

Dr. Amrith Gunasekara Office of Environmental Farming & Innovation California Department of Food and Agriculture 1220 N Street Sacramento, CA 95814 December 17, 2021

RE: AMMP Draft RGA Comments

Dear Dr. Gunasekara,

Thank you for the opportunity to provide comments on the draft Request for Grant Applications (RGA) for the Alternative Manure Management Practices (AMMP) program.

We support many of the proposed changes to the Request for Applications (RGA), including the addition of new solid separation technologies, clarifying that projects must be located in California, and more.

We would like to see the total funding allocation for the program specified in the RGA. The legislature gave a clear direction that they want AMMP projects prioritized in this next funding round. We support no less than 50 percent of the dairy methane funds going to AMMP projects given the high producer demand for the program and the multiple environmental and public health co-benefits of the projects.

We also want to reiterate our ongoing request that the meetings of the Dairy Methane Technical Advisory Committee be held publicly. To date, the Dairy Methane TAC has not held public meetings, which is most unusual for a state advisory committee for publicly funded programs. We ask that this change in 2022 with all of the TAC meetings becoming public, including all the typical Bagley-Keene Act notifications of those meetings and posting of TAC membership. We also ask that CDFA include on the TAC those familiar with pasture-based systems in addition to traditional confinement operations.

Below we offer additional comments on the draft RGA for your consideration. We look forward to discussing this further with you.

Sincerely,

Jeanne Merrill, Policy Director, California Climate & Agriculture Network

Rebecca Spector, West Coast Director, Center for Food Safety

David Runsten, Policy Director, Community Alliance with Family Farmers

Jo Ann Baumgartner, Director, Wild Farm Alliance

cc: Virginia Jameson, Deputy Secretary, CDFA

Comments:

1. Ensure Ongoing Reporting of AMMP Applications and Outcomes.

We note that CDFA proposes keeping some of the California Climate Investments (CCI) requirements, such as prioritizing projects that provide benefits to priority populations, which we support. However, CDFA is proposing dropping other beneficial aspects of CCI requirements, including the posting of AMMP applications (see page 23). We strongly urge CDFA to continue the practice of publicly posting *all* (funded and not funded) AMMP applications with their project summaries and funding requests on the program website. This will not only help AMMP applicants to better understand how others are proposing to use AMMP funds but it is also important for the public's understanding of the reach and demand for the program. Similarly, we support the ongoing reporting of program outcomes as described on pages 30-31 by restoring the language that is currently in strike-out. Building confidence in a public program requires transparency and good reporting, as required by the CCI. CDFA should follow these practices, regardless of the current or future funding source for the program.

2. Clarify Critical Project Review Milestones and Process.

We would like greater clarity on the Critical Project Review process as described on page 30. CDFA can terminate the grant agreement with a producer and require returning of all funds if the "grant project is not meeting and is unlikely to meet certain milestones." But nowhere in the draft RGA does CDFA provide any detail on what those milestones may be nor is there any process described for the grant awardee to appeal CDFA's decision to terminate their grant agreement. We request that CDFA make clear what those project milestones may be, both in general in the final RGA and in more specific detail in the individual grant agreements. We also support the ability of producers who may have their grant agreement terminated to seek an appeal of the termination to be reviewed by the Secretary of Food and Agriculture. AMMP projects are costly endeavors and termination of the grant agreement is a serious measure. Giving awardees an opportunity to appeal their termination and get their projects back on track within a specified timeframe will not only support stronger project development but can create goodwill between CDFA and the producer community.

3. Increase AMMP Funding, Allocate 50 percent of FY 2021-22 Funds.

To meet the legislative requirement that CDFA prioritizes AMMP funding this year, we request that no less than 50 percent of the dairy methane program funds go to AMMP projects.

We understand from CDFA staff that how the department determines the division of funds among the two dairy methane programs, AMMP and the Dairy Digester Research & Development Program (DDRDP), is based on program impact. CDFA argues that digesters have a greater benefit than AMMP projects because digesters achieve a greater methane reduction. This analysis is based on some problematic assumptions, including the longevity of the digester technology.

As CDFA considers how to divide the \$32 million in available funding for dairy methane projects in FY 2021-22, we urge the department to re-consider the current measure of impact across the programs. For example, CDFA calculates the GHG emission reduction impacts from AMMP projects on a 5-year project basis whereas the DDRDP projects are calculated on a tenyear basis. This difference in timeframe makes it difficult to compare AMMP and DDRDP impacts. A similar timeframe for measuring GHG emissions reductions is needed across the two programs to accurately compare their impacts.

For example, an analysis conducted by Sustainable Conservation found that when the GHG reductions associated with AMMP and DDRDP projects were considered across similar timeframes, the two main project types under AMMP – solid separation and flush-to-scrape conversion - had lower estimated costs per metric ton of CO2e (both under \$20/MTCO2e) compared to digester projects which ranged in the \$30-40 /MTCO2e average. Only compost pack barns were higher at about \$50/per MTCO2e, though this cost did not consider the CO2e sequestration benefits of applying compost from compost pack barns to grazed pastures. GHG emission reduction is just one of several potential measures of program impact and effectiveness.

Additionally, AMMP outperforms DDRDP on geographic impact. AMMP projects are much more accessible to the average dairy and livestock producer than the capital-intensive digester projects. As a consequence, AMMP projects can be found now in 13 counties while digesters are in only 7 counties. (We note that many more AMMP applicants are turned away from program funding compared to those applying for DDRDP).

The longevity of digester projects also remains unknown, calling into question the long-term impact of state investments. Early in the DDRDP, digester developer contracts did not guarantee the technology's lifespan beyond ten years, which suggests that some of the early digester projects may need to be replaced before the year 2030. Newer contracts have extended the life of current digesters to 20-25 years but that still raises the question of the role of the state in funding new digesters to replace old systems. The AMMP projects are not subject to such technology uncertainties as they are using less complex and more easily maintained and repaired project components.

Finally, many communities remain concerned about digester impacts on air and water quality. AMMP projects have been found to be more beneficial and less controversial among impacted communities.

AMMP is a more cost-effective and far-reaching investment than dairy digesters. Thus, we urge CDFA to invest no less than 50 percent of the FY 2021-22 funds for dairy methane into AMMP projects.

4. Incentivize Improved, Methane-Reducing Pasture-based Systems.

AMMP has not successfully incentivized pasture-based systems. To better address the needs of dairies and livestock operations that include pasture in their management, we suggest that CDFA offer the option to fund a pasture-based management plan and related infrastructure, Which supports improved management will reduce methane emissions.

The plans can be developed in conjunction with a Technical Assistance provider (e.g. UC Cooperative Extension, NRCS, RCDs, etc.). The plans may include extending the time animals are on pasture but also related pasture management that can improve access to high-quality forage, making it possible to extend the time animals are pasture-fed and not collecting manure in lagoons where methane is generated. By combining plan development with infrastructure purchase (e.g. watering stations, fencing, lanes for cattle) we think it more likely that grass-based producers will take advantage of the program and help meet its desired climate outcomes.

5. Support Best Management Practices for Compost Bedded Pack Barns - Request Webinar on the Issues

CDFA's proposed addition to the draft RGA that producers who want to install a compost bedded pack barn follow best management practices. While the article links on these issues are helpful, we think it is more likely that producers will be aware of and able to follow BMPs for the compost bedded pack barns if CDFA offers outreach and education on these issues. One option could be that CDFA co-host with UCANR and other partners a webinar (or two) on compost bedded pack barns and related BMPs, inviting past and current AMMP applicants to participate. This could occur right after AMMP awards are announced, working with dairy partners to find a time of the day and month that might work best for producers. We fully support the improved implementation of this practice so that the state-funded compost bedded pack barns remain viable well beyond the 5-year contract term.

6. Allow for 90 Day Application Period

The feedback we have received from TA providers who work with AMMP applicants is that the 90-day application period once offered by CDFA allowed for improved application development, compared to the 60-day application period. These are complex projects that benefit from good discussion and back and forth between applicants and their TA providers to strengthen AMMP proposals. Thus, we request a 90-day application period.

WESTERN**UNITED**DAIRIES

December 17, 2021

Karen Ross Secretary of Agriculture California Department of Food and Agriculture 1220 N Street Sacramento, CA 95814

Regarding: Draft Request for Grant Applications

Dear Secretary Ross:

Western United Dairies (WUD) appreciates the opportunity to provide comments on the Request for Grant Applications for both the Dairy Digester Research and Development Program (DDRDP) and the Alternative Manure Management Program (AMMP). WUD is the largest dairy farmer trade association in California, with members located throughout the state from Del Norte County to Southern California. Our members farms vary from pasture based organic dairies to conventional dairies. These two programs (AMMP and DDRDP) help dairies of any size and production style to reduce their manure methane emissions to help meet California's ambitious greenhouse gas emissions goals.

With the passage of SB 1383 (2016) California set a target for livestock and dairy manure methane emissions to be reduced by 40% by 2030. This is a major reduction to be achieved in a short period of time. Fortunately, the State was serious about meeting the target and funded the DDRDP and AMMP to incentivize reductions. These programs have been tremendously successful and livestock and dairy manure methane emissions have been significantly reduced in just a few years. We are on our way toward meeting our goals due to the cooperative nature of the State incentives and the livestock and dairy operators to implement changes on their operations. WUD supports CDFA's implementation of these programs and the Request for Grant Applications (RGA) for both programs.

WUD appreciates the inclusion of additional technologies into the AMMP RGA. There are a variety of different technologies that achieve the State's GHG goals, and it is important that they be available for funding. However, it is just as important that the technologies are vetted as effective and durable before being allowed into the program. CDFA followed a clear process in accepting additional technologies and WUD supports that process and their inclusion into the RGA.

Both RGAs also have a strong focus on benefiting priority populations. These projects should benefit their communities and the RGAs ensure this is the case with the outreach and community

WESTERN**UNITED**DAIRIES

engagement requirements and points awarded for benefits to the communities. In addition to methane emissions reductions these projects also improve air and water quality near the operations that implement them. These projects also create jobs, both short term construction jobs and long-term jobs. These jobs help communities improve their quality of life.

WUD will continue to work with CDFA to help our dairies meet the State's goals in ways that are beneficial to all Californians. Dairies provide healthy, nutritious local products to benefit the health of our communities in addition to reducing our GHG emissions to benefit our global community.

Sincerely,

Paul Sousa, Director of Environmental & Regulatory Affairs Western United Dairies

December 17, 2021

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

Email: cdfa.oefi_ammp_tech@cdfa.ca.gov

CDFA,

I am a dairy producer in Marin County and I am interested in applying for an Alternative Manure Management Program grant. I will be applying for a project that will efficiently remove the manure from our barn. It will be able to operate on our existing solar rather than fuel power. The manure will then be separated from excess water. We will turn the manure into compost and be able to store it to use as fertilizer and apply it to our land to aid in plant growth and carbo sequestering.

I am glad to hear that you will be opening a new round of AMMP grants early in 2022, and that you will be prioritizing AMMP funding. This is very good news for smaller producers. There is a lot of interest in the program here in the North Coast, and in past grant rounds there has not been enough funding for everyone who applied. I also know that in previous years, most of the money has funded anaerobic digesters which won't work for our operation.

I understand that you haven't announced how much money will be available for AMMP, as you do with your other climate grant programs, and it's not clear how you will be prioritizing AMMP funding. Submitting the application takes a lot of time and money, and it would help producers decide whether to invest the time up front to apply if we have a sense of our chances of getting the grant. Will you fund all of the eligible AMMP applications before making any available for digesters, or just those that get a certain score, or will you use some other method? Or are you going to allocate most of the \$32 million budget to AMMP?

I hope that when you open the application period, you will include this information, and I encourage you to do everything you can to better meet the demand for the program.

Thank you for your consideration of this input, and for making the funding available for this program.

Sincerely,

Jessica McIsaac Neil McIsaac & Son Inc 805-234-2521 pasturefresheggs@gmail.com



December 21, 2021

Dr. Amrith Gunasekara Office of Environmental Farming & Innovation California Department of Food and Agriculture 1220 N Street Sacramento, CA 95814

RE: AMMP Draft RGA Comments

Dear Dr. Gunasekara,

Thank you for the opportunity to provide comments on the draft Request for Grant Applications (RGA) for the Alternative Manure Management Practices (AMMP) program. California Dairy Campaign supports many of the proposed changes to the Request for Applications (RGA), including the addition of new solid separation technologies, clarifying that projects must be in California among other aspects of the draft application.

As an organization representing dairy farmers of all sizes, California Dairy Campaign strongly supports funding for AMMP projects given the high producer demand and the multiple environmental and public health cobenefits for the projects. AMMP projects are practices dairy farmers are interested in adopting, but due to the volatility in milk prices paid and rising production costs, especially feed costs today, without AMMP grant funding dairy producers are not able to move ahead with these projects.

We request that the meetings of the Dairy Methane Technical Advisory Committee be held publicly. Thus far, the Dairy Methane TAC has not held public meetings, which prevents the state advisory committee from being open and transparent as is expected of a publicly funded program. We ask that this change in 2022 so that all of the TAC meetings are open to the public, including all the typical Bagley-Keene Act notifications of those meetings and posting of TAC membership.

Please find additional comments on the draft RGA for your consideration. We look forward to working with your on AMMP and other efforts to address climate change.

Sincerely,

Lynne McBude

Lynne McBride Executive Director California Dairy Campaign

cc: Virginia Jameson, Deputy Secretary, CDFA

California Dairy Campaign 325 Mitchell Avenue Turlock, CA 95380 (209)632-0885 www.californiadairycampaign.com

Comments:

1. Ensure Ongoing Reporting of AMMP Applications and Outcomes.

We oppose CDFA's proposal to stop posting AMMP applications. (see page 23). We strongly urge CDFA to continue the practice of publicly posting *all* (funded and not funded) AMMP applications with their project summaries and funding requests on the program website. This will not only help AMMP applicants to better understand how others are proposing to use AMMP funds, but it is also important for the public's understanding of the reach and demand for the program.

2. Clarify Critical Project Review Milestones and Process.

We would like greater clarity on the Critical Project Review process as described on page 30. CDFA can terminate the grant agreement with a producer and require returning of all funds if the "grant project is not meeting and is unlikely to meet certain milestones." But nowhere in the draft RGA does CDFA provide any detail on what those milestones may be nor is there any process described for the grant awardee to appeal CDFA's decision to terminate their grant agreement. We request that CDFA make clear what those project milestones may be, both in general in the final RGA and in more specific detail in the individual grant agreements. We also support the ability of producers who may have their grant agreement terminated to seek an appeal of the termination to be reviewed by the Secretary of Food and Agriculture. AMMP projects are costly endeavors and termination of the grant agreement is a serious measure. Giving awardees an opportunity to appeal their termination and get their projects back on track within a specified timeframe will not only support stronger project development but can create goodwill between CDFA and the producer community.

3. AMMP Funding

As CDFA considers how to divide the \$32 million in available funding for dairy methane projects in FY 2021-22, we urge the department to re-consider the current measure of impact across the programs. For example, CDFA calculates the GHG emission reduction impacts from AMMP projects on a 5-year project basis whereas the DDRDP projects are calculated on a ten-year basis. This difference in timeframe makes it difficult to compare AMMP and DDRDP impacts. A similar timeframe for measuring GHG emissions reductions is needed across the two programs to accurately compare their impacts.

An analysis conducted by Sustainable Conservation found that when the GHG reductions associated with AMMP and DDRDP projects were considered across similar timeframes, the two main project types under AMMP – solid separation and flush-to-scrape conversion - had lower estimated costs per metric ton of CO2e (both under \$20/MTCO2e) compared to digester projects which ranged in the \$30-40 /MTCO2e average. Only compost pack barns were higher at about \$50/per MTCO2e, though this cost did not consider the CO2e sequestration benefits of applying compost from compost pack barns to grazed pastures. GHG emission reduction is just one of several potential measures of program impact and effectiveness.

Additionally, AMMP outperforms DDRDP on geographic impact. AMMP projects are much more accessible to the average dairy and livestock producer than the capital-intensive digester projects. As a consequence, AMMP projects can be found now in 13 counties while digesters are in only 7 counties. Many more AMMP applicants were not awarded compared to those applying for DDRDP.

4. Support Best Management Practices for Compost Bedded Pack Barns - Request Webinar on the Issues CDFA's proposed addition to the draft RGA that producers who want to install a compost bedded pack barn follow best management practices. While the article links on these issues are helpful, we think it is more likely that producers will be aware of and able to follow BMPs for the compost bedded pack barns if CDFA offers outreach and education on these issues. One option could be that CDFA co-host with UCANR and other

California Dairy Campaign 325 Mitchell Avenue Turlock, CA 95380 (209)632-0885 www.californiadairycampaign.com partners a webinar (or two) on compost bedded pack barns and related BMPs, inviting past and current AMMP applicants to participate. This could occur right after AMMP awards are announced, working with dairy partners to find a time of the day and month that might work best for producers. We fully support the improved implementation of this practice so that the state-funded compost bedded pack barns remain viable well beyond the 5-year contract term.

5. Maximize Benefit to Disadvantaged Communities: We support the draft RGA recommendation to prioritize disadvantaged communities for AMMP grants fund awards We support CDFA's effort to ensure CDFA incentive programs are committed to maximizing benefits to DAC, low-income communities and low-income households.

6. Allow for 90 Day Application Period

Given the challenges dairy producers face in completing the extensive AMMP application, we support a 90-day application period once offered by CDFA allowed for improved application development, compared to the 60-day application period. These are complex projects that benefit from good discussion and back and forth between applicants and their TA providers to strengthen AMMP proposals. Thus, we request a 90-day application period.

California Dairy Campaign 325 Mitchell Avenue Turlock, CA 95380 (209)632-0885 www.californiadairycampaign.com From: Sent: To: Subject:

Susan Bianchi

bianchidairy@msn.com>

Tuesday, December 21, 2021 2:41 PM

CDFA OEFI Alternative Manure Management Program Tech@CDFA

AMMP Funding

CAUTION : [External Email] - This email originated from outside of our CDFA organization. Do not click links or open attachments unless you recognize the sender and know the content is expected and is safe.

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

From: Susan Bianchi, Secretary George Bianchi, Inc

Hello,

As a dairy producer in Sonoma County interested in applying for AMMP programs, I'm writing this letter to address just a few of my concerns and questions.

It's great news that you will be opening AMMP grants in 2022! My concern here lies with how the available funds will be directed. Will you be prioritizing anaerobic digesters for the largest portion of the funds?

The reason I ask is because digesters are not the best fit for our operation. We are very interested in applying for other programs funded under AMMP, but are hesitant to spend the time and money to submit the application if priority will be given to digester applications. If we had some idea about the chances of being granted funding for projects other than digesters, we would be most willing to invest in the application process.

While that is the main question for us, we also wonder about:

1. Will you fund all eligible AMMP applications before making funds available for digesters?

2. Do applications have to meet a certain score to get funded? If not, what is the method used?

3. We are concerned about the cost of projects going up in the time between grant and the actual start on construction of the project.

4. We believe we would need all of 90 days to complete the application. Would you ever consider modifying from 60 days?

These are just a few of our most pressing questions. Most importantly, we are a smaller dairy and it's much harder for us to compete with the digester projects, yet we want and need this funding for survival and for the health of our community.

We hope that you will clarify these points before opening the next application period. There is great demand for this program and we hope that improvements can be made to meet this demand.

Finally, we are so grateful for the opportunity to give input and thank you for making the funding available for this program. Thank you for considering our points of concern.

Sincerely, Susan Bianchi, Secretary George Bianchi, Inc 707-484-0507 Bianchidairy@msn.com

Sent from Susan's iPad

Robert McClelland Dairy

Robert and Jolynn McClelland 13200 Valley Ford Rd Petaluma, CA 94952 707-569-6581 jemcows@yahoo.com

December 16, 2021

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

Email: cdfa.oefi_ammp_tech@cdfa.ca.gov

Dear CDFA,

I am a dairy producer in Sonoma County who is interested in applying for an Alternative Manure Management Program grant. My husband and I run a 250-cow organic dairy. Our family has been dairy farming in the North Bay for generations, and we hope to give that opportunity to our young sons if they choose.

I am encouraged to hear that you will be opening a new round of AMMP grants in 2022, and that you will be prioritizing AMMP funding. This is very good news for smaller producers. There is a lot of interest in the program here in the North Coast, and in past grant rounds there has not been enough funding for everyone who applied. I also know that in previous years, most of the money has funded anaerobic digesters which won't work for our operation since so much of the year our cows are out on pasture and not locked up in loafing barns. During the grazing season our cows get the majority of their diet from pasture, and in the dry months when the grass is dormmate, we still put them outside to rest. We only make use of our loafing barns during periods of heavy rain which on average turns out to only be a couple months of the year. Our operation would not see the full benefits if we were to put in an anaerobic digester.

It is my understanding you have not announced how much money will be available for AMMP, as you do with your other climate grant programs. It is also not clear how you will be prioritizing AMMP funding. Submitting the application takes a lot of time and money, and it would help producers decide whether to invest the time up front to apply if we could have a sense of our chances of getting the grant. Will you fund all of the eligible AMMP applications before making any available for digesters, or just those that get a certain score, or will you use some other method? Or are you going to allocate most of the \$32 million budget to AMMP?

There are a couple of projects we are considering applying for an AMMP grant for. One is to replace our flush barn system in our loafing barn with mechanical scrappers. The other is to build a compost pack barn for our dry cows. Building a barn requires permits. In order to increase our odds at being awarded the grant, having the permit in hand would be ideal. However, without it being clear how much money and how projects will be prioritized ahead of time, it makes going through the permit process even less desirable if we do not know that we have a good chance of being awarded.

As you move forward in this process, please keep in mind that small dairies are unable to access these dollars, as our size and management makes it cost prohibitive to put in a digester. However, we are a vital part of our local community—we provide jobs, support local businesses and donate to our local schools and organizations. Having access to the grant through projects that make sense for our operation will help us with our goal of our dairy continuing for future generations and help us become even better stewards of the land. I encourage you that when you open the application period, you will include this information. I also hope you will do everything you can to better meet the demand for the program. Thank you for your consideration of this input, and for making the funding available for this program.

Sincerely, Jolynn McClelland Robert McClelland Dairy



1949 5th Street, Suite 101, Davis, CA 95616 530-564-4260 info@biofiltro.com www.biofiltro.com

December 21, 2021

Re: Biofiltro's comments on the draft **"2022 Alternative Manure Management Program Request for Grant Applications."**

Biofiltro (<u>www.biofiltro.com</u>) appreciates the opportunity to comment on the California Air Resources Board draft *2022 Alternative Manure Management Program Request for Grant Applications*. Biofiltro is a greenhouse gas reduction, water filtration, and nutrient capture vermifiltration system that provides the environmental benefits sought by the dairy industry, CARB, and California. Biofiltro U.S. and its complimentary company based in Chile has dozens of installations that achieve the goals set forth in the Alternative Manure Management Program. With adequate incentives, Biofiltro is poised to be an AMMP technology that reduces greenhouse gas emissions (CH₄ and N₂O), captures otherwise fugitive nitrogen, ammonia and phosphorus, eliminates manure and flush water odors, and produces refurbished, reusable water and a highly biologically active product well suited as a fertilizer replacement and soil health amendment.

To assist CDFA-OEFI and the process of applying for AMMP funds, Biofiltro provides the following comments:

General comments:

- It is not clear if the program in 2022 will offer Demonstration Projects. We feel Demonstration projects are an important tool to add visibility to practices and can be used to optimize GHG emissions reductions and assessment of additional benefits.
- The request for grant application shows a \$750,000 maximum funding allowed for each project. This amount is too small. Vermifiltration could treat all liquid manure produced in a dairy avoiding the need for anaerobic lagoons. Such full-size vermifiltration systems are commercially available, and one has been operating since 2020 at the Royal Dairy in Washington State. This vermifilter system reduces methane emission by approximately 40,000 tCO₂-eq a year (certified by the Verra registry in 2021). Meaningful financial support on such a full-scale system would require a larger budget than what is currently anticipated, especially when DDRDP projects have up to \$2 million dollars available.

The calculation of additional benefits only considers air pollutants. However, the IPCC guidelines include in the GHG emissions generated from management of livestock manure, direct and indirect emission of N₂O during and after manure storage/treatment.
 Biofiltro believes an AMMP GHG analysis should include the effects of the proposed practices on the production of N₂O. Quantification of these GHG emissions is possible using the IPCC guidelines (and the CDM methodology ACM0010). We understand the funds were allocated to reduce exclusively dairy methane emissions. N₂O emissions, however, should be addressed among the additional beneficial/negative effects of such technologies. These emissions should also be assessed for DDRDP projects.

Additional detailed comments

Request for Grant Application

- The *Request for Grant Application*, paragraph 3, page 6 specifies for Vermifiltration: *This practice must be implemented in conjunction with a primary mechanical separator*. Could CDFA explicitly clarify if an existing baseline separator would be sufficient to be eligible for funding?
- Vermifiltration is a solid-liquid separation system that simultaneously treats the separated solids. In the paragraph *Manure Treatment and/ or Storage Practices* (page 8), vermicomposting of separated solids inside the vermifilter is not included. Similarly, in the AMMP GHG quantification tool, it is not clear how emissions during this treatment are quantified. We suggest the use of the MCF relative to composting in windrows. The available measurements of CH₄ emissions from a CA dairy vermifilter showed the same MCF (1% at 16 °C air temperature) as composting in windrows.
- It is not clear why AMMP funds can be used to treat manure before digesters (exclusively on digesters not funded by DDRDP) but not digesters' effluents. Can it be assumed that ALL digestate is used aerobically and does not ever produce CH₄?

AMMP Questionnaire Preview

- *GHG reduction per animal produced by the operation is required.* Is "animal" exclusively milking cows? There is a large difference in the contribution of the different livestock categories to the manure-produced CH₄. A dairy with a large replacement population would be penalized compared to a dairy with a large population of milking cows.
- Vermifiltration will produce a larger amount of soil amendment than composting. Treated VS are mixed with wood chips (the vermifilter bed material) and earthworm castings. Is the quantification tool able to express the additional volume of soil amendment generated by the vermifiltration practice?

We are available to provide any additional information and help with the quantification of the vermifiltration GHG emission reduction derived from our recent experience with the certification of carbon credits of a dairy vermifilter.

Biofiltro appreciates the opportunity to comment on the draft Report and looks forward to seeing increased opportunity to bring this simple, but effective practice/technology to California.

Respectfully,

Hoja

MatiasSjögren, CEO

Date; 12/21/2021

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

Dear CDFA,

I am an advisor and consultant to dairy producers in Marin, Sonoma, Mendocino, and Humboldt Counties. There are many dairies that are interested in applying for Alternative Manure Management Program grants for their dairies. I am recommending projects!

These dairies are important parts of their communities, they help feed a wide area, and are home to most of the organic milk production in California.

We feel they have a head start on understanding the impact of their practices on their environment, and are prime candidates to be good co-operators on the crises we all face with the changing climate.

It doesn't seem that you haven't announced how much money will be available for AMMP, and just like the producers know the success stories, they also who has not been funded.

Comments;

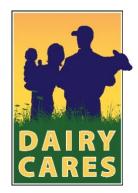
- Digester's seem better financially supported as an approach, the first point is income from carbon credits (\$190 vs \$15-\$20).
 These dollars from the LCFS arena (Low Carbon Fuel Source) really impact this one. In turn, this has attracted outside investors (outside of the dairy itself, even outside of the State of California). Next, a producer has access to USDA REAP dollars. Now add the State of CA programs (CDFA has DDRDP, I understand the PUC has a program, powering Central Valley buses?).
- 2- Would it be possible to review the traditional 30/70 split? These smaller folks are more stand-alone businesses, there is not a lot of avenues for financing for projects to reduce their carbon footprint.
- 3- Having the permits done before hand significantly helps Dairy's eligibility for the grant. Yet the size of the pot and the odds of success are not clear. What if the awards for the AAMP Projects equal \$10 million this year, vs \$22 million for digesters? 11-12 AMMP Projects funded? We understand that AMMP is supposed to have priority to the dollars, and yet that is not spelled out in hard numbers.
- 4- We think we would need all of 90 days to complete the application, 60 days is a challenge.
- 5- Under the Critical Project Review, for the "milestones", there is no explanation of what that means, but very clear the money will come back if it is not done properly. For the compost pack barns especially, there is no guidance to make sure it is a compost pack barn, and not just a bedding pack, with no reduction associated (suggestions; C:N testing of finished product, recording turning days and temperatures?)

Question; Will you fund all of the eligible AMMP applications before making any available for digesters, or just those that get above a certain score, or will you continue with the current allocation?

I hope that when you open the application period, you will include this information, and I encourage you to do everything you can to better meet the demand for the program.

Thank you for your consideration of this input, and for making the funding available for this program. Sincerely,

Michael Griffin, Post Office Box Consulting pobox318@outlook.com, 707.779.9809



December 21, 2021

Via email to: cdfa.ca.gov

Re: Comments on Dairy Digester Research and Development Program (DDRDP) and Alternative Manure Management Program (AMMP)

On behalf of Dairy Cares, we are pleased to provide comments on the above-referenced programs. Dairy Cares is a coalition of California dairy companies and associations including the state's leading dairy producer trade associations and the major milk processing companies and cooperatives. Formed in 2001, Dairy Cares is dedicated to promoting long-term environmental and economic sustainability for California's family-owned dairy farms.

Dairy Cares continues to strongly support both the Alternative Manure Management Program (AMMP) and the Dairy Digester Research and Development Program (DDRDP) as highly effective and needed incentive programs to reduce dairy manure methane emissions consistent with state goals. These programs remain critical toward incentivizing voluntary methane reductions across the state's dairy farms.

Both programs continue to be highly effective and have already achieved well more than half of the 40 percent manure methane reductions by 2030 sought by the state when the programs were implemented.

Given the limited funding for 2021-2022 we encourage CDFA to not seek additional program changes at this time that will limit funding for the core program goals of reducing methane from manure management.

Ongoing Support for Funding Distribution

The dairy methane reduction programs (AMMP and DDRDP) have already successfully funded more than 230 projects. Dairy operator interest in both programs remains high, and Dairy Cares supports continued funding within similar ratios between the programs. We believe the funding ratio utilized to date strikes an appropriate balance between digester and non-digester strategies and provides appropriate prioritization of AMMP program funding as directed by the legislature. CDFA has funded 114 AMMP projects and 117 digester projects. CDFA should not lose sight of the need to reduce dairy methane emissions consistent with the state's ambitious reduction goals. In this regard, DDRDP is more cost-effective and provides roughly 90 percent of the livestock methane reductions to date.

Dairy Cares has two concerns with proposed language, in the Draft Request for Grant Applications (hereafter "Draft RGA"), as follows:

Regulatory Compliance

Dairy Cares has concerns with proposed language to ensuring that applicants are compliant with regulatory requirements. One example of this language appears on page 8 of the Draft RGA:

"Applicant dairy operations must be compliant with all applicable air and/or water pollution control standards and requirements for the dairy operation during the application submission. Awarded dairy digester projects and dairy operations must maintain compliance with all applicable air and/or water pollution control standards and requirements during the project grant agreement term."

Similar language occurs in other parts of the Draft RGA, such as on page 4:

"Grant recipients will be required to submit quarterly progress reports to CDFA explaining in detail the project's progress and the status of compliance with all applicable air and/or water pollution control standards and requirements of the hosting dairy facility."

Our concern with the language is two-fold: 1) the reference to the need to be compliant and maintain compliance is somewhat vague and may be subject to interpretation; and, 2) reference to meeting air and/or water pollution control standards could be interpreted as requiring strict compliance with air and/or water quality standards even in situations where proper time schedules for compliance apply. To address these concerns, we request that the language in question be clarified, specifically to ensure that minor infractions or violations that are in the process of being corrected do not subject an applicant or recipient to disqualification, and to recognize that where there are properly adopted time schedules and an applicant is following such a schedule, that this is the equivalent of meeting pollution control standards and requirements. We recommend that CDFA work with regional water quality and air quality authorities to clarify this language to allow for differentiation between minor, correctable violations such as what might turn up in a routine dairy inspection, from more serious issues that might result in civil or administrative civil liabilities, fines, or be subject to other enforcement orders that may be adopted by the applicable governing body.

Further, if there are cases where an applicant's project is part of a dairy's plan to correct problems leading to a previous violation, and the project itself will contribute to bringing the dairy into compliance, the project should be allowed to proceed to help the dairy achieve compliance.

Dairy Cares is additionally concerned that the new language regarding compliance only appears in the DDRDP RGA, and not in the Alternative Manure Management Practices RGA. This would appear to set a different standard for dairies in each program. Notwithstanding the concerns stated above, Dairy Cares believes both the AMMP and the DDRDP should hold dairies to similar requirements.

Past Performance

CDFA is proposing two new criteria that would result in potentially negative evaluation points for Submitting Organizations. The first would deduct five points (-5) if a Submitting Organization has had one or more projects *terminated* by CDFA due to a lack of progress. The second would deduct three points (-3) if a Submitting Organization requested cancellation of two or more projects that had incurred grant costs.

Dairy Cares is seriously concerned with the latter. Submitting Organizations should not be penalized for cancellations that are often largely outside of their direct control. When Submitting Organizations apply for and accept a grant, considerable time, money and effort has been expended by the Submitting Organization and they have every intention of proceeding with the project. Cancellations generally occur when the partnering dairy has a change of heart about the project, unforeseen obstacles emerge, or the dairy owner determines it may not continue operating long term. Penalizing Submitting Organizations and future dairy digester partners for circumstances outside of their direct control is unfair and results in unreasonable bias against the new partnering dairy.

Moreover, while cancellations are always worrisome, it is better to have a project cancel before significant investment has been made by the state than proceed and discontinue operation when the cost implications will be far greater by a failed project. For these reasons, we strongly urge CDFA to remove the unnecessary penalty for cancellations.

Conclusion

As always, we thank CDFA for their efforts to streamline implementation and effectively administer the DDRDP and AMMP. Both programs remain critical to dairy manure methane reduction efforts. We look forward to continuing to work with CDFA on these important programs.

Sincerely,

Michael Boccadow

Michael Boccadoro Executive Director

CC: Charles "Chuck" Ahlem Secretary Karen Ross Amrith Gunasekara Dairy Cares Board