



California Department of Food and Agriculture
Office of Environmental Farming and Innovation

2020 Dairy Digester Research and Development Program



Grant Application Workshops
February 18, 19 and 20, 2020



2020 Request for Grant Applications

- About the Program
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- Eligibility and Exclusions
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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 and minimize or mitigate adverse environmental impacts.

Projects must reduce methane emissions on a commercial California dairy operation

Funding and Duration

- 2020 DDRDP funding is authorized by Budget Act of 2019 (AB 74, Chapter 23).
- **\$19.9 - \$24.5 million funding available for DDRDP**



- Project Grant Amounts: **Up to \$2 million** (50% match required)
- Maximum Project Duration:
December 1, 2020 – November 30, 2022

Eligibility (1)

- 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.
- **New Submitting Organizations (i.e., dairy digester developers) that haven't been previously funded by DDRDP are eligible to receive additional 5 points.**
- Existing defunct and non-functional digesters are eligible. Defunct for a minimum of 12 months.



Eligibility (2)

- 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.
 - **Change ownership of the dairy and/or partnership entities. Should the grantee sell the dairy operation that was the subject of a grant award, all grant monies awarded shall be returned to the CDFA.**



Eligibility (3)

Applicants may request CDFA to re-consider previous applications submitted in 2019 through the FAAST system for 2020 funding. A request for re-considering a 2019 application must be made in the new DDRDP application submission platform.

If choosing to re-submit previous applications with minor edits, a new submission is required using the new DDRDP application submission platform.



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 2020 DDRDP

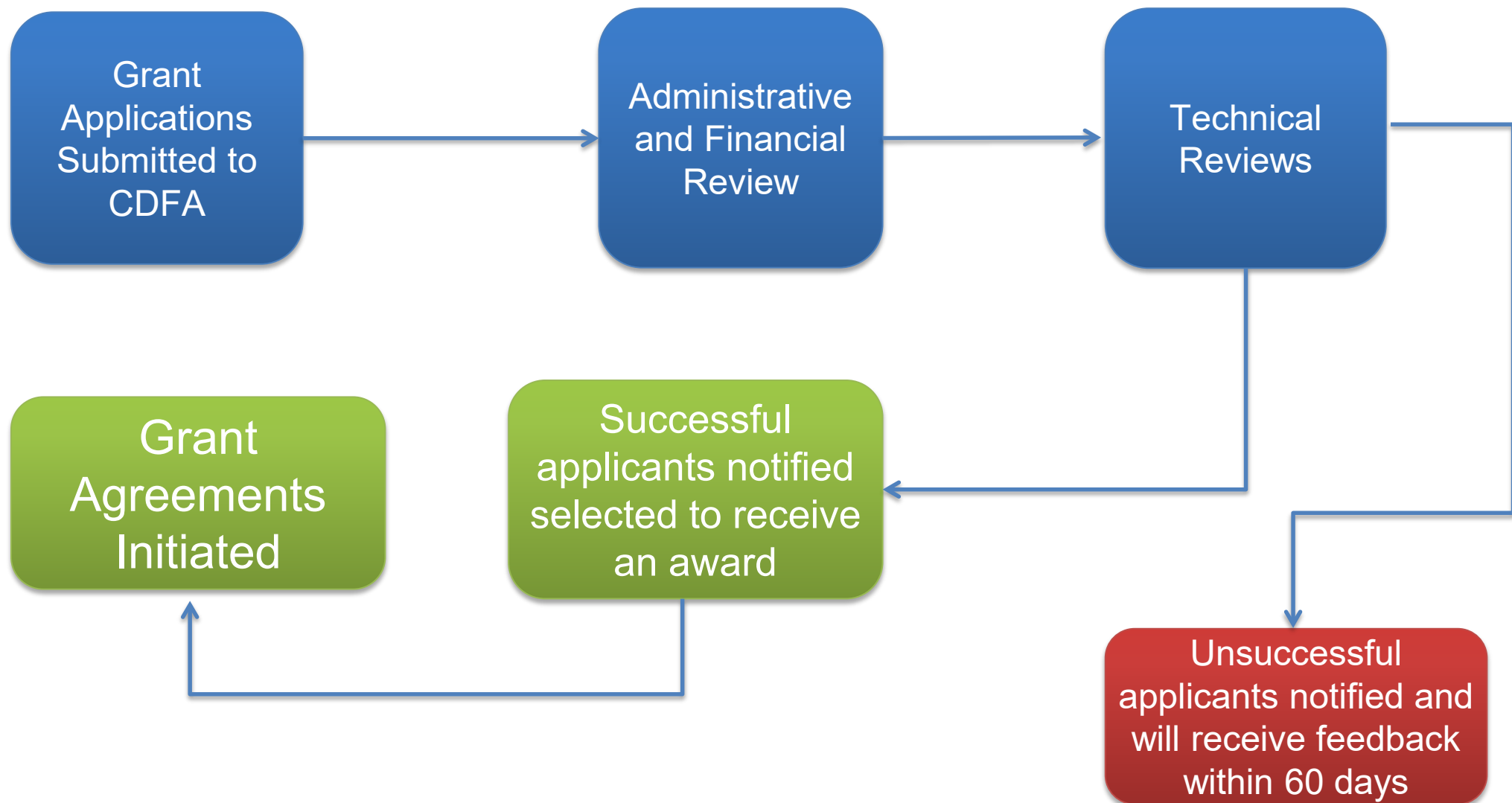


Exclusions (2)

- 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	02/03/20
RGA Workshop Stanislaus County Ag Commissioner Modesto, CA	02/18/20
RGA Workshop USDA/NRCS Petaluma Field Office Petaluma, CA	02/19/20
RGA Workshop University of California Center-Fresno Fresno, CA	02/20/20
Grant Applications Due	03/27/20 at 5:00 p.m. PT
Application Review	April – August 2020
Announce and Award Funding	September 2020



Program Requirements (1)

- Methane used for energy production or transportation fuel (i.e., flaring as sole biogas end-use not eligible for funding).
- Convert biomethane 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 2019-20 and DDRDP Benefits Calculator available at:

www.arb.ca.gov/cc-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 NO_x (mono-nitrogen oxides) emissions must be no greater than 0.50 lb/MWh.
- Use commercially available technology with proven operating history for methane capture and destruction.



Program Requirements (4)

- **Projects may propose to include nutrient management technology(ies) in conjunction with methane reduction technology(ies). However, implementation of standalone nutrient management technology to an existing digester is not eligible.**





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 (1)

- Costs incurred outside of the grant term.
- Costs covered by another State or Federal grant program, including funds provided by the Investor Owned Utilities as result of the CPUC Order Instituting Rulemaking to implement dairy biomethane pilot project process.
- 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 Environmental Impact Reports.



Unallowable Costs (2)

- **Direct and/or indirect expenditures for purchasing or leasing land and/or buildings, including costs associated with the land use, loss of crop(s) and implementation of the project.**
- **Direct and/or indirect expenditures for purchasing 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 (i.e., California Government Code Section 16428.86(a)).



CARB/DDRDP Benefits Calculator Tool

Changes include:

- Added additional electric vehicle charging pathway;
- Updated solid separation factors for sloped screen, two stage sloped screens, and weeping walls;
- Provided clarification to local vs remote criteria and toxic emission assumptions;
- Adjusted ROG emission factor to remove enteric emissions; and
- Updated fuel specific well-to-wheel and grid GHG factors to reflect most recent data.



CARB/DDRDP Benefits Calculator Tool

- Air Resources Board's Quantification Methodology for FY 2019-20 and DDRDP Benefits Calculator available at:

www.arb.ca.gov/cc-resources



Community Outreach Requirements

- CDFA provides community outreach guidelines on community engagement strategies, which is available on the DDRDP webpage: <https://www.cdfa.ca.gov/oefi/ddrdp/>.



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:

	<u>Max Points</u>
• GHG Emission Reductions	35
• Project Plan & Long-Term Viability	20
• Environmental Performance	15
• Budget and Financials	10
• Project Readiness	10
• Community Impact	10
<u>New Submitting Organizations</u>	<u>+5</u>
	105



How to Apply

- Contract with WizeHive to host a web-based application submission process.
- Online application submission portal: **WizeHive/Zengine**
- User profile needed to submit grant application

DDRDP Application Platform
https://webportalapp.com/sp/2020_cdfa_ddrdp

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.
- Project Description:
 - Summarize the project, including digester type, herd size, and estimated GHG emissions reduction.
- Project Location:
 - Enter the latitude and longitude, county, assembly district and senator district



Project Budget Tab

- Funds Requested
 - Total amount of DDRDP funds requested (**\$2M maximum**).
 - Must match 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 Information
2. Payee Data Record
3. Project Information
4. Additional Information
5. Project Type
6. Project Duration
7. Budget
8. Financials
9. Herd Size Information
10. Co-Benefits Data
11. Evaluation of Benefits to Priority Populations
12. Socially Disadvantaged Farmers or Ranchers



Attachments Tab

Digester Project Plan and Long-Term Viability

- Attachment 1: Project Narrative Template
 - 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: Work Plan Template



Attachments Tab

Budget Worksheet and Financials

- Attachment 3: Budget Worksheet Template
 - 3.1: Bids, quotes, or estimates to support budget costs
- Attachment 4: Financials

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: DDRDP Benefits Calculator Tool
 - 5.1: Explanation of assumptions of GHG calculations.

Project Readiness and Permitting Status

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



Attachments Tab

Environmental Performance

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

Community Impact

- Attachment 8a: Community Impact Template
 - 8.1: Up to three letters of support
 - 8.2: Explanation of Priority Population Benefits.
- Attachment 8b: CARB Community Engagement Questionnaire

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/DDRDP Benefits Calculator Tool questions to:
GGRFProgram@arb.ca.gov
- Questions & Answers will be posted to DDRDP website:
<https://www.cdfa.ca.gov/oefi/ddrdp/>



Questions and Answers (2)

Questions received by 5 p.m. PT:	Responses posted by 5 p.m. PT:
February 14, 2020	February 21, 2020
February 28, 2020	March 6, 2020
March 13, 2020	March 20, 2020



Thank you!

Email questions to:
cdfa.oefi_ddrdp_tech@cdfa.ca.gov

DDRDP website:
<https://www.cdfa.ca.gov/oefi/ddrdp/>

