

2015 Dairy Digester Research and Development Program
Frequently Asked Questions (FAQs)
Updated Thursday, February 19, 2015

GENERAL QUESTIONS

February 12, 2015

1. The environmental benefits (air and water quality) of a proposed project may reach beyond the addresses provided in Attachment 6: Economic Benefits and Impacts to Disadvantaged Communities. Therefore, should applicants determine how far the environmental benefits reach is for their project and include scores for each community within that radius?
[Applicants are encouraged to estimate all environmental benefits provided to disadvantaged communities impacted by their project beyond the addresses listed in Attachment 6. Applicants can include explanations of benefits in additional sheets placed behind Attachment 6 in the grant application.](#)
2. What is the funding source for the DDRDP?
[As stated in the Request for Grant Applications on page 1, CDFA received funding from the Greenhouse Gas Reduction Funds to administer the DDRDP.](#)
3. Will applicant's California Air Resources Board Compliance Offset (CARB) Protocol for Livestock Projects calculator used to estimate a project's greenhouse gas reduction potential be reviewed during the technical review process to ensure all applicants calculations are completed using realistic and accurate baseline assumptions?
[Yes. During the technical review process, academic experts associated with California universities will review applicants' calculations to determine reasonableness based on CARB Protocol.](#)
4. Are financial models provided in the grant application considered confidential under the California Public Records Act? These models would include financial information and assumptions that the applicant would consider confidential and proprietary.
[CDFA will determine what information provided by the applicant is confidential or proprietary and how it will be handled pursuant to the California Public Records Act \(Government Code 6250, et seq.\) and related statutes definition of "confidential or proprietary information." Applicants are directed to clearly mark, on each page, "confidential/proprietary information" those documents they feel contain confidential or proprietary information. However, the mere marking of documents as "confidential/proprietary information" will not result in their being treated as confidential if they are not exempt from disclosure under the California Public Records Act.](#)
5. The Project Narrative indicates applicants must submit a lease or supply agreement; however, these agreements may be more than 200 pages. Are applicants required to submit the entire agreement or only relevant sections for the grant application?
[Yes. Applicants must submit the entire agreement with their grant application.](#)

February 5, 2015

6. In order for a Dairy Digester Research and Development Program (DDRDP) grant application to be considered complete, what forms and attachments are required?
[A grant application must contain the following: Cover Page, Project Narrative, Work Plan, Cost Summary, Greenhouse Gas Emission Reductions, Economic/Environmental Benefits and Impacts to Disadvantaged Communities, Permit Check List, Financial](#)

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Documentation, and all other supplemental documentation (i.e. permits, letters of support, resumes, etc.).

All required grant application forms listed above are provided on the program's website, www.cdffa.ca.gov/go/dd.

7. Where do applicants submit a grant application to the DDRDP?
Grant applications must be uploaded electronically to the California Department of Food and Agriculture's (CDFA) secure submission website, <https://secure.cdffa.ca.gov/egov/upload>.

8. How do applicants upload a grant application to the submission website?
Applicants must use log-in information provided by CDFA to upload grant applications to the submission website. To obtain log-in information to the submission website, applicants must email CDFA at grants@cdffa.ca.gov. CDFA will provide applicants log-in information within 2 business days.

(See page 9 of the Request for Grant Applications for detailed information on submission requirements).

9. If an applicant intends to submit multiple grant applications, does the applicant need to request more than one log-in to upload each grant application to the program's submission website?
No, an applicant intending to submit multiple grant applications only needs to submit one request for log-in information to CDFA. The log-in information may be used to upload multiple grant applications. However, each grant application must be uploaded separately in a single PDF file, and named using the following format:

(Dairy operation name)_(last 4 digits of Tax ID)

10. What Tax ID is required in the grant application?
The Tax ID associated with the grant application must be the organization's Tax ID listed as the applicant under "Applicant Details" on the Cover Page (if different from the "Submitting Organization").

11. Can CDFA provide advice on a specific grant application during the solicitation process?
No. To maintain the integrity of the competitive grant process, CDFA cannot provide applicants with advice on a specific grant application during the solicitation process.

12. Is information in the grant application available to the public?
Information provide in the DDRDP grant application may be subject to disclosure under the Public Records Act (PRA). Under the PRA, CDFA must make available public records upon request by the public. However, certain confidential/propriety information is generally exempt from disclosure.

(See Appendix B: Confidential Information in the Request for Grant Applications for detailed information regarding confidential/propriety information.)

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13. If a grant writer is submitting a grant application on behalf of an applicant, may the grant writer sign as the “Authorized Signature” on the Cover Page and Check List sections of the grant application?

It is up to each applicant to determine if an individual is authorized to sign the grant application documents on behalf of their organization.

However, the grant writer must provide their contact information on the Cover Page as the “Submitting Organization” and the applicant contact information must be provided in the “Application Details” section.

14. What is the maximum grant award that will be funded under the DDRDP?

The maximum grant award CDFA will fund is up to 50% of the total project cost with a maximum grant award of \$3 million per project.

15. CDFA is requesting applicants to provide a “project term” for proposed projects. What timeframe should the “project term” cover?

Applicants must indicate a timeframe for the CDFA portion of the entire project. Since the maximum project for CDFA is two years, the project term must begin on or after July 1, 2015 and not go beyond June 30, 2017.

16. If work by a contractor/consultant is performed outside the CDFA project term, can those expenses be submitted to CDFA for reimbursement?

No, CDFA will only reimburse for expenses incurred during the CDFA project term (July 1, 2015 – June 30, 2017). However, contractor/consultant costs incurred before July 1, 2015 is allowable as matching funds to the project.

17. Does the 30 page maximum requirement for the Project Narrative include supporting documents (i.e. permits, letters of support, schematics, resumes, etc.)?

No, the supporting documents are not included in the 30 page maximum requirement for the Project Narrative.

18. For financial soundness documentation requested in the grant application, can an applicant provide an independent CPA Auditor’s Report in lieu of the other required documentation (i.e. fiscal balance sheets, tax returns, bank statements, etc.)?

Applicants are required to submit, to the extent feasible, all financial documents listed on page 14 of the Request for Grant Applications. Accordingly, if an applicant only provides an independent CPA Auditor’s Report in their grant application, the report must contain additional financial documentation (i.e. Federal tax returns, Articles of Organization, operating agreements, bank statements, general ledgers, etc.)

19. The Financial Soundness section of the Project Narrative requests applicants to provide tax returns with their grant applications. What time period should these tax returns cover?

Applicants must provide documentation regarding their organization’s financial soundness, which includes federal tax returns. Therefore, applicants must provide their most recent filed federal tax returns.

(See page 14 of the Request for Grant Applications for detailed requirements regarding financial documentation.)

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20. What location should applicants use to identify if a proposed project has the potential to impact disadvantaged communities.

Applicant should use the location of where the digester will be implemented to identify if a proposed project has the potential to benefit disadvantaged communities.

(See Attachment 6: Economic/Environmental benefits and Impacts to Disadvantaged Communities in the Request for Grant Applications for detailed requirements regarding impacts to disadvantaged communities.)

21. Does CDFA charge an application fee to submit a DDRDP grant application?

No. There is not application fee to submit a DDRDP grant application.

22. Are grant applications submitted during the solicitation process considered a binding agreement?

No. All applications received during the solicitation process are not considered a Grant Agreement. Successful applicants awarded a DDRDP project will receive a Grant Agreement that will specify all terms and conditions.

23. Are applicants required to purchase “American” made/manufactured materials and equipment?

No, applicants are not required to purchase “American” made/manufactured materials and equipment.

24. Are DDRDP grant funds taxable?

CDFA is unable to comment or advise applicants on tax related situations during the solicitation process.

25. What order should applicants provide all required forms and attachments in the single PDF grant application file for upload to the submission website?

Applicants must provide all required forms and attachments in the order listed on the Grant Application Checklist in a single PDF grant application file for upload to the submission website. (See Appendix A: Attachments for the Grant Application Checklist.)

26. Where should applicants provide additional supporting documents (i.e. permits, letters of support, resumes, etc.) in the single PDF grant application file for upload to the submission website?

Applicants must provide supporting documentation behind all required forms and attachments, and clearly label/identify what the supporting documents are addressing. (See Appendix A: Attachments for the Grant Application Checklist).

27. In the Project Narrative, what information should be provided in the Project Personnel section?

In the Project Personnel section, applicants must provide a brief description addressing the professional qualifications, experience and credentials of the project team necessary to complete the project successfully.

Applicants are encouraged to attach resumes as additional supporting documentation detailing the specific qualifications, experience and credentials of project team members. (See page 13 of the Request for Grant Applications for additional details regarding Project Personnel.)

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28. In the Project Narrative, applicants may address any additional co-benefits of a project. What would be considered additional co-benefits of a project?
Additional co-benefits of a project are those benefits “that result in increased efficiency of the dairy digester, reduce water waste generated or bring increased revenue to the operation.” For example, additional co-benefits may include additional uses for digestate (e.g. as fertilizer) or methods to utilize excess bio-methane produced.
(See page 16 of the Request for Grant Applications for detailed information regarding additional co-benefits.)
29. For Attachment 6, what do you mean by having % of benefits apportioned to the community?
Please see Benefits to Disadvantage Communities (pages 20-21) in the Request for Grant Applications. There are two options via which an applicant may demonstrate these benefits, and multiple communities pertain to “Step 2 – Provides Benefits To” if the project does not meet the criteria for “Step 1 - Located Within”. In each case, more than one community may be impacted by the project. Evaluate the project to determine which of the two options apply and describe benefits to all communities impacted by the project.

ELIGIBILITY

February 19, 2015

1. Are slaughterhouse facilities utilizing dairy cattle manure eligible for this program?
No, only dairy operations and dairy digester developers are eligible for this program. A dairy operation is defined as “an organization that operates a dairy herd, which produces milk or cream commercially, and whose bulk milk or bulk cream is received or handled by any distributor, manufacturer, or any nonprofit cooperative association of producers.”

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2. Is an organization (i.e. Limited Liability Company (LLC)) registered outside California eligible for this program?
Yes, LLC organization registered outside of California are eligible as long as the project site is located on a California dairy operation.

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3. If a digester developer and dairy operation created a partnership for a specific digester project, is that partnership organization eligible for the DDRDP?
Yes, partnership organizations formed specifically for a digester project are eligible for the DDRDP.
4. The Request for Grant Applications defines retrofits and defunct digester on pages 4 – 5; however, can CDFA provide additional guidance regarding these eligibility requirements for purposes of this program?
For purposes of this program, eligible defunct digesters are those digesters previously constructed that have become “entirely non-functional, or never became functional since their construction.” For example, eligible defunct digesters may include a digester system

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with a broken engine not producing energy, where methane is being vented to the atmosphere.

DDRDP grant funds **cannot** be used for upgrades to existing, functional dairy digesters to boost emission reductions and energy production. In other words, applicants cannot *retrofit* an existing, functional digester merely to boost emissions reductions and/or energy output. For example, doubling the size of an existing digester, currently functional and generating energy to boost energy output is not eligible for funding through this program.

5. Is a digester that previously processed manure and produced biogas was shut down, and has not received manure or processed biogas for a number of years eligible?
Yes. This is considered a defunct digester, and therefore, eligible for DDRDP funding.

PROJECT REQUIREMENTS

February 19, 2015

1. Should an applicant quantify all modeled baseline and project emissions of methane and carbon dioxide in their application? Are baseline emissions calculations required for only digester ($BE_{CH_4,AS}$) or the entire baseline emissions ($BE_{CH_4,AS}$ & $BE_{CH_4,nAS}$), or offsets ($BE_{CH_4,AS} + BE_{CH_4,nAS} - PE_{CH_4}$)?
New projects that are currently not functional and thus, not contributing toward actual GHG emissions reduction, must provide calculations for Modeled Project Baseline Methane Emissions. Include calculations from both anaerobic and non-anaerobic storage/treatment systems, i.e., $BE_{CH_4,AS}$ and $BE_{CH_4,nAS}$ described in Section 5.1 of the CARB Compliance Offset Protocol – Livestock Projects). In addition, also provide Project Baseline Carbon Dioxide Emissions (see Section 5.4 of the CARB Compliance Offset Protocol – Livestock Projects). To determine all included sources and sinks of GHGs for modeled baseline calculations, refer to Table 4.1 of the CARB Compliance Offset Protocol – Livestock Projects.
2. Can slaughterhouse organic waste derived from cattle processing, other than manure, be included in GHG reduction calculations?
No. The GHG reduction calculations referenced in the Request for Grant Applications (i.e. the California Air Resources Board Compliance Offset Protocol – Livestock Projects) only account for manure as a feedstock.

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3. Dairy manure is relatively low total solids by dry weight; therefore, can the feedstock breakdown be based on volume instead of dry weight?
Applicant must include dry-weight information as indicated in the Program Requirements (page 5) in the Request for Grant Applications and use units consistent with the CARB Compliance Offset Protocol – Livestock Projects for greenhouse gas emissions calculations. Applicants may additionally provide feedstock information in volume units to justify their project plan along with total solids estimates as indicated in Project Implementation Plan (pages 10 - 12) of the Request for Grant Applications.

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4. The Request for Grant Applications states that projects must use commercially available technologies. Can a project use commercially available technologies as the “core technologies” (i.e. digester, engine and generator) in addition to “auxiliary technologies” that are not commercially available, such as for nutrient recovery, additional emission control, etc.?

Yes. Projects must include core technologies commercially available in California that will achieve measurable, permanent, annual greenhouse gas emission reductions. Projects that also include auxiliary technologies not commercially available may still be eligible for funding. However, applicants must use matching funds to support auxiliary technologies not commercially available in California.

Projects that include auxiliary technologies not commercially available must describe in detail those technologies and their application to the project in the Project Narrative, and if applicable, in additional sections of the grant application (e.g. Environmental Benefits and Additional Co-Benefits). All technologies employed in the project must fulfill their respective permitting requirements.

5. Will Regional Water Boards expedite the permitting process for these projects?
CDFA is unable to provide commitment for permitting processes implemented by the Regional Water Boards. Applicants should direct questions regarding permitting processes to their respective Regional Water Board.

6. Does the environment quality protection regarding double lining of lagoons apply to all storage lagoons on the dairy, or only to the digester lagoon?

Lining requirements are specific to the digester lagoon. See Additional Guidance: Project Requirement on Water Quality Protection (page 24) in the Request for Grant Applications.

7. For environmental protection compliance, are steel tank digester vessels an acceptable design?

A Steel tank digester vessel is considered an alternative digester vessel, and therefore, may be accepted.

See Additional Guidance: Project Requirement on Water Quality Protection (page 24) in the Request for Grant Applications.

8. If the California Regional Water Quality Board has already approved the design of an in-ground concrete tank without a liner and one is already installed in the state, do applicants still need to install a liner to meet DDRDP ground water requirement?

Above-ground and below-ground concrete digester vessels will be considered protective of water quality provided they are designed to be water tight and built in accordance with a strict construction quality assurance (CQA) program. See Additional Guidance: Project Requirement on Water Quality Protection (page 24) in the Request for Grant Applications.

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9. If an engine is currently partially functional, can a project propose to double the emissions reduction?

No, DDRDP grant funds **cannot** be used for upgrades to existing, functional digesters to simply boost emission reductions. (See page 5 of the Request for Grant Applications for detailed information regarding project requirements.)

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10. What is the distinction between pre-commercial and commercial technologies?
Please see page 35 of the Request for Grant Applications for specific definition of commercially-available technologies. To be eligible for DDRDP funds, technologies employed in proposed projects must be commercially available in California.
11. Are you accepting applications for sustainable competing technologies (i.e. wet waste gasification) which also process dairy manure?
No. The objective of this program is to provide financial assistance for the installation of dairy digesters (also known as anaerobic digesters or bio-methane digesters) in California, other technologies are not currently eligible for funding.
12. Can applicants include greenhouse gas reductions from food waste in the greenhouse gas emission calculation provided in the grant application?
No, the DDRDP is specific to dairy cattle. The California Air Resources Board Compliance Offset Protocol for Livestock Projects referenced in the Request for Grant Applications accounts for greenhouse gas emissions reductions associated with the installation of a biogas control system for manure management of dairy cattle and swine farms.
13. If a project includes Renewable Natural Gas production, does the DDRDP have a requirement that specifies how to use CO₂ that has been removed from bio-methane during the clean-up process?
No, the DDRDP does not specify a specific use for CO₂ that has been removed from bio-methane. However, applicants must describe in detail all proposed uses for that CO₂ in the Project Narrative, and if applicable, in additional sections of the grant application (e.g. Environmental Benefits and Additional Co-Benefits).

COST SUMMARY

February 5, 2015

1. What project costs should be identified in the “Matching Funds” column of the Cost Summary?
The “Matching Funds” column should identify and itemize project costs that will be covered by matching (cash) funds.

MATCHING FUNDS

February 5, 2015

1. CDFA defines matching funds as “a portion of project costs not borne by the funding source.” Does the “funding source” refer to CDFA?
Yes. For purposes of this program, matching funds are considered project costs not covered by CDFA.
2. If an applicant has **secured** a grant from another State or Federal program, are those separate grant funds considered “matching funds” for the proposed DDRDP project?
Yes, grant funds received from another State or Federal program are considered matching funds. Applicants must identify the project costs that will be covered by other State or Federal grant funds in the Cost Summary under the “State/Federal Funds” column. Also,

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applicants must include additional information regarding the other State or Federal funding sources, including the program name, at the bottom of the Cost Summary under “Additional description of project costs.”

3. If an applicant has applied to another State or Federal grant program, but has not been notified if they received an award, will CDFA also consider those pending awards “matching funds” for the proposed DDRDP project?
Yes, CDFA will take into consideration any pending State or Federal grant awards. Applicants must still identify the project costs that will be covered by other State or Federal grant funds in the Cost Summary under the “State/Federal Funds” column. Also, applicants must provide the program name and the status of their pending awards at the bottom of the Cost Summary under “Additional description of project costs.”
4. The Matching Funds section in the Request for Grant Applications states, “Activities funded under the DDRDP cannot duplicate tasks of the project work funded by another Federal or State program.” What does CDFA mean by “duplicate tasks”?
CDFA cannot fund project costs or tasks funded by another Federal or State program. In other words, applicants cannot “double dip” by requesting CDFA to cover project expenses or tasks already funded by another Federal or State program.
5. Can unallowable costs for the DDRDP be considered as matching funds to the proposed project?
Yes, unallowable costs for the DDRDP can be considered as matching funds to the proposed project.
6. Can an applicant expend all matching funds committed to the project prior to the CDFA project term (July 1, 2015 – June 30, 2017)?
Yes. However, applicants must provide financial supporting documentation to substantiate all expenditures committed to the project prior to the CDFA project term.
7. Are pre-development costs incurred prior to the CDFA project term considered in-kind contributions?
Yes, pre-development costs incurred prior to the CDFA project term (before July 1, 2015) are considered in-kind contributions to a project.
8. If applicants are eligible for tax or utility credits as a result of their project, are those anticipated credits considered matching funds?
No, anticipated tax or utility credits are not considered matching funds for proposed projects.

POST AWARD

February 5, 2015

1. Will DDRDP grant recipients be required to comply with the California Labor Code and Public Contract Code, which includes prevailing wage?
The grant recipient and CDFA will enter into a grant agreement which is not subject to prevailing wage requirements. CDFA will comply with all necessary California laws to the extent that they apply to grant agreements. Grant recipients must comply with their own organization’s policies and procedures.

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2. When are grant recipients required to submit the annual 10 year greenhouse gas emissions report to CDFA?
Once the digester becomes functional, CDFA will require grant recipients to begin submitting the annual 10 year greenhouse gas emissions report.
3. How often will grant recipients receive reimbursement for project expenditures?
Grant recipients must submit quarterly invoices for reimbursement for project expenditures.