2019 Request for Grant Applications

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About the Program

- Competitive grant solicitation process administered by the California Department of Food and Agriculture (CDFA).

- Purpose is to award funds to California dairy operations and digester developers for the implementation of dairy digesters that result in early and extra methane emission reductions on California dairies.

Projects must reduce methane emissions on a commercial California dairy operation

Funding and Duration

- 2019 DDRDP funding is authorized by Budget Act of 2018 (SB 856 Ch. 30, Statutes of 2018).

- **$61 - $75 million funding available**

GGRF → *CDFA* → *Grant Recipients*

- Project Grant Amounts: Up to $3 million (50% match required)

- Maximum Project Duration:
October 1, 2019 – September 30, 2021

Eligibility

- The project site must be located on a commercial California dairy.

- Multiple applications are allowed but each application must represent an individual digester at a unique project site.

- Existing defunct and non-functional digesters are eligible. Defunct for a minimum of 12 months.

- Once awarded, project may not:
  - Change or alter their biogas end-use during the project term; and
  - Change the herd size beyond the limits established by the dairy operation's existing permits during the project term.

Exclusions (1)

- Upgrades to existing, functional dairy digesters to boost emission reductions and energy production.

- Projects that propose to switch existing management practices to those that increase baseline greenhouse gas (GHG) emissions (e.g., from dry scrape to flush lagoon systems).

- Duplicate equipment or activities that will receive funding from the California Public Utilities Commission (CPUC) pilot project (e.g., interconnection costs).

Note: Biogas conditioning and clean-up costs are allowable under the 2019 DDRDP
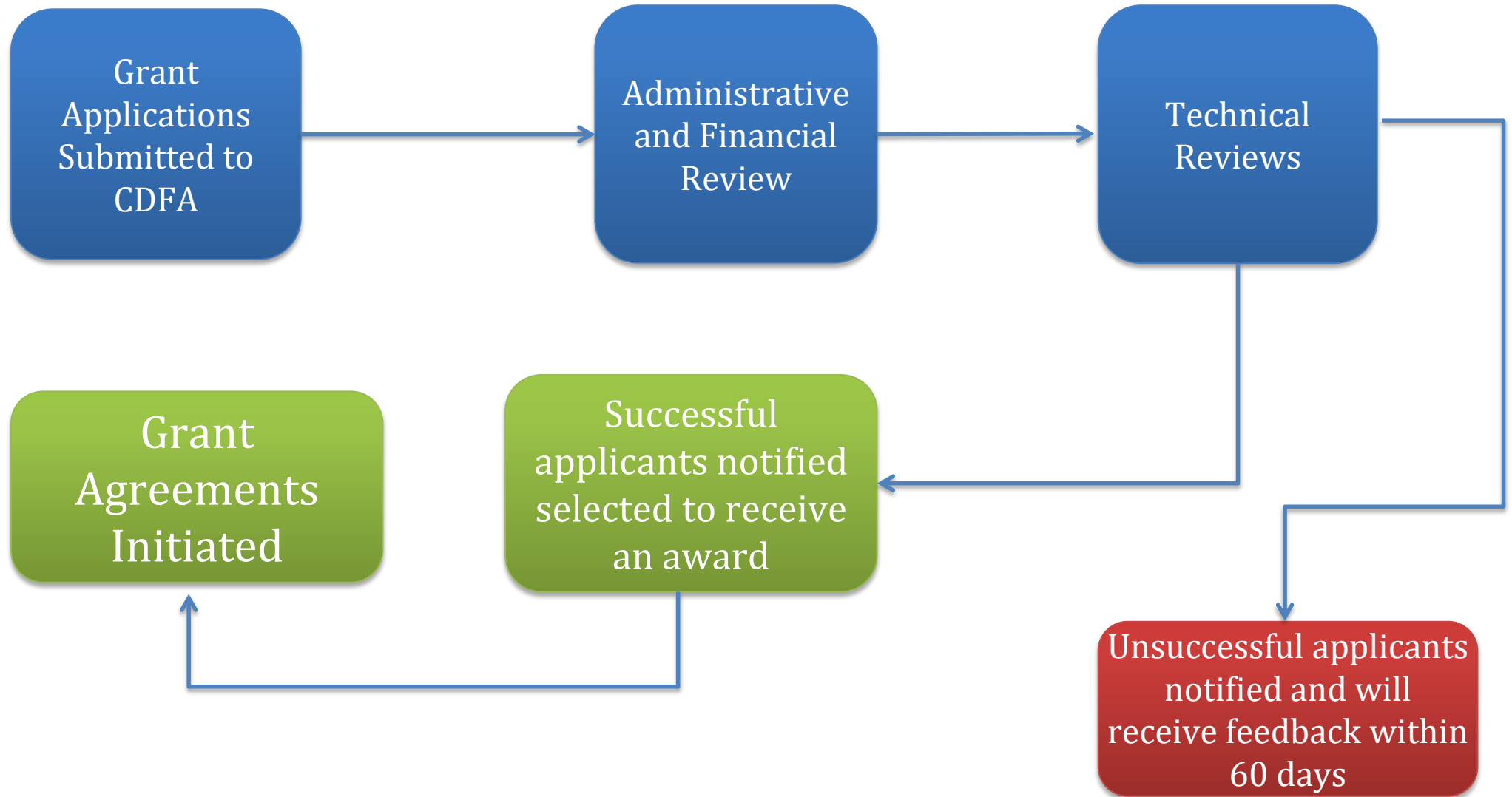
Exclusions (2)

- Commercial dairy operations that have already accepted, or plan to accept a grant award by CDFA's Alternative Manure Management Program (AMMP)

Solicitation Process

Solicitation Timeline

Release of RGA	12/28/18
Energy Education Center Tulare, CA	1/23/19
Stanislaus Co. Ag Comm., Modesto, CA	1/24/19
Grant Applications Due	4/3/19 5:00 pm PDT
Application Review	May – August 2019
Announce and Award Funding	September 2019

Program Requirements (1)

- Methane used for energy production or transportation fuel.

- Convert bio-methane to renewable electricity or fuel (e.g., included but not limited to compressed natural gas), to use on-site or inject into an existing pipeline, or for the utilization of energy onsite or at a neighboring facility.

- 80% or more dry weight of the feedstock for anaerobic digestion must be manure from dairy livestock.

Program Requirements (2)

- Must use Air Resources Board's Quantification Methodology for FY 2018-19 and Benefits Calculator available at:

  www.arb.ca.gov/cci-resources

- DDRDP Benefits Calculator Tool-related questions should be submitted to:

  GGRFProgram@arb.ca.gov

Program Requirements (3)

- The digester system design, construction, and operation must maximize air and water quality protection.

- Use of double–lined ponds consistent with the Tier 1 specification of the Dairy General Order (R5-2013-0122), above-ground tank, and below-grade tanks constructed of concrete or other suitable impermeable and corrosive-resistant material.

- For power production projects, the total NOx (mono-nitrogen oxides) emissions must be no greater than 0.50 lb/MWh.

- Use commercially available technology with proven operating history.

Allowable Costs

- Project costs must clearly support the implementation of the digester.

- **Supplies:** items with an acquisition cost less than $5,000 per unit and have a useful life of less than one year.

- **Equipment:** nonexpendable, tangible personal property that has a useful life of more than one year and a cost of $5,000 per unit or greater.

- **Contractor/Consultant:** labor to install the project. Consultant fees are for a specific and identifiable service that is directly related to project implementation.

- **Design and engineering:** costs, including those provided by contractor/consultants up to 5% of the total amount requested.

- **Other:** direct expenses for implementing the project not covered in any of the previous categories.

Unallowable Costs

- 2019 DDRDP grant funds may not be used to reimburse applicants for costs incurred outside of the grant term.

- Costs covered by another State or Federal grant program.

- Pre-development costs, including, but not limited to: permits, project designs, and any other activities that contributed to a project's readiness.

- Costs associated with environmental review required for project permits, including preparation of EIRs.

- Expenditures for purchasing or leasing land or buildings.

- Purchase of dairy manure (tipping fees) or other feedstocks.

- Costs associated with the five-year GHG emissions reductions reporting.

- Costs incurred during community outreach.

- Costs associated with mitigation of potential adverse impacts (SB 859).

ARB DDRDP Benefits Tool

Changes include:

- Added additional fuel pathways which include dimethyl ether (DME), hydrogen, and biomethane injection into the common carrier pipeline;

- Added an option to truck the fuel to a remote fueling station;

- Added an option to account for biogas trucking within a dairy cluster;

- Added an option for low-NO_x vehicles;

- Added a venting of biogas option; and

- Updated emission factors where necessary.

Community Outreach Requirements

CDFA is partnering with California State University-Sacramento Consensus and Collaboration Program (CCP) Contact CCP for assistance in consultation and/or meeting facilitation.

Contact:

Dave Ceppos, Managing Senior Mediator

Consensus and Collaboration Program

CSU Sacramento

916-539-0350 (cell)/916-278-5015 (desk)

dceppos@csus.edu

Review & Evaluation Process (1)

1. Administrative Review – Internal

2. Financial Review – Internal

3. Technical Review – External experts

4. Overall Review – Technical Advisory Committee (TAC)

Review & Evaluation Process (2)

CDFA will select projects based upon the following:

	Max Points
• GHG emission reductions	35
• Project plan & long-term viability	20
• Environmental performance	15
• Budget and financials	10
• Project readiness	10
• Community impact	10
	100

How to Apply

- Partnership with State Water Resources Control Board to host a web-based application submission process.

- Online application system: **FAAST**

- User account needed to submit grant application
  - How to Create a FAAST Account
  - FAAST User Manual

Financial Assistance Application Submittal Tool (FAAST):
https://faast.waterboards.ca.gov

General Information Tab

- Applicant Organization:
  - Legal business name of the organization that will receive grant funds.

- Submitting Organization:
  - Name of the organization submitting the application on behalf of the applicant.

- Project Title:
  - Should appropriately and concisely describe the project in 125 characters.

- Project Description:
  - Summarize the project, including digester type, herd size, and estimated GHG emissions reduction.

- Project Location:
  - Enter the latitude and longitude, watershed, county, and regional water board.

Project Budget Tab

- Funds Requested
  - Total amount of DDRDP funds requested ($3M maximum).
  - Must match cell E8 on tab 7. Cost Summary of the Budget Worksheet.

- Local Cost Match
  - Total amount of matching funds or in-kind contributions committed to this project from other sources, if applicable.

- Total Budget
  - Funds Requested + Local Cost Match = Total Project Cost

Questionnaire Tab

1. Applicant Organization Type
2. Project Type
3. Project Duration
4. Digester Project Plan and Long-Term Viability
5. Financials
6. Budget
7. Estimated GHG Emissions Reduction
8. Evaluation of Benefits to Priority Populations
9. Socially Disadvantaged Farmers or Ranchers
10. Additional Demographic Data
11. Attachments

Attachments Tab

Digester Project Plan and Long-Term Viability

- Attachment 1: <u>Project Narrative Template</u>
  - 1.1: Site Plan, project design documents, cluster maps, schematic diagrams, etc.
  - 1.2: Resumes, team commitment letters, etc.
  - 1.3: Copy of Deed and/or Lease Agreement.

- Attachment 2: <u>Work Plan Template</u>

Attachments Tab

Budget Worksheet and Financials

- Attachment 3: <u>Budget Worksheet Template</u>

- Attachment 4: <u>Financials</u>

  Provide documentation regarding the organization's financial strength.

  Note: Project partners must not have filed for bankruptcy in the past five years.

Attachments Tab

Estimated GHG Emissions Reduction

- Attachment 5: <u>DDRDP Benefits Calculator Tool</u>
  - 5.1: Explanation of assumptions of GHG calculations.

Project Readiness and Permitting Status

- Attachment 6: <u>Project Readiness Template</u>
  - 6.1: Permits
  - 6.2: Status of interconnection/offtake agreements, etc.

Attachments Tab

Environmental Performance

- Attachment 7: <u>Environmental Performance Template</u>
  - 7.1: Support project's environmental performance claims.

Community Impact

- Attachment 8a: <u>Community Impact Template</u>
  - 8.1: Up to three letters of support
  - 8.2: Explanation of Priority Population Benefits.

- Attachment 8b: <u>CARB Community Engagement Questionnaire</u>

Grounds for Disqualification

- One or more unanswered questions necessary for the administrative, fiscal, or technical review;

- Missing, blank, unreadable, or corrupt content;

- Unusable or unreadable attachments;

- Requests for more than the maximum award amount.

Award Requirements

- If selected for an award, execution of the grant agreement is conditional upon agreeing to the following program requirements:

  – CEQA compliance anticipated within six months of executed grant agreement.

  – Grant recipients must submit quarterly status reports to CDFA explaining in detail the project's progress.

  – Report annual GHG emission reductions data to CDFA for five years after the end of the project term and/or the digester becomes operational.

Questions and Answers (1)

- Email questions to: **cdfa.oefi_ddrdp_tech@cdfa.ca.gov**
  (please add DDRDP in the email "Subject" line for questions to this program)

- Email QM questions to: GGRFProgram@arb.ca.gov

- Questions & Answers will be posted to CDFA website:
  https://www.cdfa.ca.gov/oefi/ddrdp/

Questions and Answers (2)

Questions received by:	Responses posted by:
January 11, 2019	January 18, 2019
January 25, 2019	February 1, 2019
February 15, 2019	February 22, 2019
March 7, 2019	March 15, 2019
March 22, 2019	March 29, 2019