

Request for Grant Applications

Release Date: June 28, 2023
Applications Due: August 28, 2023 by 5:00 P.M. PT
Late submissions will not be accepted.





California Department of Food and Agriculture

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About the Program

Purpose

The California Department of Food and Agriculture's (CDFA) <u>Alternative Manure Management Program (AMMP)</u> awards competitive grants to California dairy and livestock operations for the implementation of technologies and specific manure management practices that result in long-term methane emission reductions and maximize environmental benefits.

Funding and Duration

The Budget Act of 2022 (Senate Bill 154, Chapter 43) appropriated \$48 million from the California State Budget to CDFA for methane emissions reductions from dairy and livestock operations, which will be split evenly for distribution through AMMP and the Dairy Digester Research and Development Program (DDRDP). In addition, the Budget as amended by Assembly Bill 179 appropriated \$20 million from the Greenhouse Gas Reduction Fund (GGRF) to CDFA for AMMP. CDFA will use half of these appropriations for the 2023 grant solicitation; remaining funds from the appropriations will be made available through AMMP and DDRDP in a subsequent solicitation expected in Summer 2024.

Approximately \$20.9 million will be available for the 2023 AMMP, which includes an allocation for technical assistance grants under AB 2377 (Irwin, 2018). DDRDP will have approximately \$11.4 million available to support digesters that reduce methane emissions from dairy operations.

- CDFA will fund up to 100% of the total project cost with a maximum grant award of \$750,000 per project. Matching funds are strongly encouraged. See <u>Cost Share</u> for more details.
- The maximum project term is thirty (30) months.
- The grant agreement term for awarded projects is anticipated to begin March 1, 2024 and end August 31, 2026. Grant funds cannot be expended before the start of the grant agreement, or after the completion of the grant term.
- CDFA may offer an award different than the amount requested.
- Applicants may also be eligible for an additional funding opportunity through the <u>Dairy Plus Program</u>.

Eligibility and Exclusions

- California farmers, ranchers, and California Native American Tribes are eligible to apply. Individuals and business entities receiving grant award funds must be located in California with a physical California business address.
- The project site must be located on a commercial California dairy or livestock operation.
 - A dairy operation is defined as an entity 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 dairy producers.
 - A livestock operation is defined as an entity raising farm animals such as cattle, poultry, goats, sheep, swine and horses.
- An applicant may submit multiple grant applications; however, each grant application must represent an individual project at a unique project site (i.e., dairy or livestock operation).
- Each AMMP project requesting funding must include at least one of the eligible project types listed under <u>Eligible Project Types</u> that reduce baseline methane emissions.
- Dairy and livestock operations with existing non-DDRDP funded digesters may apply for AMMP funds to reduce methane emissions from manure not being treated in the digester system.
 - AMMP funds can only be used to implement management practices that reduce methane from manure and cannot be used to treat manure digestate, i.e., digested manure material resulting from an anaerobic digestion process.
 - Dairy and livestock operations that do not currently have a digester in place will be prioritized during the AMMP review process.

Eligible Project Types

AMMP supports several project types for which there are methods to quantify greenhouse gas (GHG) emission reductions. 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. Methane is produced when volatile manure solids are stored in wet, anaerobic conditions; consequently, conditions that lead to methane production must currently exist at a dairy or livestock operation for methane emission reductions to be achieved through an AMMP project.

While solid separation or conversion from flush to dry scrape manure collection can be a critical component an AMMP project, these practices are not considered to be stand-alone projects because they relate only to how manure is separated or collected. To calculate GHG emissions and emission reductions, it is also necessary to identify how the separated or collected manure volatile solids will be treated and/or stored (e.g., open solar drying, composting in vessel). Storage or further treatment will always take place with separated or collected solids, and applicants are required to identify what this will be. The storage or further treatment of the collected solids produces methane to varying degrees, as determined by the Methane Conversion Factor (MCF) for each practice. Applicants should use the definitions provided to determine which practice most closely describes how they will manage separated or scraped manure volatile solids. If an applicant's treatment/storage practices do not exactly match the definition of a listed practice, they will identify the most-closely related practice.

- Pasture-based management including (i) conversion of a non-pasture dairy or livestock operation to pasture-based management and/or (ii) increasing the amount of time livestock spend at pasture at an existing pasture operation.
 - <u>Note</u>: All pasture-based management projects must currently manage/store some manure in anaerobic conditions and introduce new practices that reduce the quantity of manure managed under such conditions.
- 2. Alternative manure treatment and storage practices including:
 - a) Installation of a **compost bedded pack barn** that composts manure *in situ*. Applicants are strongly encouraged to evaluate and incorporate best practices¹ for design and management of compost bedded pack barns to ensure estimated GHG reductions will be achieved by the project.
 - b) Installation of **slatted floor pit storage manure collection** that must be cleaned out at least monthly.

- Compost Bedded Pack Barn Design and Management Considerations, UC ANR Blog Post (2019): https://ucanr.edu/blogs/blogcore/postdetail.cfm?postnum=39037
- Compost Bedded Pack Barn Design, University of Kentucky College of Agriculture Cooperative Extension (2012): http://www2.ca.uky.edu/agcomm/pubs/ID/ID206/ID206.pdf
- Compost Bedded Pack Dairy Barns, Virginia Tech Cooperative Extension (2018): https://digitalpubs.ext.vt.edu/vcedigitalpubs/7988474469263459

¹ Examples of resources for compost bedded pack barn design and management:

- 3. **Solid separation** of manure solids prior to entry into a wet/anaerobic environment (e.g., lagoon, settling pond, settling basin) at a dairy or livestock operation in conjunction with one of the manure treatment and/or storage practices listed below. Eligible solid separation technologies include:
 - a) Weeping Wall (system must have a minimum of at least two cells)
 - b) Stationary Screen
 - c) Vibrating Screen
 - d) Screw Press
 - e) Centrifuge
 - f) Roller Drum
 - g) Belt Press/Screen
 - h) Advanced solid-liquid separation assisted by flocculants and/or bead filters. This practice must be implemented in conjunction with an existing or new primary mechanical separator.
 - i) **Vermifiltration.** This practice must be implemented in conjunction with an existing or new primary mechanical separator.

<u>Note</u>: Either the installation of a new solid separation system at a dairy or livestock operation that does not currently employ solid separation, or the installation of a new solid separation system with significantly higher separation efficiency than the existing solid separation technology may be eligible.

4. **Conversion from a flush to scrape** manure collection system in conjunction with one of the manure treatment and/or storage practices listed below.

Manure Treatment and/or Storage Practices:

- a) Open solar drying (manure is dried in a paved or unpaved open confinement area without any significant vegetative cover where accumulating manure may be removed periodically);
- b) Closed solar drying (drying of manure in enclosed environment);
- c) Forced evaporation with natural-gas fueled dryers;
- d) **Daily spread** (manure is routinely removed from a confinement facility and is applied to cropland or pasture within 24 hours of excretion);
- e) **Solid Storage** (storage of manure, typically for a period of several months, in unconfined piles or stacks);
- f) Composting in vessel (composting in an enclosed vessel, with forced aeration and continuous mixing);
- g) Composting in aerated static pile (composting in piles with forced aeration but no mixing);

- h) **Composting in intensive windrows** (with regular turning for mixing and aeration);
- i) Composting in passive windrows (with infrequent turning for mixing and aeration);
- j) **Composting in aerated vermifiltration system** (solids separated by vermifilter are also processed by worms within the vermifilter)

The development of centralized projects (for example, a centralized composting facility), also known as "cluster" or "hub and spoke" projects, are allowed, but each dairy or livestock operation must submit individual applications. Costs associated with the centralized composting facility must be apportioned to each dairy or livestock operation participating in the project. It is possible that not all proposals for a cluster or hub and spoke project will be selected for funding. Applicants are strongly encouraged to ensure that such a project will still be feasible if only partially funded. The appropriate location of the centralized facility can be determined by participating dairy operations.

Once a project has been awarded funds and until the project is complete and closed out, the project may not:

- Change or alter the proposed manure management practice to be implemented as it may change the GHG estimates.
- Change the herd size beyond the limits established by the operation's existing permits at time of application during the project term.
- Change construction or design of buildings such that number of animals in project boundary are impacted, resulting in a change in estimated GHG reductions.
- Change ownership and/or partnership entities of the dairy or livestock operation. In the event the grantee needs to change ownership or enters negotiations for the sale of the dairy or livestock operation for which a grant was awarded, the grantee shall disclose said negotiations to the CDFA immediately. The grant shall not be assigned to the purchaser unless approved by the CDFA pursuant to any/all terms and conditions the CDFA deems necessary. Should the grantee or purchaser refuse to comply with the terms and conditions set forth by the CDFA or the grantee sells the dairy or livestock operation that was the subject of the grant award without approval of grant transfer from the CDFA, the grant agreement will be terminated and the grantee shall return all grant monies to the CDFA immediately.

AMMP grant funds **cannot** be used for the following:

- To fund projects on dairy or livestock operations that propose to switch existing management practices to those that increase baseline GHG emissions (e.g., from dry scrape to flush lagoon systems).
- To repair existing defunct or non-functioning equipment.
- To duplicate equipment or activities that will receive funding from a different state or federal funding source.
- For the installation of a biogas control system (digester).
- To fund projects on operations that have already installed an anaerobic digester system funded by CDFA's Dairy Digester Research and Development Program (DDRDP), or operations that previously received AMMP funding and successfully completed a project. Previous AMMP recipients with expired or failed projects may not reapply for 3 years after the time the project was closed out.

Executive Order N-6-22 – Russia Sanctions

On March 4, 2022, Governor Gavin Newsom issued Executive Order (EO) N-6-22 regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. By submitting a bid, proposal, or application, Bidder/Applicant represents that it is not a target of Economic Sanctions. Should the State determine Bidder/Applicant is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for rejection of the Bidder's/Applicant's bid/proposal/application any time prior to contract/agreement execution, or, if determined after contract/agreement execution, shall be grounds for termination by the State.

Timeline

Program Activity	Timeframe (Subject to Change)
Invitation to Submit Grant Applications	June 28, 2023
CDFA Grant Application Workshops	July 11, 2023 and July 20, 2023
Grant Applications Due	August 28, 2023
Review Process	August – November 2023
Award Announcement	November – December 2023
Grant Agreement Execution	See <u>Grant Agreement</u>

Requirements and Limitations

Program Requirements

The AMMP will support the adoption of alternative (non-digester) manure management practices on California dairy and livestock operations that result in permanent, annual, and measurable GHG emission reductions.

Recipients must also annually report data to CDFA regarding their manure management practices for five years after the end of the project term and/or the practice becomes operational.

California Environmental Quality Act and Permits

CDFA intends to fund proposals that demonstrate project readiness based on evidence that applicants are prepared to promptly begin project implementation. Evidence includes, but is not limited to, a list of permits already obtained and details of the process required to obtain remaining permits, outlined in the Project Readiness section.

If awarded, grant recipients are expected to comply with the California Environmental Quality Act (CEQA) and all applicable permitting within six (6) months of grant agreement execution. CEQA and permit compliance requirements vary depending on project type and location. If environmental impacts of the project are deemed insignificant by the lead agency (in most cases, the County), an initial environmental study and negative declaration may satisfy CEQA requirements. Applicants are advised to check with their local county and city planning commissions for CEQA and conditional use permit requirements.

CalGold, an on-line tool for permit assistance provided by the Governor's Office of Business and Economic Development may be a useful resource. Visit https://www.calgold.ca.gov/ for more information.

Project Technology

Projects must use commercially available technologies. Commercially available technologies are those having a proven operating history specific to the grant application. Such a system is based on established design and installation

procedures and practices. Please refer to Key Terms and Definitions (<u>Appendix D</u>) for a detailed definition of "commercially available" as applicable to this program.

AMMP grant funds **cannot** be used for pre-commercial or new technology development or research purposes. *Pre-commercial technologies* are defined as new technologies or enhancements of existing technologies that are not commercially available.

Projects may propose to include nutrient management technologies, such as those to help manage excess nitrogen, in addition to the eligible methane reduction technologies under the AMMP. However, implementation of standalone nutrient management technology to an existing manure management practice is not eligible. Projects can be reimbursed for equipment and implementation costs of the nutrient management technology.

Greenhouse Gas Emission Reduction Calculations

Applicants are required to use the latest "Quantification Methodology for the California Department of Food and Agriculture Alternative Manure Management Program" and associated "Benefits Calculator Tool for the Alternative Manure Management Program" (hereafter referred to as Quantification Methodology and Benefits Calculator Tool, respectively) developed by the California Air Resources Board (CARB). The quantification methodology and calculator are available on CARB's website at www.arb.ca.gov/cci-resources.

This Quantification Methodology and Benefits Calculator Tool were developed specifically for the AMMP and are adapted from the <u>CARB Compliance Offset Protocol – Livestock Projects (2014)</u> with some modifications to allow for the calculation of anticipated net GHG reductions of an AMMP project prior to implementation. Technologies not supported in the CARB Benefits Calculator Tool will not be funded.

Applicants are required to provide GHG calculations in the following four formats: (1) total project emission reductions over 5 years; (2) GHG reduction per unit of energy-corrected milk (ECM) produced by the dairy operation over 5 years (dairy applicants only); (3) GHG reduction per animal produced by the operation over 5 years; and (4) GHG reduction per dollar AMMP grant funds requested over 5 years.

Cost Share

Cost share, including matching funds and in-kind contributions, is not required; however, cost share is encouraged and may serve as evidence to demonstrate industry commitment to, or support for, the project. Grant recipients should report matching funds contributed to the project and ability to commence work while waiting for grant payments in arrears.

Matching funds are a portion of project costs not borne by the AMMP grant. Matching contributions include allowable costs incurred that are directly related to the implementation of the alternative manure management practices (i.e., supplies and materials, equipment, contractor/consultant fees, and other associated project costs). Other State or Federal grants may serve as matching funds, however, Dairy Plus Program funds will not be considered as matching funds.

In-kind contributions are estimated dollar values of any time, property, or supplies donated to a project, including costs associated with labor for work involved in the implementation of the proposed project. Donated goods and services must be necessary to the project to be considered in-kind (i.e., goods/services would be otherwise purchased if not donated). For professional donated services, the professional donating the service must be licensed to work in that profession and value their service at the same rate at which an ordinary professional with the same expertise and training would charge for the same or similar service.

Applicants must provide the contribution source, type, and amount of all contributions in support of the project.

Allowable Costs

Project costs must clearly support the implementation of the non-digester manure management practice(s) and nutrient management technologies. Categories listed below are consistent with the project Budget Worksheet template. Allowable project costs include, but are not limited to:

- Supplies: Supplies and materials are items with an acquisition cost less than \$5,000 per unit and have a useful life of less than one year.
- Equipment: Equipment is an article of nonexpendable, tangible personal property and has a useful life of more than one year, and a purchase cost which equals or exceeds \$5,000 per unit.
- Contractor: Contractor cost are limited to labor to install the project. Contractor cost must be for a specific and identifiable service that is

directly related to project implementation. Compensation for individual contractor fees must be reasonable and consistent with fees in the marketplace for the same or similar services. Costs in this category must not exceed 25% of total amount requested.

- Design and engineering: Design, engineering, consulting and permit costs specifically related to the implementation of the proposed manure management practice(s) incurred during the grant agreement term. Compensation for design and engineering fees must be reasonable and consistent with fees in the marketplace for the same or similar services. Costs in this category must not exceed 5% of the total amount requested.
- Other Costs: Other direct costs and expenses for implementing the project not covered in any of the previous categories.

Allowable costs must be documented, reasonable and allocable to the project. AMMP project costs must be incurred for the purpose for which the funding was granted and charged to the award on a specifically calculated basis. All project expenses billed to the AMMP project must maintain all documents including, but not limited to invoices, receipts, and agreements. AMMP project expenses must be necessary for award performance and prudently incurred.

Unallowable Costs

Unallowable costs include but are not limited to:

- Cost incurred outside the grant agreement term.
- Costs for repairs and spare parts.
- Pre-development costs, including, but not limited to application preparation, permits obtained prior to the grant agreement term, project designs, and any other activities that contributed to a project's readiness.
- Costs associated with CEQA environmental review, such as preparation of Environmental Impact Reports.
- General costs associated with grant management (e.g., invoicing, reporting, oversight, ordering equipment).
- Costs associated with the five years of post-project reporting.
- Costs covered by another State or Federal grant program, including those incurred for the Dairy Plus Program.
- Costs associated with purchasing general purpose equipment (e.g., tractors, loaders, etc.) that will be used for non-manure management practices/activities.
- Non-labor cost (e.g., management) and fees associated with project

- oversight and coordination.
- Consulting fees not directly related to project implementation.
- Costs associated with travel (e.g., hotels, flights, per diem, etc.).
- Direct and/or indirect expenditures for purchasing or leasing land and/or buildings, including costs associated with land use or loss of agricultural production.
- Purchase of dairy manure (tipping fees) or other feedstocks.

How to Apply

Applicants will be required to complete and submit their grant applications online using an electronic application submission platform. The application can be accessed through the AMMP webpage. Applicants must create a user account to submit a grant application.

To ensure concept proposals and attachments are submitted successfully, CDFA strongly encourages all applicants to comply with the computer system recommendations provided by Amplifund. CDFA cannot guarantee that the Amplifund system will be compatible with other browsers or operating systems. Amplifund recommends that applicants:

- Use Chrome, Firefox, Edge, or Safari.
- Avoid using an iPad, iPhone, or similar mobile device.
- Save work often, as the system will time out after a period of time and any unsaved work will be lost.

For guidance navigating the Amplifund portal, please see the Applicant Portal User Guide.

Applicants may review the application questions and required documents to be attached in the <u>Application Questionnaire Preview</u>. Applicants are encouraged to gather all required information prior to completing the online application to facilitate effective and timely submission.

If you have any technical difficulties with the application, please send an email to cdfa.oefi_ammp_tech@cdfa.ca.gov and include the applicant's name and name of the project in the subject line.

Grant Application: Questions and Attachments

Attachments should be submitted in Arial font size 12, with one (1) inch margins, and page numbers on the bottom right corner. Attachments listed as single PDF files (supporting documents, letters of support, design plans, etc.) have no page limit.

All attachments must include the applicant dairy or livestock operation's name in the top left corner.

Application Sections

1. Project Plan and Long-Term Viability

Attachment 1: Project Narrative Template (required)

The Project Narrative should include the history and background of the operation, herd information, the eligible project type to be used in the proposal, whether the site is owned or leased, sustainability of the project beyond the grant term, and long-term operations and maintenance plans. For projects that are part of a larger cluster (e.g., centralized composting facility), include a detailed plan for the entire cluster, including a feasibility analysis indicating the minimum number of projects critical to the economic and technical viability of the cluster.

Complete and upload the <u>Project Narrative Template</u> as a Word document. In addition to the Project Narrative Template, include the following supporting materials (no template provided):

- **Attachment 1.1:** Site plan, project design documents, cluster maps and schematic diagrams (if applicable). Upload as a single PDF file; no total page limit.
- Attachment 1.2: Letter of Agreement from landowner (if applicable). Upload as a single PDF file; no total page limit.

Attachment 2: Work Plan Template (required)

The Work Plan must clearly describe the tasks and activities required to accomplish goals/objectives in the proposed Project Narrative. It must identify measurable targets and timelines and include an evaluation component to

measure the success of the project and determine whether the project objectives were accomplished.

Complete and upload the Work Plan Template as a Word document.

2. Budget and Financials

Attachment 3: Budget Worksheet Template (required)

Applicants must provide a clear accounting of costs, work hours, and equipment associated with all activities necessary to complete the project. Applicants must identify AMMP funds requested, and if applicable, the source and amount of matching (cash) funds or in-kind contributions necessary to complete the project.

Complete and upload the <u>Budget Worksheet Template</u> as an Excel spreadsheet.

In addition to the Budget Worksheet Template, include the following supporting materials (no template provided):

Attachment 3.1: Bids, quotes, or estimates to support budget costs. While complete documentation is not required for application, it is strongly encouraged. Applicants are also encouraged to obtain multiple estimates to ensure costs are reasonable and consistent with the market rate. Upload as a single PDF file; no total page limit.

Attachment 4: Financials (required)

There is no template to complete for Financials; however, applicants must attach one or more of the following documents to demonstrate the organization's financial strength (for partnerships, information from all partners is required):

- Most recent independent CPA Auditor's Report (preferred), Reviews or Compilations of financial statements,
- Most recent tax returns and accompanying schedules,
- Project financing letter from a financial institution,
- If an independent CPA report is not available, recent and comparative organizational income (profit/loss) statements, bank accounts, or balance sheets (preferably - third party prepared),
- For corporations only articles of incorporation, current operating agreements.

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

Upload as a single PDF file; no total page limit.

3. Estimated GHG Emissions Reduction and Environmental Benefits

Attachment 5: Benefits Calculator Tool (required)

Estimate the project's GHG emissions reduction and environmental benefits with the Benefits Calculator Tool template.

Complete and upload the Benefits Calculator Tool as an Excel spreadsheet.

In addition to the completed <u>Benefits Calculator Tool</u>, include the following supporting materials:

- Attachment 5.1: Explanation of Assumptions for GHG Calculations (if applicable, but strongly encouraged). Include supporting documentation for the inputs used in the Benefits Calculator Tool, such as:
 - Documentation of herd size for the past 12 months
 - Milk production values
 - Current usage of electricity and diesel for manure management activities; method and numbers used to estimate post-project diesel or electricity consumption, such as anticipated change in hours of operation and/or gallons of diesel used for running equipment, pumps, or vehicles for manure management once the project is implemented

Upload as a single PDF file; no total page limit.

Attachment 6: Environmental Co-Benefits Template (required)

The Environmental Co-Benefits attachment should be used to describe how the project will include additional environmental benefits beyond methane reduction, or protections to air and water quality beyond requirements in the project's regional air/water quality permits.

Complete and upload the <u>Environmental Co-Benefits Template</u> as a Word document.

4. Project Readiness

To assist applicants with CEQA and permits for their project, the following resources may be helpful:

- For general siting and permitting assistance, the <u>Governor's Office of</u>
 <u>Business and Economic Development</u>, provides a useful resource called
 <u>CalGold</u>.
- For CEQA guidance, visit the <u>Governor's Office of Planning & Research</u> <u>State Clearinghouse</u>
- For water quality, the Central Valley Regional Water Quality Control Board <u>Dairy General Order Guidance</u> and information on the State Water Resources Control Board Waste Discharge Requirements
- For air quality, the California Air Resources Board has information on <u>Local</u> <u>Air Districts Authority to Construct</u>
- For solid waste, the California Department of Resources Recycling and Recovery (CalRecycle) has information on <u>Solid Waste Facilities Permits</u>

Attachment 7: Project Readiness Template (required)

Applicants should provide a description of permits necessary to complete the project, along with the status or plan to obtain them.

Complete and upload the <u>Project Readiness Template</u> as a Word document.

In addition to the Project Readiness Template, include the following supporting materials:

- Attachment 7.1: Permitting Documents (if applicable). Applicants must provide copies of applicable permits obtained, which may include but are not limited to:
 - CEQA Notice of Determination (NOD)
 - Conditional Use Permit
 - Authority to Construct and/or Permit to Operate
 - Building Permit
 - Waste Discharge Requirements
 - Solid Waste Facilities Permit

Upload as a single PDF file; no total page limit.

Note: Permit requirements vary based on numerous factors (type of project, location, etc.) Not all permits need to be in place upon submission; however, applicants must demonstrate knowledge of permits required and indicate how far along they are in the permitting process. Applications that

demonstrate a higher degree of project readiness will be eligible for a higher score under this criterion.

5. Benefits to Priority Populations

Recommended practices for providing benefits to priority populations established by SB 535, AB 1550 and the Funding Guidelines for Agencies Administering California Climate Investments as described below may still be followed by the Program regardless of the funding source. CDFA incentive programs are committed to maximizing benefits to disadvantaged communities, low-income communities and low-income households.

SB 535 established statutory requirements that a minimum of 25 percent of California Climate Investments is allocated to projects that provide benefits to disadvantaged communities, and of that 25 percent, a minimum of 10 percentage points is allocated to projects that are also located within disadvantaged communities. Assembly Bill (AB) 1550 (Gomez, Chapter 369, Statutes of 2016), amended these requirements by increasing the percent of funds for projects located in disadvantaged communities from 10 to 25 percent and added a focus on investments in low-income communities and households. Collectively, these communities are referred to as 'priority populations.'

AB 1550 investment minimums apply to the overall appropriations of monies from the Greenhouse Gas Reduction Fund (GGRF), not the individual agency programs. However, all California Climate Investments programs including the AMMP are encouraged to maximize benefits to disadvantaged communities, low-income communities and low-income households.

Priority populations can be identified using the mapping tools provided by CARB at www.arb.ca.gov/cci-communityinvestments.

Projects are not required to provide benefits to priority populations. However, the projects that are determined to be providing benefits based on their responses to the application questions are eligible to receive additional points during the review process.

Consistent with CARB's <u>2018 Funding Guidelines for Agencies Administering California Climate Investments</u>, priority will be given to those projects that maximize benefits to disadvantaged communities and low-income communities using criteria addressed as questions within the application.

Please provide documents verifying that the projects meet the criteria to receive additional points.

In addition, applicants may complete and upload the <u>CARB Community Engagement Questionnaire</u> (pages 1 – 3). The questionnaire is excerpted from the Community Engagement Co-Benefit Assessment Methodology for California Climate Investments and is converted into a fillable table for ease of use. Guidance on how to answer each question is provided in Section C of the full methodology available at: http://www.arb.ca.gov/cci-cobenefits.

Attachment 8: Benefits to Priority Populations Supporting Documentation (if applicable)

Examples of supporting documentation may include, but are not limited to:

- Technical analysis documenting how the project will reduce odor causing pollutants (e.g., ammonia or hydrogen sulfide), on-site criteria pollutants or toxic air contaminant emissions (e.g., decreased diesel fuel combustion) without increasing any other criteria air pollutant or toxic air contaminant emissions.
- Priority population identification map and/or CalEnviroScreen map showing pollution burden and population characteristics.
- Labor contracts, agreements with job training or certification programs, documentation of employee domicile.
- Attachment 8.1: CARB Community Engagement Questionnaire (if applicable)

Note: Detailed Scoring Criteria are included in Appendix E.

Review and Notification

Review Process

CDFA will fund the highest scoring projects that result in permanent annual GHG reductions from handling dairy or livestock manure and maximize project cobenefits.

CDFA will conduct two levels of review during the grant application process. The first is an administrative and financial review to determine whether grant application requirements are met and to ensure financial soundness and credibility of the dairy or livestock operation. The second includes a comprehensive technical review of GHG emissions reduction and an evaluation of the merits of the grant applications based on the scoring criteria. Two separate groups, the AMMP Technical Advisory Committee (AMMP TAC) which consists of state and federal agency individuals with expertise in manure management, methane reduction measures, environmental impacts and permitting in California, and contracted technical subject matter experts from academic research institutions, cover assigned portions of the application and scoring criteria to complete the second level review.

CDFA will prioritize socially disadvantaged farmers and ranchers, as defined by the Farmer Equity Act of 2017, for AMMP funding.

CDFA will follow the procedures set forth in <u>Appendix C</u>: Confidential Information with respect to confidential and proprietary information provided in the grant application.

CDFA may assess applicants' past grant performance in determining if a new project will receive funding. Past performance may include, but is not limited to, timely completion of projects and submission of all required documentation and data during and after project completion.

Disqualifications

During the administrative review, the following will result in the automatic disqualification of a grant application:

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

- Missing, blank, unreadable, corrupt, or otherwise unusable attachments (including if a required attachment is for a different application and its content cannot be used to assess the project fully);
- Requests for more than the maximum award amount;
- Application does not comply with <u>Eligibility and Exclusions</u>, or does not meet <u>Program Requirements</u>.

APPEAL RIGHTS: Any disqualification by the CDFA during the administrative review for the preceding reasons may be appealed to CDFA's Office of Hearings and Appeals Office within 10 days of receiving a notice of disqualification from CDFA. The appeal must be in writing and signed by the responsible party name on the grant application or his/her authorized agent. It must state the grounds for the appeal and include any supporting documents and a copy of the CDFA decision being challenged. The submissions must be emailed to CDFA.LegalOffice@cdfa.ca.gov. If submissions are not received within the time frame provided above, the appeal will be denied.

Notification and Feedback

All applicants will be notified regarding the status of their grant applications. Applicants not selected for an award will receive feedback regarding their applications within 60 days of announcing awards.

CDFA will post basic information on the AMMP website about the applications it has received at least 10 days before awarding grant funds. Once final decisions on funding awards are made, CDFA will post the list of projects selected for funding. In accordance with the Grants Information Act of 2018 (Stats. 2018, Ch. 318) and AB 132, information on awarded projects will also be posted on the California Grants Portal.

Assistance and Questions

Workshops and Technical Assistance

CDFA will conduct application assistance workshops on the AMMP solicitation process and use of the electronic application submission system. All workshops will be available as live webinars.

In addition, CDFA-funded Technical Assistance (provided by a non-CDFA entity, such as non-profit organizations and/or university cooperative extension) will be offered on the technical aspects of the application process, including the GHG calculation requirements. CDFA strongly encourages applicants to obtain technical assistance when developing a grant application. These technical assistance providers have expertise in dairy and livestock manure management and may be able to assist applicants with preparation of application, GHG emission reduction calculations, permitting information, project design and availability of a computer with internet access to prepare applications. Technical assistance providers may not charge applicants for these services.

Information about CDFA-conducted workshops and CDFA-funded Technical Assistance is available the **AMMP** on webpage https://www.cdfa.ca.gov/oefi/AMMP/ and the Climate Smart Agriculture Technical Assistance Program webpage at https://www.cdfa.ca.gov/oefi/technical/. Please check the websites regularly for updated schedules for Technical Assistance Workshops. To locate your nearest UC ANR Climate Smart Agriculture Community Education Specialist, click here.

Questions and Answers (Q&A)

CDFA cannot assist in the preparation of grant applications; however, general questions regarding the solicitation process may be submitted to cdfa.oefi_ammp_tech@cdfa.ca.gov. CDFA will conduct three rounds of Questions and Answers (Q&A) to address general questions about the application submission process and program requirements. Responses to all questions received during the workshops or by email will be posted to CDFA's AMMP website according to the schedule below.

Questions Received by:	Responses Posted by:
July 13, 2023	July 20, 2023
July 27, 2023	August 3, 2023
August 10, 2023	August 17, 2023

To maintain the integrity of the competitive grant process, CDFA is unable to advise and/or provide individuals with any information regarding specific grant application questions during the solicitation process.

Related Grant Opportunities

Please explore other CDFA grant programs that might be of interest to you on the <u>CDFA grants webpage</u>. These may include, but are not limited to, Healthy Soils Incentives Program, Healthy Soils Demonstration Projects, Dairy Digester Research & Development Program, and the State Water Efficiency & Enhancement Program.

CDFA Dairy Plus Program: the California Dairy Research Foundation (CDRF) was awarded a <u>USDA Partnerships for Climate Smart Commodities grant</u> in 2022 to build climate-smart dairy markets and provide financial incentives for dairy producers to adopt climate-smart manure management practices to reduce methane emissions and address nitrogen surplus. CDFA will be administering producer incentive funds for these advanced manure management projects in a parallel solicitation with its AMMP and DDRDP programs. These federal funds are intended to amplify the reach and scope of on-farm climate smart projects and practices, and will be in addition to what AMMP and DDRDP already offer. To learn more, visit the <u>Dairy Plus Program webpage</u>.

Appendix A: Attachments

Attachments should be submitted in Arial font size 12, with one (1) inch margins, and page numbers on the bottom right corner. Attachments listed as single PDF files (examples include, but are not limited to, supporting documents, letters of support and design plans) have no page limit. All attachments should include the applicant dairy or livestock operation's name in the top left corner.

	Application Attachments		
Project Plan and	Long-Term Viability		
Attachment 1	<u>Project Narrative Template</u> (required) (Microsoft Word file, 10 pages max, template provided)		
Attachment 1.1	Site plan, project design documents, schematic diagrams, cluster maps, etc. (if applicable) (Single PDF file)		
Attachment 1.2	Letter of Agreement from landowner (if applicable) (Single PDF file)		
Attachment 2	Work Plan Template (required) (Microsoft Word file, 5 pages max, template provided)		
Budget and Fin	ancials		
Attachment 3	<u>Budget Worksheet Template</u> (required) (Excel file, template provided)		
Attachment 3.1	Bids or quotes to support budget costs (if applicable) (Single PDF file)		
Attachment 4	tachment 4 Financials (required) (Single PDF file)		
Estimated GHG	Emissions Reduction and Environmental Benefits		
Attachment 5	Benefits Calculator Tool (required) (Excel file, template provided)		
Attachment 5.1	Explanation of GHG Calculations (if applicable) (Single PDF file)		
Attachment 6	Environmental Co-Benefits Template (required) (Microsoft Word file, 2 pages max)		
Project Readine	ess		
Attachment 7	<u>Project Readiness Template</u> (required) (Microsoft Word file, template provided)		
Attachment 7.1	Permitting Documents (if applicable) (Single PDF file)		
Benefits to Prior	ity Populations		
Attachment 8	Benefits to Disadvantaged and Low-Income Communities Supporting Documentation (if applicable) (Single PDF file)		
Attachment 8.1	ment 8.1 CARB Community Engagement Questionnaire (if applicable) (PDF file)		

Appendix B: Grant Recipient Requirements

Grant Agreement

CDFA will initiate the Grant Agreement process with applicants selected to receive a grant award. This process of executing a grant agreement is estimated to take several months. Following a pre-project consultation (if needed), applicants with projects selected for funding will receive a Grant Agreement package with specific instructions regarding award requirements, including information on project implementation, verification, and payment process.

Grant Agreement Stage	Estimated Time for Stage Completion
Grant packet is completed – during this step, CDFA will work with awardees to get the information necessary to execute the grant agreement. Timeline for this step is dependent on how promptly information is provided to CDFA by the grant recipient.	Variable
Grant agreement execution.	Up to 120 days
Processing advance payments – if awardees request and are granted approval for an advance payment, it may take up to 4 weeks to process this payment after execution of the grant agreement.	Up to 4 weeks

Once a Grant Agreement is executed, grant recipients can begin implementation of the project. Grant recipients are responsible for the overall management of their awarded project to ensure all project activities, including labor associated with the installation are completed no later than the end of the grant agreement term.

Pre-Project Consultation

A Pre-Project Consultation conducted by a CDFA representative to confirm project site information and discuss implementation plans may be required prior to execution of a Grant Agreement.

Payment Process

CDFA will provide grant recipients with the necessary grant award and invoicing documents. Funds will be allocated on a reimbursement basis. Invoices must be

submitted quarterly and include all supporting financial documentation to substantiate expenses. CDFA will withhold 10 percent from the total grant award until the verification requirement is complete to ensure grant recipients install their project as approved by CDFA.

Advance Payments

If selected for funding, recipients may be eligible for an advance payment of up to 25 percent of the grant award, subject to the provisions of section 316.1 "Advance Payments" of the <u>California Code of Regulations, Division 1, Chapter 5.</u>

Final Verification

Project verification will be required after project implementation is complete. The purpose of the final verification is to verify successful completion of the project according to the approved Scope of Work and summarize project accomplishments, including estimated GHG reductions for the entire project, improvements in air and water quality resulting from the project, and any additional co-benefits achieved during the grant term.

The State of California has the right to review project documents and conduct audits during project implementation and over the project life.

Failure to work with CDFA or its designees to provide the necessary project-related documentation will be considered non-performance. In the event of non-performance, CDFA shall take any action deemed necessary to recover all or any portion of the grant funding.

Post-Project Completion Requirements

Applicants must agree to the following post-project completion requirements to execute a Grant Agreement: Grant recipients are expected to maintain documentation related to the AMMP-funded project. Grant recipients are required to report on project outcomes achieved for a period of five years after project completion to CDFA and other relevant agencies. The data to be reported may include, but may not be limited to:

- Weeks per year livestock spent at pasture before and during reporting period.
- Confirmation that solid separation or dry scrape technology is operational and being utilized.

Reported information on project outcomes for projects funded by California Climate Investments will be made publicly available on CARB's website (https://ww2.arb.ca.gov/our-work/programs/california-climate-investments) and in the Annual Report to the Legislature per CARB requirements.

The purpose of this reporting is to demonstrate the long-term success of AMMP-awarded projects by documenting that the adopted manure management practice is still operational and project benefits. After the project is operational, CDFA may work with grant recipients to collect the necessary data and quantify GHG emission reductions.

Appendix C: Confidential Information

The California Public Records Act (Government Code sections 6250, et seq.) and related statutory definitions of "confidential or proprietary information" (also known as "trade secrets") determine what information provided by the applicant is exempt from public disclosure. The following describes how questions are resolved regarding what information is confidential, the legal protections for confidential information, and internal and program procedures to maintain confidentiality.

What is "confidential?"

The California Public Records Act prevents the disclosure of confidential or proprietary information including, but not limited to:

- Confidential Business and financial information, including volume of business, costs and prices, customers, financial condition, trade secrets, and similar information obtained under an express or implied pledge of confidence. (Ev. Code § 1060 and Gov. Code § 6254).
- Personal data including tax information prohibited from disclosure. (Gov. Code § 6254 and Rev. & Taxation Code § 19542.
- Information Practices Act of 1977 (Civ. Code section 1798 et seq.)

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.

What if there is a question about what is confidential?

The CDFA Legal Office will review the records and determine whether the records are exempt from disclosure.

What program procedures will keep information confidential?

Financial information will be kept confidential with access restricted to qualified CDFA Audit Office staff solely for analysis. Applicants must agree to provide key financial information for three years to develop benchmarks to evaluate the program. The records will be kept for time set forth in CDFA's Internal Record Retention Policy.

Appendix D: Key Terms and Definitions

Word/Term	Definition
Baseline Scenario	"Baseline scenario" represents the GHG emissions presently occurring at the project location and that would occur in the absence of an AMMP project.
Cluster Project	Projects that propose to develop centralized manure management facilities serving more than one dairy or livestock operation (also known as clusters or "hub and spoke" model) are eligible. These projects could include a hub facility where centrally located operations would occur such as the collection of manure for composting from a group or cluster of existing dairy or livestock operations.
Commercially-available Technologies	A system and its technologies that has a proven operating history specific to the proposed application. Such a system should include information on its established design, installation procedures and practices, availability of professional service providers and distributors including construction and installation services. Services should also be readily available to properly maintain and operate the system over time including established warranties for parts, labor, and performance. Pre-commercial technologies are new technologies or enhancements of existing technologies that are not commercially available. Technologies can include pre-commercial and commercial components, but for the purposes of this solicitation, technology should be commercially available for the component.
GHG	Greenhouse Gas(es), atmospheric gases that can trap infrared radiation from the sun and contribute toward global warming and climate change, such as carbon dioxide, methane and nitrous oxide. The current solicitation will address projects aimed at reducing methane emissions.
GHG Emission Reduction	A calculated decrease in GHG emissions relative to a project baseline scenario over a specified period.
Greenhouse Gas Reduction Fund (GGRF)	A fund established in 2012 to receive State Cap and Trade Auction proceeds and define requirements for how funds must be used.

Livestock Operation	An entity raising farm animals such as cattle, poultry, goats, sheep, swine and horses.
Matching Funds	Funds provided by the applicant toward the implementation of the alternative manure management practice.
Permanent Greenhouse Gas Emission Reductions	"Permanent" means either that GHG reductions and GHG removal enhancements are not reversible, or that when GHG reductions and GHG removal enhancements may be reversible, mechanisms are in place to replace any reversed GHG emission reductions and GHG removal enhancements to ensure that all reductions endure for at least 100 years.
Priority Populations	Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B of the Funding Guidelines for Agencies that Administer California Climate Investments (August 2018) for more information on the definitions of priority populations.
Project Boundary	The project boundary, as described in the CDFA AMMP California Climate Investments User Guide, includes methane emissions from manure volatile solids as well as CO2 emissions associated with manure management support equipment and vehicles (both direct emissions from onsite combustion of fossil fuels and indirect emissions from electricity consumption) in both baseline and project scenarios. Only livestock for which manure management will be affected by the AMMP project are included within the project boundary. Other livestock that are managed in other areas and for which manure management practices will not change may be excluded.
Project Scenario	"Project scenario" represents the GHG emissions and emission reductions that are reasonably expected to occur as a result of implementing an AMMP project.
Socially Disadvantaged Farmer or Rancher (SDFR)	"Socially Disadvantaged Farmer or Rancher" means a farmer or rancher who is a member of a socially disadvantaged group. "Socially disadvantaged group" means a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. These groups include all of the following: (1) African Americans (2) Native Indians (3) Alaskan Natives (4) Hispanics (5) Asian Americans (6) Native Hawaiians and Pacific Islanders, as defined by the Farmer Equity Act of 2017.

Appendix E: Detailed Scoring Criteria

SCORING CRITERIA	MAXIMUM POINTS
PROJECT PLAN AND LONG-TERM VIABILITY	25
Addressed all requirements of Project Plan section and Work Plan including, but not limited to: a. Current and proposed manure management are clear and well described. Description included tons of material handled through the proposed management practice. b. Proposed technologies have a track record of success and are commercially available in California.	
c. The proposed practice appears appropriate for the operation's facilities and manure management and feasible to implement successfully.	
d. Documentation that demonstrates control of the dairy/livestock operation site provided (if applicable).	
 e. Guarantees that an adequate amount of feedstock (e.g., material to be composted) will be provided to make the project feasible by the time the project is operational (if applicable). f. Specific list of all tasks needed to complete project using the Work 	
Plan template provided. g. Detailed Work Plan clearly and concisely described the tasks and	
activities required to achieve the goals/objectives in the proposed project narrative.	
h. Included major work items (including but not limited to permitting, site planning, engineering, construction, equipment, field supervision, health and safety requirements, testing and bonds)	
i. Reasonable estimate of projected timeline for the project to be operating at full capacity included.	
j. Demonstrated that all tasks are logical and achievable within the grant term, and with available resources. Identified measurable targets that must be met to accomplish project within the grant timeline, with specific dates for each target.	
k. Included an evaluation component to measure success of the project and to determine whether the goals/objectives were accomplished and build in measurable milestones and a timeline to complete the evaluation before the grant term expires.	

Evaluation plan consistent with work plan. I. Long term operations and maintenance plan included. Ongoing costs for maintenance or consumable media use (e.g., polymer) have been considered by applicant. m. The system is likely to be in place and operational for at least 5 years. n. Demonstrated that the applicant (including its contractors) and cooperating organizations have sufficient staff resources, technical expertise, and experience to successfully complete the proposed project. Provided resumes of key project personnel and contractors. **BUDGET AND FINANCIALS** 15 Adequate documentation regarding organization's financial strength provided through financial documents listed in the application. Additionally: a. Evidence of ability to fund upfront costs while waiting for reimbursement provided. Demonstrated financial strength to sustain project beyond grant term. b. Described and quantified sources and amount of local, state, and federal funds, loans, other grants, and all other funding necessary to complete the proposed project (if applicable). c. Described and quantified expenditures already incurred to initiate work on project, such as engineering, site preparation, infrastructure, utility hookups, permitting and environmental review (if applicable). d. Provided a complete Budget Worksheet addressing issues including, but not limited to: 1. Itemized costs consistent with the Work Plan. 2. Back-up documentation including quotes, estimates, and equipment details in support of budget costs. 3. Overall budget well justified and consistent with Work Plan. e. Provided a clear accounting of all costs associated with all activities necessary to complete the project. Costs appear reasonable and allowable. **ESTIMATED GREENHOUSE GAS EMISSIONS REDUCTION** 35 a. Described the proposed project and explained how it will result in reduction of metric tons of GHG emissions annually compared to existing practices for the dairy or livestock operation (10 points). b. Completed the Benefits Calculator Tool for AMMP accurately.