

**2017 CDFA ALTERNATIVE MANURE MANAGEMENT PROGRAM (AMMP)
QUESTIONS AND ANSWERS (Q&A)
Updated September 27, 2017**

GENERAL QUESTIONS

1. Are there composting "standards" that must be adhered to that dairy producers must meet if they are awarded funding through AMMP for manure composting projects?

AMMP funded projects must comply with all applicable composting standards and permitting requirements. Composting standards are regulated by CalRecycle. Visit this website for more information: <http://www.calrecycle.ca.gov/Organics/Products/Quality/CQStandards.htm>

2. Why does composting have to be in-barn and not in-freestall?

Composting can be in-freestall as long as the applicant demonstrates methane GHG reductions from the baseline scenario. AMMP funds must be used to go from a wet/flushed system to a dry manure management system. To be eligible, the current baseline manure management practices must include the anaerobic decomposition of volatile solids stored in a lagoon or other predominantly liquid anaerobic environment, and the proposed project must transition the management of liquid anaerobic decomposed manure to a dry system in order to achieve methane reduction.

3. How does the California Department of Food and Agriculture (CDFA) handle confidential financial information and who has access?

CDFA will determine what information provided by applicants is confidential under the California Public Records Act (Governmental Code 6250, et seq.) and related statutes definition of "confidential or proprietary information." The Request for Grant Applications (RGA) Appendix C: Confidential Information directs applicants to clearly mark, on each page "confidential/proprietary information" on those documents they feel contain confidential or proprietary information. However, marking documents as "confidential/proprietary information" will not necessarily result in their being treated as confidential if they are not exempt from disclosure under the California Public Records Act.

CDFA treats the applicant's financial documentation as confidential and restricts access (e.g. password protected files) to specific authorized individuals, such as Certified Public Accountants in the CDFA Audit Office in order to conduct the Financial Soundness Review.

4. Do all the permits mentioned in the Financial Assistance Application Submittal Tool (FAAST) apply to all dairies in various counties?

Permits are determined by project design and will vary depending on scope and location of the project.

5. Who would be considered the California Environmental Quality Act (CEQA) lead agency?

CEQA lead agencies vary depending on the type and location of the project and may include but is not limited to the local Air District, Water Board or County Planning Commission.

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6. Getting all required permits within six months of executing grant agreement can be a challenge. Can the permits be in the process of getting obtained within these six months, or do they have to be fully obtained?

Award recipients are expected to have obtained permits within six months of the executed grant agreement. Project readiness is a key component to achieving methane reductions and is part of the scoring criteria. Applicants are advised to check with their local permitting authorities for more information.

7. Is there flexibility to get funding for practices other than those listed in the RGA?

2017 AMMP will only fund practices listed on page 6 of the RGA, which were selected based on best available scientific data and ability to calculate and quantify methane reductions using the California Air Resources Board's Greenhouse Gas Quantification Methodology for the CDFA AMMP (QM) and the AMMP GHG Emission Reduction Calculator (QM Tool), available at:

<https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/quantification.htm>.

8. Will CDFA reimburse applicants for permitting or post-project GHG emission reduction reporting costs?

Costs associated with permitting and post-project GHG emission reduction reporting cannot be reimbursed by CDFA as outlined in page 10 of the RGA.

9. Will projects be ranked by greenhouse gas (GHG) emission reductions? How are smaller dairies with lesser total GHG reductions able to compete for funding in this program?

GHG emission reductions are compared with different metrics which include (a) total project emission reductions over 5 years, (b) GHG reduction per unit of energy-corrected milk (ECM) produced by the dairy operation over 5 years, (c) GHG reduction per animal, (d) GHG reduction per dollar 2017 AMMP grant money requested over 5 years, and/or (e) GHG reduction per dollar total Greenhouse Gas Reduction Fund (GGRF) grant money requested over 5 years. Evaluating GHG per unit ECM normalizes for herd size (i.e. dairy size) and cow breed for dairy applicants. Projects are ranked based on their overall scores out of 100, of which GHG emission reduction criteria accounts for 35 points. See Appendix E: Detailed Scoring Criteria in the RGA on pages 26-28.

10. Will CDFA provide a template for annual reports?

Yes, CDFA will provide a template for annual report submittals.

11. How are disadvantaged communities identified?

Disadvantaged communities were identified by the California Environmental Protection Agency (CalEPA) using a tool called [CalEnviroScreen3.0](#) developed by the Office of Environmental Health Hazard Assessment (OEHHA) that assesses all census tracts in

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California to identify the areas disproportionately burdened by and vulnerable to multiple sources of pollution. More information on CalEPA's designation of disadvantaged communities is available here: <https://calepa.ca.gov/envjustice/ghginvest/>. A tool to determine whether a given location has been designated as a disadvantaged community by CalEPA, or as a low-income community based on the definitions used in AB 1550, is available here:

<https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/lowincomemapfull.htm>.

12. Do applicants need to determine the full cost of the project before applying?

Yes. The budget worksheet should be complete with all relevant costs for the project, including committed matching funds, if applicable. The total grant request must not exceed \$750,000.

13. Is an example scenario of an eligible project available?

Refer to Appendix A (beginning on page 21) in the QM for several examples of project scenarios eligible under AMMP that have been included to assist applicants in using the QM Tool.

14. If there are cows that are in freestalls during the winter and at pasture during the summer, how would this be accounted for in the QM tool?

In the QM Tool, applicants indicate what percent of manure is deposited, stored and/or treated in various areas of the livestock operation on an annual basis. The QM Tool helps applicants to determine these values by having applicants input the average time of the year animals spend at pasture, as well as identifying how other manure is collected and stored or treated. Refer to Example 1 provided in Appendix A on page 21 of the QM for an example of how this is done for a project proposing to install a compost-bedded pack barn.

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15. If rejected during the administrative review process, can an applicant appeal the decision and/or change the application? Can unsuccessful applicants apply again?

Applicants may exercise their right to appeal if their application is disqualified during the administrative review. For specifics on the appeals process, refer to page 17 of the RGA. Unsuccessful applicants may apply for future grant solicitations.

16. What does post-project reporting look like and will a template be provided?

Post-project reporting requirements will be finalized based upon the [CARB Funding Guidelines for Administering Agencies](#) and may include data such as weeks per year livestock spent at pasture before and during reporting period, and/or confirmation that solid separation or dry scrape technology is operational and being utilized. CDFA will provide award recipients the required reporting templates. Refer to page 22 of the RGA for more information on the Post-Project Completion Requirements for grant recipients.

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17. How detailed does the application have to be? Is it possible to extend the deadline for submission?

CDFA encourages the applicants to submit an application with as much detail as possible. Detail and accuracy of the information submitted may increase the likelihood of a proposed project being scored highly during the review process. CDFA is unable to extend the submission deadline. All applications must be submitted in FFAST no later than 5:00 PM on ~~October 2, 2017~~ **October 16, 2017**. As stated in the RGA no late submissions will be accepted.

18. Does work associated with the project need to be completed by licensed contractors and are there building or construction specifications that must be met?

CDFA does not require work to be performed by a licensed contractor. However, applicants must ensure that their project is in compliance with all state and local building and construction specifications.

19. What do the measurable project milestones look like?

Measurable project milestones are intended to determine whether the goals/objectives of the proposed project were accomplished. An accurate and up-to-date work plan is a key component of these deliverables. CDFA has provided a Work Plan Template that must be completed and uploaded prior to submission of the application. CDFA will provide award recipients with a template for progress reports.

20. If equestrian operations don't have many permitting requirements, are they eligible for funding?

Permitting requirements will vary depending on type, scope and location of the project. If certain permits are not applicable to a project, documentation may not be required. Equestrian operations are considered "livestock" under 2017 AMMP and may receive funding if eligible manure management practices are proposed. Applicants must ensure to determine which permitting requirements are applicable to their projects and include this information in their application.

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21. Will funded projects be eligible for carbon credits?

At this time, the CARB Compliance Offset Program that is part of the Cap-and-Trade Program does not include AMMP projects as an eligible project type. CDFA cannot comment as to potential eligibility in other voluntary carbon offset programs.



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GHG REDUCTION ESTIMATION

1. What manure management practices produce the most GHG emission reductions?

Applicants are encouraged to determine which practice(s) work best for their project and then calculate the associated GHG emissions. Numerous factors can impact a project's GHG emission reductions. In general, the greater the amount of manure a project diverts from management in a wet anaerobic system (e.g., lagoon, storage pond, etc.) to management in a predominately dry system (e.g., composting, open solar drying, land application, etc.), the greater the GHG reductions will be through avoiding methane production in anaerobic environments.

2. Do the QM and QM Tool consider temperature and humidity?

The QM and QM Tool account for temperature (via monitoring stations in each county) in modeling methane emissions and emission reductions. The QM does not account for humidity.

3. Is the energy cost for consumption related to the manure collection only at the facility and not for spreading? How would the energy cost be accounted for in a daily spread operation?

When accounting for fuel use in the QM Tool, estimate the amount of fuel used both for collection and spreading of manure on an annual basis for the current practices (baseline) based on available data, and estimate how this will change as a result of the AMMP project. Applicants do not need to have exact data, but may use the best available data to make estimates.

4. Do all cows need to be counted, or only those that are contributing to the collected and/or wet system?

Only livestock numbers for which manure management will be affected by the AMMP project are included within the project boundary. Other livestock categories that are managed in other areas and for which manure management practices will not change may be excluded (see page 9 of the QM for details).

5. Is there a minimum number of days an operation must increase livestock on pasture?

No. Applicants must determine the scenarios that will help them best achieve GHG emission reductions feasible on their operations.

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6. What weight will various GHG metrics (total, ECM, per GGRF funds) have on the 35 points in the GHG reduction scoring criteria?

The GHG emissions reduction criteria is a comprehensive scoring criteria intended to evaluate the credibility and reasonableness of the overall GHG emissions reduction estimation. These

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considerations include but are not limited to completeness of the calculation, justifications, and assumptions provided to support inputs to the QM Tool; and, if the practices and technologies proposed will be able to achieve the GHG reductions estimated and are compatible with the dairy operation. All GHG metrics requested in the application will inform this comprehensive evaluation. Reference page 26 of the RGA “Detailed Scoring Criteria” for more information.

7. If using project-specific data (and not default values listed in the QM), what sort of supporting documentation needs to be submitted?

For a list of acceptable documentation required when using project-specific data, refer to page 18 of the QM.

8. If applicants have specific questions about the QM tool related to their proposed projects, how can they get assistance?

Applicants are encouraged to attend a Technical Assistance Workshop being offered by a variety of providers for one-on-one guidance. A list of available workshops are available on the 2017 AMMP website at: <https://www.cdfa.ca.gov/oefi/AMMP/>. In addition, applicants can contact the California Air Resources Board (CARB) at GGRFProgram@arb.ca.gov for specific QM tool related questions.

9. What is the method used for testing the methane emissions from dairy ponds, the best practice for collection the methane test procedure and labs used?

2017 AMMP does not require the applicants to collect gas samples and quantify methane in the samples using laboratory techniques. This program instead relies on a modeling based approach outlined in the QM and QM Tool and requires applicants to provide relevant input data in the QM Tool. The modeling approach utilized in the QM is adapted from the [CARB Compliance Offset Protocol – Livestock Projects \(2014\)](#).

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10. How are emission reductions calculated for non-dairy and other livestock operations?

The QM and QM tool use factors specific to each livestock category in GHG calculations for average mass, volatile solids excretion rate, and maximum methane production potential. Other equations and underlying models are common to both dairy and non-dairy livestock operations. All equations and assumptions are detailed in the Quantification Methodology document available at: www.arb.ca.gov/cci-quantification. All projects will calculate total GHG reductions over 5 years, GHG reductions per dollar requested, and GHG reductions per animal. Dairy applicants have an additional metric for GHG reductions per unit energy-corrected milk production that does not apply to other livestock operations.

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11. Can more than one manure management practice be quantified using the QM tool?

Yes, however applicants must identify a primary practice. The QM Tool allows applicants to account for how manure is stored and/or treated in various practices in both the current (baseline) conditions and proposed project conditions. For instance, Example 3 in Appendix A of the QM document (page 32) shows how scraped solids for a scrape conversion project may be apportioned between both open solar drying and solid storage when two treatment/storage practices are used.

12. How are the default values/percentages determined in the QM tool?

The default values/percentages are derived from peer-reviewed literature based on the best available science. The source of each factor or explanation of its derivation is included in the QM document available at: www.arb.ca.gov/cci-quantification.

13. If the baseline scenario uses a simple stationary screen and the project adds an advanced separator, does the QM tool assume the stationary screen was removed completely and replaced with the advanced separator? What if the stationary screen is still in place?

The default solid separation values in the QM Tool are for a single solid separation technology and do not account for multiple solid separators. However, the Tool allows applicants to input non-default project specific values; appropriate documentation and justification should be included in the application when non-default values are used.

ELIGIBILITY

1. Can project work start earlier than February 1, 2018?

CDFA cannot reimburse for costs expended before February 1, 2018 or after January 31, 2020.

2. Are mechanical separators an allowable cost?

Yes. A variety of solid separation technologies are eligible. Refer to page 55 in the QM for a list of mechanical solid separation technologies that may be implemented.

3. Are barn scrapers eligible?

Yes. Scraper systems that are eligible include a vacuum truck, automated/electric systems or mobile equipment with scraper attached. Please refer to the Baseline and Project Manure Collection drop-down cells in the Project Data Inputs tab of the QM Tool for a list of scraper systems that may be implemented.

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4. Should the engineering plans for the project be completed before submitting the application?

CDFA encourages applicants to develop a comprehensive plan and design for their projects prior to submitting their application, including GHG emission reduction calculations and permitting information. Applicants must determine if the extent of their plan is sufficient to provide the information requested as part of their application. If awarded, grant recipients are expected to comply with CEQA and all applicable permitting within six (6) months of the execution of the grant agreement.

5. If the baseline scenario at an operation were a dry manure management system and the project is also a dry manure management system, would this scenario be eligible for funding?

To be eligible, the current baseline manure management practice(s) must include the anaerobic decomposition of volatile solids stored in a lagoon or other predominantly liquid anaerobic environment, and the proposed project must reduce methane emissions. Increasing the amount of time livestock spends at pasture is eligible if this results in reducing methane emissions.

6. Is a weeping wall an eligible solid separation technology under the AMMP?

Yes. Refer to the Baseline and Project Solid Separation drop-down cells in the Project Data Inputs tab of the QM Tool for a list of solid separation technologies that may be implemented.

7. For pasture-based projects, what are the allowable costs when considering conversion to pasture? For example, is the conversion of a bare field or silage field to pasture eligible?

Applicants must best determine how to convert their existing operation to pasture and determine GHG emissions reductions achieved using the QM Tool. Costs that are necessary and indispensable for project implementation would be allowable. Refer to Allowable and Unallowable Costs (page 10) in the RGA for details. Specifically, expenditures for purchasing or leasing land or buildings is not an allowable cost under the 2017 AMMP.

8. Is constructing a covered area to keep scraped manure dry during winter months an eligible practice?

Yes, if construction of a covered area will keep scraped manure solids drier during winter months and prevent them from entering a lagoon, pond, or other anaerobic system, this would be an eligible practice. Applicants must appropriately characterize baseline and project in the QM Tool. When there is some storage of manure in areas with minimal addition of water that leads to liquid slurry conditions, this practice should be identified in the QM Tool.

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9. Is a project that plans to switch from one livestock category to another (for example, from a milking cow operation to a heifer ranch) eligible for funding? How would an applicant enter this in the QM Tool?

CDFA has found that changing livestock types impact baseline GHG emission values. The QM Tool allows applicants to enter livestock categories only once in the baseline manure management section. Applicants must evaluate if changing a livestock category and their respective population sizes will change the baseline GHG emissions from the project using information provided in the QM. CDFA AMMP cannot fund projects on dairy or livestock operations that result in increased baseline GHG emissions under existing (i.e. pre-project) conditions.

10. Does the exclusion of digestate from funding only apply to an actual digester and not an existing anaerobic lagoon?

For the purpose of 2017 AMMP, digestate refers to material remaining after manure undergoes anaerobic digestion within a digester system.

11. Define closed solar drying.

Closed solar drying is defined as the drying of manure in an enclosed environment. Refer to tab 4 (Definitions) in the QM tool for more information on GHG emission reduction calculations applicable to the 2017 AMMP.

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12. Can award recipients change their manure management practices within the 5-year reporting period?

No. If awarded, grant recipients are expected to maintain their AMMP funded project for a minimum of 5 years after the project has been completed for required GHG reporting.

13. Can award recipients expand their operation during the reporting process?

CDFA has found that changing herd size impacts baseline GHG emission values. Applicants must evaluate if changing herd size will change the baseline GHG emissions from the project using information provided in the QM. CDFA AMMP cannot fund projects on dairy or livestock operations that result in increased baseline GHG emissions under existing (i.e. pre-project) conditions.

14. Can multiple applications by one facility/operation be submitted for different technologies?

No. Each grant application must represent an individual project at a unique project site (i.e. dairy or livestock operation). However, centralized manure management facilities that serve more than one dairy or livestock operation (e.g. a centralized composting facility) would be eligible to apply. For more information, refer to page 7 of the RGA.

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15. Are feed supplements that reduce methane eligible for funding?

No. Projects must implement one of the manure management practices listed on page 6 of the RGA to be eligible for 2017 AMMP.

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16. If an applicant already has solid separation in place, can they add to it?

Yes, as long as the addition of further solid separation will result in GHG emission reductions through reducing the amount of manure managed in a wet anaerobic system.

FUNDING

1. Can a new technology demonstration be funded?

No. Demonstration projects are not eligible for funding under the 2017 AMMP.

2. Can other federal or state funds be used as match?

Yes. However, duplicate equipment or activities that will receive funding from a different state or federal funding source are not an allowable cost under the 2017 AMMP.

3. If a dairy operation receives 2017 AMMP funding and decides to install an anaerobic digester in the future, would it be eligible to receive funding from the CDFA Dairy Digester Research and Development Program (DDRDP)?

Projects receiving funding from AMMP are ineligible to receive additional grants from the DDRDP as long as the CDFA programs are operational.

4. If a project is selected for funding, are there limitations in moving funds identified on the Budget Worksheet between cost categories?

There is no threshold for moving costs from one allowable cost category to another. However, grant recipients will be required to notify CDFA in advance and obtain prior approval before moving costs between allowable cost categories (e.g. Personnel Costs to Equipment Costs). Please note: Design and engineering costs cannot exceed five percent of the total amount requested for an AMMP project. Refer to page 10 of the RGA for more information on allowable costs.

5. Does the reimbursement process consist of submitting invoices?

Yes. For more information, refer to page 21 of the RGA (Appendix B: Grant Recipient Requirements).

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6. Will costs for roof structures or structures other than those for a separator be allowed?

Costs deemed necessary and indispensable to a project are allowed and must be listed in the budget worksheet. Refer to the list of Allowable and Unallowable Costs on pages 10 of the RGA.

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7. Is there a minimum score/threshold that needs to be met in order to qualify for funding?

There is no minimum score identified that projects must receive to qualify for funding.

8. Can the funds be used for the construction of buildings (e.g. housing for a separator) or for machinery (e.g. tractor or composter) needed for a composting operation?

Direct costs and expenses (such as equipment, design and engineering costs) for implementing the project are allowed. Refer to page 10 of the RGA for a list of allowable costs.

9. Will applications that include matching funds receive a higher score?

No, applications with matching funds will not receive a higher score. However, CDFA strongly encourages applicants to contribute matching funds as additional consideration will be given to these projects when like-projects receive the same score.

10. Will CDFA reimburse a recipient for labor costs?

Labor for the installation of the project and contractor fees for specific and identifiable services that are directly related to project implementation are allowed. Refer to page 10 of the RGA for more details.

11. In the 2017 AMMP Timeline it states that Project implementation begins February 2018. When will recipients begin to receive payments?

Once a grant agreement is executed, grant recipients must submit quarterly invoices to CDFA for reimbursement of project costs. For example, if a grant agreement is executed on February 1, 2018 the quarterly period would end on April 30, 2018 and the invoice must be submitted to CDFA for reimbursement by May 31, 2018. Refer to page 21 of the RGA for more details.

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FAAST APPLICATION

1. Can you use a smartphone or a tablet to fill out the FAAST application?

The SWRCB has only tested FAAST on Windows-based personal computers utilizing Internet Explorer 6.0 or higher. CDFA encourages applicants to adhere to the computer system requirements outlined in the [FAAST: Frequently Asked Questions \(FAQs\)](#) to ensure that your proposal is properly submitted through the FAAST system.

2. Can an applicant revise applications already submitted through FAAST?

Applicants may contact the State Water Resources Control Board (SWRCB) to have their submission returned for resubmittal as long as the request is made before the application deadline (~~October 2, 2017~~ **October 16, 2017**). Applicants must allow sufficient time for the SWRCB personnel to return their submitted application, make any changes and resubmission. Refer to page 7 of the [FAAST: Frequently Asked Questions \(FAQs\)](#) for more information.