Federal ID Number
E. & J. Gallo Winery	94-1009696

D) Title of Project
Reducing GHG Emissions Through Comprehensive Refrigeration and Air Compressor Upgrades and Refrigeration Conversion.

## E) Term and Amount

Start Date	End Date	Amount
6/30/2020	3/31/2024	\$ 3,440,771

## 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:

E. & J. GALLO WINERY.

Proposed resolution approving agreement FPI-19-031 with E. & J. Gallo Winery for a \$3,440,771 grant to replace old refrigeration equipment with more efficient equipment, better controls, and ultra-low global warming potential refrigerants at the Recipient's wineries in Livingston, Modesto, and San Miguel to reduce GHG emissions from electricity consumption and refrigerant leakage, and adopting staff's determination that this action is exempt from CEQA. (FPIP funding) Contact: Cyrus Ghandi.

## 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)):

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: Cal. Code Regs., tit 14, § 15301 ; Cal. Code Regs., tit 14, § 15302

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

Explain reason why Agreement is exempt under the above section:

Class 1 projects consist of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities,



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mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. This project will involve updates to controls and replacement parts to existing refrigeration systems and compressed air systems at existing wineries. The replacement parts will not change the purpose or increase the capacity of the refrigeration systems or winery. The replacement parts include condensers, refrigeration compressors, air compressors, air storage tank, side-stream filtration system, cooling tower, control panel, and auxiliary equipment. 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.

Class 2 projects consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. This project will involve the removal and replacement of parts for existing refrigeration systems and existing air compression systems at existing wineries. The replacement parts will not change the purpose or increase the capacity of the refrigeration systems or winery. The replacement parts include condensers, refrigeration compressors, air compressors, air storage tank, side-stream filtration system, cooling tower, control panel, and auxiliary equipment. 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. 15302.

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

- 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

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

Legal Company Name:	Budget
VCCT, Inc., dba VaCom Technologies	\$ 0
	\$
	\$

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

Legal Company Name:



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## J) Budget Information

Funding Source	Funding Year of Appropriation	Budget List Number	Amount
GGRF	18-19	301.002AB	\$3,440,771
			\$
			\$

R&D Program Area: EERO: FPIP

TOTAL: \$ 3,440,771

Explanation for "Other" selection

Reimbursement Contract #: Federal Agreement #:

## K) Recipient's Contact Information

### 1. Recipient's Administrator/Officer

Name: Daniel Slagel

Address: 600 Yosemite Blvd

City, State, Zip: Modesto, CA  
95354-2760

Phone: 209-602-3670

E-Mail: Daniel.Slagel@ejgallo.com

### 2. Recipient's Project Manager

Name: Daniel Slagel

Address: 600 Yosemite Blvd

City, State, Zip: Modesto, CA  
95354-2760

Phone: 209-602-3670

E-Mail: Daniel.Slagel@ejgallo.com

## L) Selection Process Used

Competitive Solicitation Solicitation #: GFO-19-901p2

First Come First Served Solicitation Solicitation #:

## 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      |
| 5. CEQA Documentation                               | <input checked="" type="checkbox"/> | N/A      |
|                                                     | <input type="checkbox"/>            | Attached |
|                                                     | <input type="checkbox"/>            | Attached |

\_\_\_\_\_  
Agreement Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Office Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Deputy Director

\_\_\_\_\_  
Date

## EXHIBIT A Scope of Work

### I. TASK ACRONYM/TERM LISTS

#### A. Task List

Task #	CPR <sup>1</sup>	Task Name
1		General Project Tasks
2	X	Site Preparation and Equipment Procurement
3		Equipment Installation
4	X	Measurement and 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
GWP	Global Warming Potential
GHG	Greenhouse Gas
M&V	Measurement and Verification
Recipient	E. & J. Gallo Winery

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

#### A. Purpose of Agreement

The purpose of this Agreement is to fund refrigeration and air compression efficiency improvements at the Recipient's Livingston and Modesto facilities and a replacement refrigeration system using ultra low global warming potential (GWP) refrigerants at the Recipient's Courtside facility. Electricity consumption and refrigerant leakage will be measured before and after equipment is installed to verify efficiency improvements and emission reductions.

#### B. Problem/ Solution Statement

##### **Problem**

Onsite industrial emissions represent about one-quarter of California's overall greenhouse gas (GHG) emissions. Significant reductions in GHG emissions can be achieved by transitioning from refrigeration systems that use high-GWP refrigerants to those that use low-GWP and ultra-low-GWP refrigerants. Inefficient industrial equipment leads to higher energy consumption and higher consequent GHG emissions. Businesses cannot justify the large upfront costs of more efficient equipment without demonstration and verification of benefits.

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<sup>1</sup> 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

### Solution

The Recipient will procure, install, and demonstrate more energy efficient air compression and refrigeration equipment using ultra-low GWP refrigerants. The energy, fuel cost, and GHG emissions saved by these new systems will be measured. The verification of fuel and maintenance cost reductions of these new systems will demonstrate the benefits to facilities using similar equipment.

### C. Goals and Objectives of the Agreement

#### Agreement Goals

The goal of this agreement is to reduce electricity consumption and onsite GHG emissions at the Recipient's Modesto, Livingston, and Courtside processing facilities and promote the use of energy efficient and ultra low GWP refrigeration systems in relevant industries.

#### Agreement Objectives

The objectives of this Agreement are to:

- Install improved refrigeration and air compression equipment with higher efficiencies and ultra-low GWP refrigerants at the Recipient's Modesto, Courtside, and Livingston facilities.
- Develop and implement M&V protocols to monitor and verify efficiency and emissions of equipment.
- Reduce annual emissions from refrigerant leakage by at least 1,400 metric tons of carbon dioxide equivalent.
- Reduce annual electricity consumption by at least 1.8 million kWh.
- Share lessons learned and benefits with California food and beverage processors and other industries.

### 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.

##### **The Recipient shall:**

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

- Submit all draft products to the CAM for review and comment in accordance with the Project Schedule (Part V). The CAM will provide written comments to the Recipient on the draft product within 15 days of receipt, unless otherwise specified in the task/subtask for which the product is required.

## **EXHIBIT A**

### **Scope of Work**

- Consider incorporating all CAM comments into the final product. 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 product 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.

#### For products that require a final version only

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

#### For all products

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

#### Instructions for Submitting Electronic Files and Developing Software:

##### ○ **Electronic File Format**

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

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

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

##### ○ **Software Application Development**

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

- Microsoft ASP.NET framework (version 3.5 and up). Recommend 4.0.
- Microsoft Internet Information Services (IIS), (version 6 and up) Recommend 7.5.
- Visual Studio.NET (version 2008 and up). Recommend 2010.
- C# Programming Language with Presentation (UI), Business Object and Data Layers.
- SQL (Structured Query Language).

## EXHIBIT A Scope of Work

- Microsoft SQL Server 2008, Stored Procedures. Recommend 2008 R2.
- Microsoft SQL Reporting Services. Recommend 2008 R2.
- XML (external interfaces).

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

### MEETINGS

#### Subtask 1.2 Kick-off Meeting

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

#### The Recipient shall:

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

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

- Terms and conditions of the Agreement;
- Administrative products (subtask 1.1);
- CPR meetings (subtask 1.3);
- Match fund documentation (subtask 1.6);
- Permit documentation (subtask 1.7);
- Subcontracts (subtask 1.8); and
- Any other relevant topics.

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

- The CAM's expectations for accomplishing tasks described in the Scope of Work;
  - An updated Project Schedule;
  - Technical products (subtask 1.1);
  - Progress reports and invoices (subtask 1.5);
  - Final Report (subtask 1.6); and
  - Any other relevant topics.
- Provide an *Updated Project Schedule, List of Match Funds, and List of Permits*, as needed to reflect any changes in the documents.

#### The CAM shall:

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

#### Recipient Products:

- Updated Project Schedule (*if applicable*)
- Updated List of Match Funds (*if applicable*)

## **EXHIBIT A**

### **Scope of Work**

- Updated List of Permits (*if applicable*)

#### **CAM Product:**

- Kick-off Meeting Agenda

#### **Subtask 1.3 Critical Project Review (CPR) Meetings**

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

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

#### **The Recipient shall:**

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

#### **The CAM shall:**

- Determine the location, date, and time of each CPR meeting with the Recipient's input.
- Send the Recipient a *CPR Agenda* and a *List of Expected CPR Participants* in advance of the CPR meeting. If applicable, the agenda will include a discussion of match funding and permits.
- Conduct and make a record of each CPR meeting. Provide the Recipient with a *Schedule for Providing a Progress Determination* on continuation of the project.
- Determine whether to continue the project, and if so whether modifications are needed to the tasks, schedule, products, or budget for the remainder of the Agreement. If the CAM concludes that satisfactory progress is not being made, this conclusion will be referred to the Deputy Director of the Energy Research and Development Division.
- Provide the Recipient with a *Progress Determination* on continuation of the project, in accordance with the schedule. The Progress Determination may include a requirement that the Recipient revise one or more products.

#### **Recipient Products:**



## **EXHIBIT A**

### **Scope of Work**

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

#### **CAM Products:**

- CPR Agenda
- List of Expected CPR Participants
- Schedule for Providing a Progress Determination
- Progress Determination

#### **Subtask 1.4 Final Meeting**

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

#### **The Recipient shall:**

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

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

- The technical portion of the meeting will involve the presentation of findings, conclusions, and recommended next steps (if any) for the Agreement. The CAM will determine the appropriate meeting participants.
- The administrative portion of the meeting will involve a discussion with the CAM and the CAO of the following Agreement closeout items:
  - Disposition of any state-owned equipment.
  - Need to file a Uniform Commercial Code Financing Statement (Form UCC-1) regarding the Energy Commission's interest in patented technology.
  - The Energy Commission's request for specific "generated" data (not already provided in Agreement products).
  - Need to document the Recipient's disclosure of "subject inventions" developed under the Agreement.
  - "Surviving" Agreement provisions such as repayment provisions and confidential products.
  - Final invoicing and release of retention.
- Prepare a *Final Meeting Agreement Summary* that documents any agreement made between the Recipient and Commission staff during the meeting.
- Prepare a *Schedule for Completing Agreement Closeout Activities*.
- Provide *All Draft and Final Written Products* on a CD-ROM or USB memory stick, organized by the tasks in the Agreement.

#### **Products:**

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

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### REPORTS AND INVOICES

#### Subtask 1.5 Progress Reports and Invoices

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

#### The Recipient shall:

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

#### Products:

- Progress Reports
- Invoices

#### Subtask 1.6 Final Report

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

#### The Recipient shall:

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

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### **Scope of Work**

- 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

### ***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,

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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*)

### Subtask 1.8 Permits

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

### The Recipient shall:

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

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

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

#### **Products:**

- Permit Status Letter
- Updated List of Permits (*if applicable*)
- Updated Schedule for Acquiring Permits (*if applicable*)
- Copy of Each Approved Permit (*if applicable*)

#### **Subtask 1.9 Subcontracts**

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

#### **The Recipient shall:**

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

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#### **The Recipient shall:**

- Confirm finalized equipment needs. Anticipated equipment to include an evaporative condenser, side stream filtration system, valves, refrigeration compressors, air compressors, refrigeration controls, cooling tower, chiller modules, and related equipment.
- Secure final equipment and installation quotations/bids from California-based vendors.
- Secure preliminary schedule for equipment delivery and installation.
- Secure any needed permits to conduct site preparation and install new equipment.
- Order equipment and supplies for installation of equipment from California-based vendors and confirm equipment delivery date.
- Conduct minor site preparation for new equipment.
- Provide a *Site Preparation and Equipment Procurement Memo* that shall include, but not be limited to:
  - Summary of the steps to prepare the sites;
  - 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.
- Prepare *CPR Report #1* in accordance with subtask 1.3 (CPR Meetings).
- Participate in a CPR Meeting.

#### **Products:**

- Site Preparation and Equipment Procurement Memo (draft and final)
- CPR Report #1

#### **TASK 3: EQUIPMENT INSTALLATION**

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

#### **The Recipient shall:**

- Receive delivery of finalized equipment at Recipient's Livingston, Modesto, and Courthouse facilities.
- Decommission and remove existing refrigeration compressors and related equipment at the Modesto facility.
- Install new refrigeration compressors and related equipment at the Modesto facility.
- Start-up and commission refrigeration upgrade equipment, making needed adjustments to meet stated performance specifications at the Modesto facility.
- Decommission and remove existing air compressors at the Modesto facility.
- Install three new air compressors at the Modesto facility.
- Start-up and commission air compressors, making needed adjustments to meet stated performance specifications at the Modesto facility.
- Decommission and remove existing evaporative condenser, filtration system, and valving at the Livingston facility.
- Install new evaporative condenser, filtration system, and valving at the Livingston facility.
- Start-up and commission refrigeration upgrade equipment, making needed adjustments to meet stated performance specifications at the Livingston facility.

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- Decommission and remove existing high-GWP refrigeration system that currently uses R-22 at the Courtside facility.
- Install a new refrigeration system that uses ammonia at the Courtside facility.
- Start-up and commission the new refrigeration system, making needed adjustments to meet stated performance specifications at the Courtside facility.
- Conduct safety reviews with personnel and project team at the Modesto, Livingston, and Courtside facilities.
- Provide an *Equipment Installation Memo* that shall include, but not be limited to:
  - Summary of the equipment installation requirements for each demonstration site;
  - Identification of barriers involved during installation and discuss the steps taken to overcome those barriers; and
  - Discuss results of equipment start-up and commissioning at each site with respect to whether the equipment as installed meets the stated performance specifications.

#### **Products:**

- Equipment Installation Memo (draft and final)

#### **TASK 4: MEASUREMENT AND VERIFICATION**

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

#### **The Recipient shall:**

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

## **EXHIBIT A**

### **Scope of Work**

- equipment/process/system(s)/sub-system(s) that will be upgraded and/or replaced and/or modified
- Perform 12 months or two seasons, for seasonal facilities, (or shorter period as approved in writing by the CAM) of post-installation measurements based on M&V protocol for post-installation.
  - Provide a summary of post-installation M&V progress in Progress Report(s) (see subtask 1.5) which shall include but not be limited to:
    - A narrative on operational highlights from the reporting period, including any stoppages in operation and why; and
    - A summary of M&V findings from the reporting period.
  - Analyze post-installation electrical, natural gas and/or other fossil fuel consumption and GHG emissions.
  - Prepare and provide a *Post-Installation M&V Findings Report* for each demonstration site that includes M&V protocol, pre and post install measurements (and calculations), analysis, and results performed in this task. Results should at a minimum report on the reduction of electricity, natural gas and/or other fossil fuel usage and reductions of GHG emissions that directly result from this project and include the following:
    - Provide all key assumptions used to estimate and determine energy and GHG reductions (and additions, if applicable).
    - Provide all key assumptions used to estimate projected benefits, including targeted market sector (e.g., population and geographic location), projected market penetration, baseline and projected energy use and cost, operating conditions, and emission reduction calculations.
    - Discuss whether the energy and GHG emission reductions identified in section II.C were met.
  - Prepare *CPR Report #2* in accordance with subtask 1.3 (CPR Meetings).
  - Participate in a CPR Meeting.

#### **Products:**

- M&V Plan (draft and final)
- Pre-Installation M&V Findings Report (draft and final)
- Post-Installation M&V Findings Report(s) (draft and final)
- CPR Report #2

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

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

#### **The Recipient shall:**

- When directed by the CAM, develop *Presentation Materials* for an Energy Commission-sponsored conference/workshop(s) on the project.
- When directed by the CAM, participate in workshops symposium(s) sponsored by the California Energy Commission.
- Provide at least (6) six *High Quality Digital Photographs* (minimum resolution of 1300x500 pixels in landscape ratio) of pre and post technology installation at the project sites or related project photographs.
- Include summary of project highlights, impacts, and benefits in at least one E&J Gallo Winery Annual Sustainability Report shared with industry partners.



## **EXHIBIT A**

### **Scope of Work**

- Develop Knowledge Sharing Plan to share project highlights, impacts, and benefits with industry associations (see Letters of Support in Attachment 7 that easily facilitate this knowledge sharing).
- Provide final Knowledge Sharing Report documenting actual publication of project highlights, impacts, and benefits; actual participation in meetings, workshops, and events; and reach of information shared.

#### **Products:**

- Presentation Materials (draft and final)
- High Quality Digital Photographs
- Knowledge Sharing Plan (draft and final)
- Knowledge Sharing Report

#### **V. PROJECT SCHEDULE**

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:** E. & J. Gallo Winery

**Project Title:** Reducing GHG Emissions Through Comprehensive Refrigeration and Air Compressor Upgrades and Refrigeration Conversion.

**Project Location:**

<u>Address</u>	<u>City</u>	<u>County</u>
18000 River Rd	Livingston 95334	Merced
600 Yosemite Blvd	Modesto 95354	Stanislaus
2425 Mission St	San Miguel 93451	San Luis Obispo

**Description of Nature, Purpose and Beneficiaries of Project:**

This project involves refrigeration component upgrades at E. & J. Gallo's wineries in Modesto and Livingston and a refrigeration system replacement at E. & J. Gallo's winery in San Miguel. The equipment to be replaced at Livingston includes an evaporative condenser, a side-stream filtration system and isolation valving. The equipment to be replaced at Modesto includes a screw compressor package, controls upgrade, a cooling tower, and air compressors. Activity will be limited to the project sites.

**Name of Public Agency Approving Project:** California Energy Commission

**Name of Person or Agency Carrying Out Project:** E & J Gallo Winery

**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, § 15302
- Statutory Exemptions. State code number.
- Common Sense Exemption. (Cal. Code Regs., tit 14, §15061(b)(3))

**Reasons why project is exempt:**

Class 1 projects consist of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. This project will involve updates to controls and replacement parts to existing refrigeration systems and compressed air systems at existing wineries. The replacement parts will not change the purpose or increase the capacity of the refrigeration systems or winery. The replacement parts include condensers, refrigeration compressors, air compressors, air storage tank, side-stream filtration system, cooling tower, control panel, and auxiliary equipment. 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.

Class 2 projects consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. This project will involve the removal and replacement of parts for existing refrigeration systems and existing air compression systems at existing wineries. The replacement parts will not change the purpose or increase the capacity of the refrigeration systems or winery. The replacement parts include condensers, refrigeration compressors, air compressors, air storage tank, side-stream filtration system, cooling tower, control panel, and auxiliary equipment. 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. 15302.

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

**Lead Agency**

**Contact Person:** Hannah Craig **Area code/Telephone/Ext:** 916-327-2457

**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: E. & J. GALLO WINERY.

**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-19-031 with E. & J. Gallo Winery for a \$3,440,771 grant to replace old refrigeration equipment with more efficient equipment, better controls, and ultra-low global warming potential refrigerants at the recipient's wineries in Livingston, Modesto, and San Miguel to reduce GHG emissions from electricity consumption and refrigerant leakage; 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:

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Cody Goldthrite  
Secretariat