



January 26, 2021

To members of the Oregon Legislature:

We, the undersigned, write to support HB 2416, which would fund the design and pilot of a voluntary certification system related to energy and water standards for cannabis and hemp farms. Voluntary certification systems are often drivers of energy efficiency in a variety of economic sectors.

We feel the bill represents a unique opportunity for the State of Oregon to take a leadership position globally by aligning with a US Dept. of Agriculture-supported framework for evaluating best practices and recognizing leadership on energy and water efficient cultivation. We appreciate that HB 2416 presents a market-based incentive approach, in contrast to regulatory actions taken by other states.

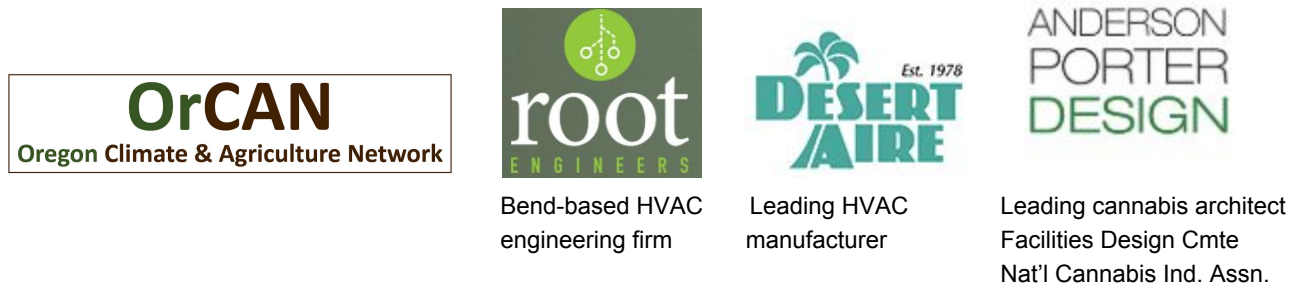
We appreciate the mission-based role played by Resource Innovation Institute, an Oregon-based 501c3 non-profit organization, in facilitating our collective support for this effort.

Signed,

Members of the Oregon cannabis and hemp community



Others in support of efficient cultivation





January 26, 2021

To members of the Oregon Legislature:

In addition to the cannabis and hemp industry support for HB 2416, the following Oregon-based organizations support and will engage in complementary USDA-funded activities related to development of a certification system for controlled environment agricultural sectors (excluding cannabis). The State of Oregon has the opportunity with HB 2416 to leverage Federal funding and the support of these organizations. Please see the attached overview of the USDA grant awarded to RII and its partner, American Council for an Energy-Efficient Economy.



From: NRCS-CIG <nrcscig@usda.gov>
Date: Wednesday, October 28, 2020 at 6:42 PM
To: Jennifer Amann <JAmann@aceee.org>
Cc: Sherony, Caroline - NRCS, Washington, DC <caroline.sherony@usda.gov>
Subject: Congratulations! Notification of USDA Conservation Innovation Grants Selection

Dear Jennifer Amann,

Congratulations! The American Council for an Energy Efficient Economy has been selected to receive a 2020 National Conservation Innovation Grants (CIG) National program award from USDA's Natural Resources Conservation Service for your proposal submission titled: x.

The full list of 2020 awards are scheduled to be announced by NRCS Acting Chief Kevin Norton, tomorrow, Thursday, October 29th. **Please do not share publicly this information until after that announcement is released.** This information is considered confidential until the award announcement is made. A separate email will be sent tomorrow with a media packet for your communications team that will assist if you in your own announcement after the NRCS announcement.

Please confirm with us that you have received and read through this email.

We will be working together the next couple of weeks to work through the agreement process. Please note the following things:

1. The agreement process may take some time. We fully expect that all CIG agreements will be completed by end of January 2021.
2. Attached is the CIG New Grantee Guide. Please review all of the information in the guide, particularly page 3 where it states "**Do not begin work until you receive a fully executed agreement.**" This is very important. NRCS will soon initiate a process to develop a grant agreement between the agency and your organization. In very rare situations unforeseen obstacles could arise causing the agreement to not be finalized. So it is critical that you do not begin the project until the agreement is completed and fully signed.
3. All new awardees are expected to attend an in-person CIG Orientation. The Orientation is tentatively scheduled for either February or March 2021. This Orientation will cover administrative responsibilities of managing your grant award and training on award administration software. In addition, you will meet the NRCS technical contact assigned to your project. A clear date will be set in about a month's time.

Please let me know if you have any questions. We will be back in touch soon and look forward to working with you!

Congrats Again!



Caroline Sherony | Natural Resource Specialist
Projects Branch | Natural Resources Conservation Service | USDA
Caroline.Sherony@usda.gov | 202-763-5221

**American Council for and Energy-Efficient Economy
& Resource Innovation Institute**

Application for

**USDA Natural Resources Conservation Service
Conservation Innovation Grant**

Project Title: Data-Driven Market Transformation for Controlled Environment Agriculture

Project Duration: 3 years (36 months) beginning February 1, 2021

Amount Requested: \$595,026

Amount of non-Federal Contributions: \$595,372 (100% match)

Technical Contact: Jennifer Amann • (202-507-4015) • jamann@aceee.org

Administrative Contact: Jocelyn Perkins • (202-507-4000) • jperkins@aceee.org

Geographic Location: Colorado, Illinois, Massachusetts, Oregon, Pennsylvania, and Washington

National Priority Addressed by the Project: Energy Conservation

Description:

This proposal seeks support for an innovative *Data-Driven Market Transformation for Efficient, Sustainable Controlled Environment Agriculture* that will demonstrate the effectiveness of energy and resource use benchmarking and data tracking in accelerating efficiency in the energy-intensive CEA sector. Data tools coupled with a collaboratively-developed market intervention strategy and best practice guidance have the potential to expand utility incentives for the sector and leverage substantial investments from trade allies interested in serving this rapidly growing market. If funded, this project will develop a comprehensive suite of tools and resources for a market transformation to sustainable CEA, resulting in energy savings, greenhouse gas reductions, and more resilient communities.

Project Abstract

Controlled Environment Agriculture (CEA) is one of the fastest-growing sectors of the United States' economy (ACEEE, 2018). From lettuces and microgreens to tomatoes, berries, and hemp, some producers grow crops indoors in response to market dynamics or as part of their preferred farming practice. Data on the typical energy consumption of CEA facilities is limited, and available research suggests that energy costs can make up 60% of operational expenses. A shared challenge faced by producers, their supply chain partners, governments, utilities, and researchers is the sparse guidance on efficient production of horticultural yields. There are few peer-reviewed best practices for CEA, limited government policies or codes informed by cultivators, and virtually no industry standards to guide decision-making.

This proposal seeks support for an innovative market transformation initiative to accelerate resource efficiency throughout CEA with the following objectives: 1) characterize the market, 2) build strategic partnerships, 3) prove the effectiveness of resource benchmarking, 4) provide workforce education and training, 5) support a robust policy infrastructure, 6) provide guidance to utilities and other efficiency program administrators, and 7) recognize high-performance operations with a voluntary certification system. To achieve the project objectives, the team has identified a core set of project advisors committed to engaging in collaborative development and early implementation of the market intervention strategy.

Key deliverables to be produced as a result of this project's funding will be a Market Characterization Report, a Market Transformation Strategy and Implementation Plan, a Report on Energy and Water Key Performance Indicators, Baselines, and High-Performance Strategies, several Best Practices Guides for CEA, virtual and in-person Efficient Yields Workshop series, Case Studies on Energy-Efficient Controlled Environment Agriculture, Pilot Project Pre- and Post-Project Reports, Policy Guidance for Local, State and Federal Jurisdictions, Best Practices Guides for CEA Building Energy Code and Industry Standards Development, a Roadmap for CEA Efficiency Program Deployment, a Best Practices Guide for Utility Program Design & Market Engagement, the CEA Excellence Network, the CEA Professional Credentialing Program, and a Development Plan for a Voluntary Certification System and Key Performance Indicators (KPIs) for CEA.

By demonstrating the market transformation potential of this initiative and engaging a diverse set of producers, trade allies, governments, utilities, and other partners, the project will enable long-term energy and resource savings through a comprehensive market transformation platform for ongoing implementation by USDA and partner utilities and agencies across the country. Results of the project will be quantified using quarterly reports and post-project case studies comparing KPIs to pre-project conditions.

This project's innovations can advance broader transformation throughout the field of resource conservation. Participating producers will benchmark resource impacts and use holistic production and environmental data to optimize resource consumption. These practices have applicability to the broader agricultural market and can be transferred to other segments of the agriculture industry.