DELEGATION ORDER

Critical Proposal
AB118
Retrainee - Job Creation
Training Proposal for:
Buster Biofuels LLC

Small Business

ET17-0800

Approval Date: August 16, 2016

ETP Regional Office: San Diego **Analyst:** J. Davey

CONTRACTOR

- Type of Industry: Manufacturing
  Green Technology
  Priority Industry: ☒ Yes ☐ No
- Number of Full-Time Employees
  California: 30
  Worldwide: 30
  Number to be trained: 15
  Owner ☐ Yes ☒ No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): ☐ Yes ☒ No
- High Unemployment Area (HUA): ☐ Yes ☒ No
- Turnover Rate: 0%
- Repeat Contractor: ☐ Yes ☒ No

FUNDING

- Requested Amount: $58,500
- In-Kind Contribution: $30,000

TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee Job Creation Initiative Priority Rate SB <100	Business Skills, Computer Skills, Mfg. Skills, PL-Mfg. Skills	15	8-150 Weighted Avg: 150	0	$3,900	$14.00

It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

- Reimbursement Rate: $26 SB Priority
- County(ies): San Diego
- Occupations to be Trained: Lab/Plant Operator, Regulatory Reporter
- Union Representation: ☐ Yes ☒ No
- Health Benefits: N/A

SUBCONTRACTORS

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: To Be Determined

OVERVIEW

Founded in 2009 and located in Escondido, Buster Biofuels LLC (Buster Biofuels) is a biofuel manufacturer in San Diego and Los Angeles. The Company collects food oil and grease trap waste from regional restaurants, filters and renders it, and re-sells it to diesel fuel distributors as biofuel.

In October, 2013 the Company broke ground on a 5 million gallon-per-year bio-refinery. The refinery is expecting to begin manufacturing biodiesel in July 2016.

Buster Biofuels is eligible, as outlined under California Unemployment Insurance Code Section 10205(c), for reimbursement as a California employer training existing and planned full-time employees consistent with the Alternative and Renewable Fuel Vehicle Technology Program (AB 118) program guidelines funded through the California Energy Commission.

AB118

This proposal will be funded under the AB 118 Training Program administered by ETP in partnership with the California Energy Commission. The overall goal of the AB 118 Program is to support a transition from petroleum-based transportation to alternative and renewable fuels and clean, low carbon vehicle technologies. There is no expenditure of Employment Training Tax funds for the AB 118 Program. Public entity employers are eligible to participate, such as city and county regional transit authorities. Training is focused on job skills for a skilled workforce to produce and distribute new alternative fuels and design, construct, install, operate, service and maintain new fueling infrastructure and vehicles. Alternative Fuel is defined as any fuel other than the traditional selections, gasoline and diesel from petroleum sources, used to produce energy or power. Examples of alternative fuels are: bio-diesel, ethanol, methanol, electricity, propane, compressed or liquid natural gas, and hydrogen.

Green/Clean Operations

The Renewable Fuel Standard (RFS2) set in place by the EPA and the state of California's Low Carbon Fuel Standard (LCFS) call for increased production of biofuels such as biodiesel. This is in an effort to meet emission reduction goals established to mitigate global warming and to preserve the environment. When fully operational, Buster Biofuels will provide significant renewable fuel to help meet the Federal RFS and the state's LCFS.

Retrainee - Job Creation

Buster Biofuels has committed to hiring 15 new employees (Job Number 1). Buster Biofuels represents that the date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

Buster Biofuels is in the process of transforming from a food oil rendering (filtering) facility to a fully functional biodiesel manufacturing facility (bio-fuel refinery). The current rendering facility operates with limited equipment for filtering food oils and other organic byproducts, and only requires up to three Production Staff working a single shift 5-day week. The expansion into a fully operational bio-fuel refinery will demand approximately 15 new employees to operate and support the facility's 24/7 production schedule.

As the Company becomes a fully operational manufacturing refinery, new employees will be required to operate complex bio-fuel refinery equipment and a chemical analysis laboratory. All trainees will be newly-hired retrainees (Job Creation) and will need extensive training on how to operate sophisticated food oil and other related organic material refinery equipment. Trainees will also need to analyze the chemical components of the organic "crude" food oil and adjust the refining process accordingly.

PROJECT DETAILS

Training Plan

Training will take place at the Company's Escondido plant. All trainees will be newly-hired Lab/Plant Operators or Regulatory Reporters. (Regulatory reporters collect data on the raw food oil material and the refined biofuel to report to regulatory agencies). Trainees will receive training from in-house and outside training vendors in the following skills:

Business Skills: Training will be offered to both occupations in Communication, Feedstock and Chemical Procurement, Scheduling, Inventory Management, Fuel Transactions & Protocols and Regulatory Reporting. Training will give workers the necessary business skills to operate a biofuel refining plant.

Computer Skills: Training will be offered both occupations. Topics will include Data Entry and Analysis, Monitoring Technological Processes and Process Logic Control Panel. Training will give trainees the skills in software applications to operate and monitor plant equipment.

Manufacturing Skills: Training will be offered to Lab/Plant Operator. Topics include Equipment Operation and Maintenance, Batch Feed Testing and Monitoring, Biofeed Preparation, Cooking Oil Rendering and Refining, Sampling, Testing and Monitoring, Lab Standard Operating Procedures/Protocols and Forklift Operation. Trainees will receive extensive training in the operation of a biofuel refinery plant.

Productive Laboratory-Manufacturing Skills

Productive Lab (PL) trainees may produce goods for profit as part of the training in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training.

Training in the operation of a bio-fuel refinery requires many hours of hands-on PL training for a Lab Technician/Plant Operator to become proficient in the continuously operating bio-fuel refinery. Regulatory Reporters may receive up to 24 hours in PL on plant equipment directly related to their job. In addition, newly-hired Plant Operators must understand how to operate the plant's computer program for data tracking/monitoring/adjusting batches from start to finish. This is essential for quality assurance and mass balance calculations. Also, it is imperative that the Operators have a hands-on experience and understanding of the equipment (trucks, valves, pumps, plc, instrumentation, etc.) to grasp the production concepts and perfect their skills. The plant's operations are extremely complicated and will take Operators intense ongoing training, beyond ETP-funded training and typical training programs. Therefore, Buster BioFuels is requesting an allowance of up to 75 PL hours this Alternative/Renewable Fuel, AB 118 funded project.

Trainees will receive training in small group ratios of 1:1, however, in some rare cases 1:3. Trainees may receive up to 75 hours (no more than 50% of total training hours) in PL training. Trainers will be experienced in the operation of equipment and machinery and deliver training in specified steps, making sure trainees understand the basics of operation before moving to a new topic. Training is expected to be delivered in no more than six hour sessions.

Training Hours Modification

Training hours are capped at 60 per trainee for Small Businesses. However, Buster BioFuels is asking for a modification to this cap. Because the trainees are newly-hired to the Company, have no experience in biofuel refinery skills, and will be working on brand new equipment, they will need extensive training in equipment operation and chemical lab techniques. It is expected that these new workers will need at least 200 hours of training in these emerging industry skills. Buster Biofuels is requesting a maximum of 150 per trainee.

The Company projects that training in the operation of a bio-fuel refinery will require many hours of class/lab and hands-on PL training for a newly-hired trainee with little experience to become proficient in the continuously operating bio-fuel refinery. Plant Operators require training in both broad and specific training to operate the refinery safely and productively. Operators will need to be trained from the beginning of the process (oil receiving) through production and all the way

to outbound product loading to customer's tankers. Extensive training will be required to ensure they understand all aspects of a bio-fuel refinery.

RECOMMENDATION

Staff recommends approval of this proposal.

Exhibit B: Menu Curriculum

Class/Lab Hours

8 – 150 Trainees may receive any of the following:

BUSINESS SKILLS

- Communication with customers
- Marketing and communications
- Feedstock & chemical procurement
- Scheduling (maintenance, staff, batches and more)
- Inventory management
- Fuel transaction & protocol
- Creating regulatory documents
- Regulatory calendar/scheduling
- Regulatory reporting (EPA, IRS, CARB, BOE, etc.)

COMPUTER SKILLS

- Enzymatic production program
- Data entry and analysis
- Monitoring technological processes
- Process logic control panel (managing batches)

MANUFACTURING SKILLS

- Safety meeting protocol
- Confined space training
- Forklift operating
- Fire safety
- Emergency response
- Chemical handling
- Truck unloading (understanding vacuum/pressure systems)
- Filter box/screw press operations
- Used cooking oil rendering
- Grease Trap rendering/processing water
- Lab SOP's (Karl Fischer, flash point, QTA, incu-shaker, etc.)
- Lab scale reactions
- Lab alternative feedstock research and testing
- Equipment maintenance and understanding
- Biofeed preparation and titrations
- Reactor loading (initiating batches)
- Dosing reactions
- Sampling, testing and monitoring reactions
- Boiler and chiller (monitoring and controlling process temperatures)
- Compressed air monitoring
- Troubleshooting reactions
- Biodiesel/glycerin methanol recovery
- Glycerin separation, sampling, testing
- Polishing, sampling and testing
- Critical testing – quality assurance

- Regulatory reporting (EPA, IRS, CARB, BOE, etc.)
- B100 blending and dosing
- Truck loading, core sampling, metering, scale
- Bridging the gap – handoff procedures from production to administration

PL Hours
0 – 75

MANUFACTURING SKILLS (Ratio 1:3)

- Confined space training
- Forklift operating
- Fire safety
- Emergency response
- Chemical handling
- Truck unloading (understanding vacuum/pressure systems)
- Filter box/screw press operations
- Used cooking oil rendering
- Grease Trap rendering/processing water
- Lab SOP's (Karl Fischer, flash point, QTA, incu-shaker, etc.)
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Safety Training is capped at 10% of a trainee's total training hours

Note: Reimbursement for retraining is capped at 150 total hours per-trainee, regardless of method of delivery. PL is capped at 75 hours per-trainee.