



AB118
Training Proposal for:
GFP Ethanol, LLC dba Calgren Renewable Fuels

Small Business ≤ \$50,000

ET16-0805

Approval Date: October 30, 2015

ETP Regional Office: Sacramento

Analyst: W. Sabah

CONTRACTOR

- Type of Industry: Manufacturing
Green Technology
Priority Industry: Yes No
- Number of Full-Time Employees
California: 37
Worldwide: 37
Number to be trained: 34
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: \$49,504
- In-Kind Contribution: \$43,684

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 Priority Rate SB <100 AB118 | Commercial Skills, Computer Skills, PL-Commercial Skills | 34 | 8-60 | 0-30 | \$1,456 | \$15.07 |
| | | | | Weighted Avg: 56 | | | |

- Reimbursement Rate: \$26 SB Priority
- County(ies): Tulare
- Occupations to be Trained: Lead Operator, Cook Operator, DD & E Operator, Yard Operator, Lab Technician, Maintenance Mechanic, E & I Mechanic, Administrative/Accounting Staff, Manager
- Union Representation: Yes
 No
- Health Benefits: Job #1: \$0.07 per hour

SUBCONTRACTORS

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

OVERVIEW

Established in 2008 and located in Pixley, GFP Ethanol, LLC dba Calgren Renewable Fuels (Calgren) (www.calgren.com) manufactures ethanol, animal feed and corn oil. According to the Company, the Pixley plant maintains one of the most efficient operations and lowest carbon footprint facility in the country. The plant is powered by two ultra-low NOx gas turbine generators capable of producing 11600 Kilo Watts of electricity in addition to process steam. Each year the Company generates approximately 55 million gallons of ethanol, 400,000 tons of animal feed and 1.5 million gallons of corn oil that is distributed locally in the San Joaquin Valley.

The Company's primary customer base includes oil companies, feed grain facilities, dairymen, poultry companies and biodiesel facilities. Customers include Kinergy Marketing, J.S Heiskell, Foster Farms, Cimron Renewable Fuels, and Kern Oil & Refining.

Need for Training

Ethanol production is highly regulated and employees must ensure the plant operates efficiently, safely and compliantly. Many employees are hired with little or no understanding of the basics or theory of ethanol production. In addition, the Company recently purchased a digester that requires trainees to learn new operations and mechanical processes to minimize downtime. As regulations are always changing, employees require training on how to reduce Volatile Organic Compound emissions under the Clean Air Act by developing new ways to dispose manure. The Company's goal is to provide employees with the tools and knowledge to create an efficient and safe work environment by instilling a proactive mindset rather than a reactive mindset. Training will result in fewer mistakes and reduce accidents.

This will be Calgren's second proposal in the last five years. During the prior ETP contract, Calgren focused on Phase 1 of their Optimization Program. In the current proposal, Calgren plans on instituting an advanced, Phase 2, Optimization Program for seasoned employees, which will further develop staff production efficiency. In addition, all employees will receive training on the newly purchased digester. Training in this proposal will not duplicate the training in the prior contract.

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.

Training Plan

Calgren plans to train its staff using a combination of Classroom/Laboratory, Productive Lab (PL) and Computer-Based Training (CBT). The classroom/Laboratory training and CBT will build a base of knowledge, which PL training will further expand.

Commercial Skills: Training will be offered to all occupations. Administrative/Accounting Staff will receive training on Carbon Intensity/Cap & Trade Program to ensure the Company remains compliant with continual regulation changes. All other occupations will receive training to properly operate and maintain all equipment. Training will include Carbon Intensity/Cap & Trade Program, Cook Fermentation Refresh, Solar Turbine, Digester, PLC, Flotwegg, Leak Detection and Tank Thickness.

Computer Skills: Training will be offered to all occupations to improve staff's knowledge of EPA's online reporting systems and to track RIN numbers assigned to each gallon of ethanol.

Training will also allow employees to verify tracking companies, trucks and drivers along with required licenses and registration in order to load the ethanol and deliver to customers.

Productive Lab – Commercial Skills

The Panel recently adopted regulations to authorize reimbursement for training delivered in a PL setting. 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.

PL training will be offered to DD & E Operators, Cook Operators, Lead Operators and Maintenance Mechanics. PL training will supplement Class/Lab training to improve operation, preventative maintenance, and mechanical processes and troubleshooting. The Company recently purchased a new digester that will require extensive PL training. Equipment will also include Taraus T-60 & T-65, Rentech Boiler, Tricanter, Decanter, Pumps and Alignment Tools. Trainers will observe and coast trainees prior to sending the trainee off to perform the work on their own.

The PL training will provide staff with the hands on training necessary to develop competency in the tasks. Calgren employees may receive up to 60 hours of PL training and the trainer-to-trainee ratio of 1:1. Trainees will be deemed competent based on their level of efficiency and knowledge of the equipment.

HUA Modification

The 34 trainees in Job Number 1 work in a High Unemployment Area (HUA), a region with unemployment exceeding the state average by at least 15%. The Company's location in Tulare County qualifies for HUA status under these standards. However, Calgren is not asking for a wage modification.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performance by Calgren under an ETP Agreement that was completed within the last five years, also funded under AB118:

| Agreement No. | Location (City) | Term | Approved Amount | Payment Earned \$ % |
|---------------|-----------------|----------------------|-----------------|------------------------|
| ET11-0807 | Tulare | 6/27/11 – 3/31/13 | \$28,652 | \$27,254 (95%) |

Exhibit B: Menu Curriculum**Class/Lab Hours**

8-60

Trainees may receive any of the following:

COMMERCIAL SKILLS

- Carbon Intensity/Cap & Trade Program
- DDE Refresh
- Cook Fermentation Refresh
- Solar Turbine
- Digester
- Lab Testing Refresh
- Instrument Training
- Process Training
- Welding
- Pump Alignment
- PLC
- Flotwegg
- High/Low Voltage Electrical
- First Responder Training
- Fire Brigade Training
- Leak Detection
- Tank Thickness

COMPUTER SKILLS

- EMTS/RINS
- Terminal Automation Software

Safety Training will be limited to 10% of total training hours per-trainee.

Productive Lab

0-60

COMMERCIAL SKILLS (Ratio 1:1)

- Carbon Intensity/Cap-and-Trade Program
- DDE Refresh
- Cook Fermentation Refresh
- Solar Turbine
- Digester
- Lab Testing Refresh
- Instrument Training
- Process Training
- Welding
- Pump Alignment
- PLC
- Flowwegg
- High/Low Voltage Electrical
- First Responder Training
- Fire Brigade Training
- Leak Detection
- Tank Thickness

CBT Hours

0-30

COMMERCIAL SKILLS

- Carbon Intensity/Cap-and-Trade Program (1.5 hours)
- Greenhouse Gas (3.5 hours)
- EMTS/RINs (5 hours)
- RIN Transactions (1 hour)
- Managing RINS (20 Minutes)
- Submissions (20 minutes)
- Reports and Notification (1 hour)
- Quality Assurance Plan (30 Minutes)
- OTAQ Registration (1 hour)

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. CBT is capped at 50% of total training hours, per-trainee. PL is capped at 60 hours per-trainee.