

# **DRAFT 2017 DAIRY DIGESTER RESEARCH AND DEVELOPMENT PROGRAM**

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## **Request for Grant Applications**

Released: TBD (March, 2017)

Applications Due: TBD (May, 2017)

*No late submissions accepted.*

Draft Released for Public Comment: February 1, 2017

Comments due: 5:00 p.m. PST, February 14, 2017 to [cdfa.oefi@cdfa.ca.gov](mailto:cdfa.oefi@cdfa.ca.gov)



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# About the Program

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## Purpose

The California Department of Food and Agriculture's (CDFA) Dairy Digester Research and Development Program (DDRDP), <https://www.cdfa.ca.gov/go/DD>, awards competitive grants to California dairy operations and digester developers for the implementation of dairy digesters that result in methane emission reductions on California dairies.

## Funding and Duration

Assembly Bill No. 1613 (Chapter 370, Statutes of 2016) appropriated \$50 million dollars from the Greenhouse Gas Reduction Fund (GGRF) to CDFA for early and extra methane emissions reductions from dairy and livestock operations. CDFA will make \$29 - \$36 million available for the 2017 DDRDP.

CDFA will fund up to 50% of the total project cost with a maximum grant award of \$3 million per project. Therefore, a minimum of 50% matching funds are required (no more than 25% in-kind contributions). See [Matching Funds](#) for more details.

The maximum project term is two (2) years and grant funds cannot be expended before August 1, 2017, or after June 30, 2019. CDFA may offer an award different than the amount requested.

## Eligibility and Exclusions

The project site must be located on a commercial California dairy 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. Existing milk producers and dairy digester developers are eligible for this program.

An applicant can submit multiple grant applications; however, each grant application must represent an individual digester project at a unique project site (i.e., dairy operation).

A group of dairy operations can submit one grant application to develop centralized dairy digesters, known as a “cluster” or “hub and spoke” project. The location of the centralized digester can be one determined appropriate by participating dairy operations.

Defunct digesters that were constructed in the past and have become entirely non-functional, or never became functional since their construction, due to technical or other (e.g., regulatory) issues are eligible for this program.

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

- Upgrades to existing, functional dairy digesters to boost emission reductions and energy production.

- To fund projects on dairy operations that propose to switch existing management practices to those that increase baseline greenhouse gas (GHG) emissions (e.g., from dry scrape to flush lagoon systems).

## Timeline

2017 DDRDP Timeline	
Invitation to submit Grant Applications	March 2017
Application Workshops	March – May 2017
Grant Applications Due	May 2017
Review Process	June 2017
Announce and Award Funding	August 2017

# Requirements and Limitations

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## Program Requirements

The DDRDP will support implementation of dairy digester projects on California dairy operations that result in permanent, annual, and measurable GHG emission reductions. All projects that receive GGRF monies are required by statute (SB 1018) to achieve GHG emission reductions and further the purposes of the Global Warming Solutions Act of 2006 (AB 32).

Projects must use methane for energy production or transportation fuel (i.e., compressed natural gas). Projects that propose flaring as the sole end-use for biogas will not be eligible for funding. Projects must either convert bio-methane to renewable electricity or fuel (i.e., renewable natural gas [RNG] or renewable compressed natural gas [RCNG]), to use on-site or inject into an existing pipeline, or for the utilization of useful thermal energy onsite or at a neighboring facility.

At least 80% or more dry weight of the feedstock for anaerobic digestion must be manure from dairy livestock. Other substrates, such as dairy processing wastes including whey, other agricultural waste, can be added to the feedstock to up to 20% dry weight. Applicants must provide details regarding the nature and sources of all co-substrates.

Grant recipients will be required to submit quarterly status reports to CDFA explaining in detail the project's progress. Recipients must also report their annual GHG emissions reduction data to CDFA for five years after the end of the project term and the digester is operational.

## CEQA and Permits

CDFA's intent is to fund projects that can demonstrate "shovel readiness." Shovel readiness will be evaluated based on evidence of readiness by applicants. Evidence includes, but is not limited to, a list of permits already obtained and details of the process required to obtain remaining permits clearly outlined using [Section V: Project Readiness](#).

If awarded, grant recipients are expected to demonstrate compliance with CEQA and all applicable permitting within six months of the execution of the grant agreement.

## Project Technology

Projects must use commercially available technologies. *Commercially available technologies* are defined as having a proven operating history specific to the grant application. Such a system is based on established design and installation procedures and practices. Professional service providers, traders, large construction equipment providers, and labor are familiar with installation procedures and practices. Please refer to [Key Terms \(Appendix D\)](#) for a detailed definition of "commercially available" as applicable to this program.

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

## Greenhouse Gas Emissions Reduction Calculations

Applicants are required to use the quantification methodology titled "Greenhouse Gas Quantification Methodology for the California Department of Food and Agriculture Dairy Digester Research and Development Program Fiscal Year 2016-17" and associated DDRDP GHG Emission Reduction Calculator Tool (hereafter referred to as ARB GHG Reduction Calculator) developed by the California Air Resources Board (ARB). The quantification methodology and tool (draft for public comment) are available on ARB's website at [www.arb.ca.gov/cci-quantification](http://www.arb.ca.gov/cci-quantification).

This tool was developed specifically for CDFA's DDRDP and is based on the California Air Resources Board (ARB) Compliance Offset Protocol – Livestock Projects (2014).

Applicants are required to provide GHG calculations in the following three formats: (i) total annual GHG emission reduction; (ii) GHG reduction per unit of energy-corrected milk (ECM) produced by the dairy operation; and (iii) GHG reduction per dollar CDFA-DDRDP and additional GGRF (if any) grant money invested.

## Environmental (Water and Air Quality) Protection

Projects shall demonstrate protection of water and air quality. Accordingly, the design and construction of digester vessels (i.e., ponds and tanks) under this program shall be demonstrated to be protective of surface and ground water quality. To meet water quality requirements, one of the following is required: (i) double-lined ponds consistent with the Tier 1 specification of the Dairy General Order (R5-2013-0122) of the Central Valley Regional Water Quality Control Board, (ii) above-ground concrete tank, or (iii) below-grade concrete lined tank. (See [Additional Guidance and Resources](#) for detailed information regarding water quality requirements).

The digester system design, construction, and operation must minimize emission of air pollutants. For power production projects, the total NO<sub>x</sub> (mono-nitrogen oxides) emissions must be no greater than 0.50 lb/MW-hr. Best Available Control Technologies (BACT) to meet these standards are available and information regarding such technologies can be found in the resources included in Section X: Additional Guidance and Resources.

## Matching Funds

CDFA will fund up to 50% of the total project costs up to \$3 million per project, therefore, a minimum of 50% of total project cost in matching funds is required of which only 25% can include in-kind contributions. Grant recipients shall report matching funds contributions contributed to the project and ability to commence work while waiting for grant payments in arrears.



*Matching funds* are defined as a portion of project costs not borne by the GGRF. Matching contributions include allowable costs (i.e., supplies and materials, equipment, and contractor/consultant fees, and other associated project costs) incurred that are directly related to the implementation of the digester.

*In-kind contributions* are defined as donated goods or services for which fees would ordinarily be paid or provided to the applicant at no cash cost. 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. In-kind contributions include contributions in the form of labor for project installation and pre-development activities conducted prior to the proposed project term that contributed to the project's "shovel-readiness" (examples include but are not limited to: pre-development activities such as permits and project design).

Applicants shall provide the contribution source, type, and amount of all contributions in support of the project. Grant recipients will be required to expend matching funds committed to the project throughout the project term. If matching funds are not expended at a rate consistent with grant funds, CDFA will withhold grant funds until matching funds are expended at a consistent rate.

## Allowable Costs

Project costs must clearly support the implementation of the digester, including, but 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/Consultant:* Contractor fees are for labor to install the project. Consultant fees are for a specific and identifiable service that is directly related to project implementation.

*Design and engineering:* Design and engineering costs up to 5% of the total amount requested are allowable.

*Other Costs:* Other costs and expenses not covered in any of the previous categories.

*NOTE:* Compensation for individual contractor/consultant fees must be reasonable and consistent with fees in the marketplace for the same or similar services.

## Unallowable Costs

The following costs are *not* allowed:

- DDRDP grant funds may not be used to reimburse applicants for costs incurred outside of the grant duration.
- Costs currently covered by another State or Federal grant program.

- Pre-development costs, including, but not limited to: permits, project designs, and any other activities that contributed to a project’s “shovel-readiness.”
- Costs associated with environmental review required for project permits, including preparation of Environmental Impact Reports.
- Expenditures for purchasing or leasing land or buildings.
- Purchase of dairy manure (tipping fees) or other feedstocks.
- Costs associated with the five-year GHG emissions reductions reporting.
- Costs incurred during community outreach.
- Costs associated with mitigation of potential adverse impacts outlined in the section below, SB 859 Requirements.
- Cost of pipeline interconnection or equipment for the sole purposes of processing biogas to pipeline standards associated with the five pilot projects required by [SB 1383, SEC. 4](#).

## **SB 859 Requirements**

In 2016, the Legislature passed SB 859, Section 6 which added Section 162428.86 to the Government Code. This bill states the following:

*A) Prior to awarding grant funds from moneys made available from the Greenhouse Gas Reduction Fund, the Department of Food and Agriculture shall review the applicant’s analysis identifying potential adverse impacts of the proposed project, including a net increase in criteria pollutants, toxic air contaminants, and hazardous air pollutants; groundwater and surface water impacts; and truck traffic and odor.*

*B) A project shall not receive funding unless the applicant has demonstrated to CDFA that the applicant has done all of the following:*

- (1) Conducted outreach in areas that will potentially be adversely impacted by the project.*
- (2) Determined potential adverse impacts of the project.*
- (3) Committed to measures to mitigate impacts.*

*C) In making awards, the Department of Food and Agriculture shall prioritize projects based on the criteria pollutant emission benefits achieved by the project.*

*D) A project funded by the Department of Food and Agriculture that results in localized impacts in disadvantaged communities shall not be considered to provide a benefit to disadvantaged communities for the purposes of Section 39713 of the Health and Safety Code.*

Applicants are required to address A), B), and C) in [Section VI: Environmental Performance](#) and in [Section VII: Benefits to Local Communities](#) of the application. CDFA will work with ARB to ensure that if a project is funded and it results in localized impacts in disadvantaged communities, it will not be considered as providing a benefit to a disadvantaged community (DAC).

# How to Apply

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## Financial Assistance Application Submittal Tool (FAAST)

Applicants are required to complete and submit their grant applications online using the Financial Assistance Application Submittal Tool (FAAST). FAAST is hosted by the State Water Resources Control Board (SWRCB) and can be accessed through the SWRCB website at <https://faast.waterboards.ca.gov>.

Applicants must create a user account in FAAST in order to submit a grant application. The FAAST PIN will be used throughout the application process as a project identifier. FAAST is organized into several tabs and includes a question and answer format. The Questionnaire tab in FAAST contains the grant application, which is a series of questions regarding the proposed project.

Questions are answered in one or more of the four following formats: a drop down menu; a check box; a text box with predetermined character limitations; or as a document attachment. Responses to all questions must be submitted in the manner and format required by the application questionnaire in FAAST without exception.

The SWRCB website contains a Frequently Asked Questions section and a User Manual. After reading the information available on the website, applicants that have additional questions about the FAAST system should contact FAAST customer service at (866) 434-1083, Monday through Friday, 8:00 am to 5:00 pm PST or via email, [faast\\_admin@waterboards.ca.gov](mailto:faast_admin@waterboards.ca.gov).

## Computer System Requirements

To ensure applications and attachments are submitted successfully, CDFA encourages applicants to comply with FAAST's computer system recommendations. CDFA cannot guarantee that the FAAST system or the required templates will be compatible with other browsers or operating systems. Use of other browsers or operating systems will limit the ability of CDFA and FAAST staff to provide applicants with technical assistance, should any issues arise.

CDFA and FAAST recommend that applicants:

- Use a Windows PC with Internet Explorer 6.0 or higher.
- Disable pop-up blocking software while using FAAST.
- Save work often – the system will time out after 90 minutes and any unsaved work will be lost.

# FAAST Grant Application Questions

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Applicants must respond to the following questions in the [FAAST system](#). The grant application consists of the following sections:

- Section I: General information
- Section II: Feasibility of Digester Project
- Section III: Financial Soundness and Budget Worksheet
- Section IV: Estimated Greenhouse Gas Emissions Reduction
- Section V: Project Readiness
- Section VI: Environmental Performance
- Section VII: Benefits to Local Communities

Each section consists of questions and/or attachments. Instructions to complete each section are provided in [Detailed Instructions for Completing Attachments to Application Sections](#).

## **Applicant Organization:**

Legal name of the organization that will serve as lead for the project and will receive grant funds.

## **Submitting Organization:**

Legal name of the organization submitting the proposal on behalf of the applicant.

## **Project Title:**

Concisely describe the project in 15 words or less.

## **Project Description:**

Summarize the need for the project, describe the goals and outcomes, and present a plan for evaluating and measuring the success of the project.

## **Project Location:**

Enter the Latitude and Longitude of the Dairy Operation

## **Project Budget:**

- **Funds Requested:** The total amount of DDRDP funds requested for the project. Funds requested may not exceed \$3 million; requests outside of this range may result in disqualification.
- **Local Cost Match:** The total amount of cost sharing (matching funds, in-kind contributions, State and/or Federal funds secured) committed to the project from other sources.
- **Total Budget:** The sum of Funds Requested plus Local Cost Match.

### **Project Management:**

Enter the names and contact information for the Project Director (Authorized Representative) and Project Manager (Day-to-Day Contact), as applicable.

### **Cooperating Entities:**

Enter the names and contact information for any cooperating entities. A cooperating entity is an organization that has a role or makes a contribution to the project.

## **Section I: General Information (Unscored)**

### **1. Applicant Organization Type:**

Using the drop down menu, select the organization type that best describes the applicant organization (examples include but not limited to LLC, corporation, individual business).

### **2. Project Type and Term:**

All of the following must be addressed:

- Using the drop down menu, select the project type.
- Within the text box provided, enter a start and end date for the project.

### **3. Dairy Operation Information:**

All of the following must be addressed within the text boxes provided:

- Dairy Owner Name
- Dairy Address
- Phone
- Email

## **Section II: Feasibility of Digester Project (20 points)**

### **4. Feasibility of the Digester Project (Questions):**

When applicable, all of the following must be addressed within the text boxes provided:

- Digester type (examples include but not limited to: covered lagoon, complete mixed plug-flow)
- Biogas end-use (examples include but not limited to: electric generation, RNG, pipeline injection, transportation fuel)
- Engine type (if applicable)
- Estimated energy generation (MWh or MMBtu)
- Dairy herd size (including average number of lactating cow, dry cows, replacement calves, replacement heifers, and any other livestock in operation (be consistent with numbers provided in QM tool).
- Interconnect status (if applicable)
- Other feedstock (if applicable)

## 5. Feasibility of the Digester Project (Attachments):

- Attach a Project Implementation Plan (Attachment I).
  - After attaching a Project Implementation Plan, attach the following:
    - Attach any additional documents (Attachment II) (examples include but not limited to: site plan, project design documents, contractual agreements, schematic diagrams).
    - Copy of Deed (if applicable) (Attachment III)
    - Copy of Lease Agreement (if applicable) (Attachment IV)
- Download, complete, and attach the Work Plan template (Attachment V).
- Attach a Long-term Sustainability, Operations, and Maintenance Plan (Attachment VI).
- Attach a Project Team Qualifications document (Attachment VII).
- After attaching a Project Team Qualifications document, attach any additional documents to support the Project Team Qualifications document (Attachment VIII) (examples include but not limited to resumes and team commitment letters)

## Section III: Financial Soundness and Budget Work Sheet (10 points)

### 6. Financial Soundness (Attachments):

- Provide documentation as attachments within FFAST regarding the organization's financial strength (Attachment IX).

### 7. Budget/Cost Summary (Question):

Activities funded under the DDRDP cannot duplicate tasks of the project work plan funded by another Federal or State program. If other Federal or State funding sources have been secured, the following must be addressed in textbox:

- Describe how the DDRDP project differs from the other Federal or State program(s) rather than duplicates funding efforts.
- Identify the Federal or State program(s), Federal or State agency administering the program(s), and the amount(s) of grant funds awarded.

If other Federal or State funding sources have not been secured, indicate "Other Federal or State funding sources have not been secured." Discuss plans to secure other Federal or State funding.

*Note: Any time an applicant is awarded funds from another Federal, State, or other program, it is the responsibility of the applicant to notify CDFA immediately.*

### 8. Budget Worksheet (Attachment):

- Download, complete, and attach Budget Worksheet (Attachment X).

## Section IV: Estimated GHG Emissions Reduction (35 points)

### 9. Estimated GHG Emissions Reduction (Attachment):

- Download, complete, and attach the ARB GHG Emissions Reduction Calculation Tool (Attachment XI). Instructions for completion are provided within the tool.

#### 10. Estimated GHG Emissions Reduction (Questions):

- Based on the completed calculations within the ARB GHG Emissions Reduction Calculation Tool, enter the following information within the text boxes provided:
  - Total GHG emissions reduction
  - GHG Reduction per dollar DDRDP grant
  - GHG reduction per dollar GGRF grants (includes additional GGRF funds, if any)
  - GHG Reduction per unit ECM

### Section V: Project Readiness (10 points)

#### 11. Project Readiness (Questions):

All of the following must be addressed within the text boxes and drop down menus provided:

- Status of CEQA Compliance
- Is a Conditional Use Permit required for this project? Select "YES" or "NO."
  - If no, please explain. Provide date of (anticipated) hearing, permit number (existing if new not required) and date of (anticipated) approval.
- Does the proposed project have Permit to Operate from Air District where project is located? Select "YES" or "NO."
  - If yes, provide permit number and date issued.
- Does the proposed project have Authority to Construct from Air District where project is located? Select "YES" or "NO."
  - If yes, provide permit number, date of issue, date of expiration.
- Indicate steps the proposed project will take to obtain a Permit to Operate and Authority to Construct from Air District.
- In which Air Quality Management District (AQMD) or Air Pollution Control District (APCD) is the project located?
- Who is the applicant organization's contact person at the AQMD or APCD?
- If the project requires the use of Best Available Control Technology (BACT), explain how the project will employ existing BACT or how BACT status will be obtained.
- Does the project plan to purchase Emission Reduction Credits (criteria pollutants offsets)? Select "YES" or "NO."
  - If "YES," describe the plan to obtain the Emission Reduction Credits required for the project?
- If the facility has a permit from the SWRCB or Regional Water Quality Control Board and has already been entered into the California Integrated Water Quality System Project (CIWQS), provide the following information:
  - In which Regional Board is the dairy project located?
  - Who is the contact at the Regional Board?
  - Is the dairy covered under a General Order? Select "YES" or "NO."
    - If "YES," which one?
    - If "NO," does the dairy have Report of Waste Discharge for Individual Waste Discharge Requirements? If not, discuss the steps that will be taken to obtain coverage.

- What kind of digester vessel(s) will the project employ?
- Has the Executive Officer of the Regional Board issued a letter approving the project or issued a "Notice of Applicability to Applicant (permit)?" Select "YES" or "NO."
  - If "YES," include a copy as an attachment.
  - If "NO," discuss anticipated approval.
- Does the proposed project have a permit from Local Enforcement Agency? Select "YES" or "NO."
  - If "YES," enter the permit number and date of issue.
- Does the facility have a Power Purchase agreement? Select "YES" or "NO."
  - If "YES", provide a copy or a copy of California Public Utilities Commission (CPUC) approval as an attachment.
  - If "NO," discuss the plans to secure one, if applicable.
- Depending on the type of project, additional local, State, or Federal permits may be required. Other potential permits may include but not limited to: Department of Toxic Substances Control; Federal Dept. of Transportation, Caltrans and the CHP; City/County Fire Departments; City/Fire Building and Safety Departments; and Air Tank Permits from CA Department of Industrial Relations.
- Does a pending enforcement action of any kind exist against the dairy operation or any of the project partners? Please explain.

#### **12. Project Readiness (Attachment[s]):**

- Attach all permitting documents related to Project Readiness Section (Attachment XII).

Please see [Project Readiness Resources](#) for resources to assist with the project readiness component.

### **Section VI: Environmental Performance (15 points)**

#### **13. Environmental Performance (Attachments):**

- Attach documents relating to the project's impact on NO<sub>x</sub>, criteria pollutants, toxic air contaminants and hazardous air pollutants (Attachment XIII).
- Attach Project Co-Benefits information (Attachment XIV).
- Attach any additional documentation (Attachment XV) to support projects' environmental performance claims.

### **Section VII: Benefits to Local Communities (10 points)**

#### **14. Benefits to Local Communities (Attachments)**

- Attach a Community Impacts and Mitigation document (Attachment XVI).
- Attach a Localized Economic Benefits document (Attachment XVII).
- Attach Letters of Support (Attachment XVIII).

**Total number of points in the proposal: 100 Points**

**Note: Detailed Scoring Criteria are included in [Appendix E](#).**



# Review and Notification

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## Review Process

CDFA's intent is to fund those projects that produce the highest results in permanent annual greenhouse gas emission reductions from handling dairy manure and maximize project benefits.

CDFA will conduct two levels of review during the grant application process. The first is an administrative review to determine whether grant application requirements are met. The second is an overall and technical review to evaluate the merits of the grant applications based on the scoring criteria. The Technical Advisory Committee (TAC) will complete the second level review. The TAC is a sub-committee of the California-Federal Dairy Digester Working Group.

The TAC will review evaluations from experts regarding the GHG emission reduction calculations and financial soundness components of the grant application. The GHG emission reductions calculations will be reviewed by academic experts associated with California universities. CDFA's Audit Office will review the financial information submitted with the grant application, and provide recommendations regarding the applicant's financial soundness and credibility.

CDFA will take the necessary precautions to protect confidential and proprietary information provided in the grant application as set forth in [Appendix C: Confidential Information](#).

## Disqualifications

The following will result in the disqualification of a grant application:

- Incomplete grant applications: applications with one or more unanswered questions necessary for the administrative, fiscal, or technical review
- Incomplete grant applications: applications with missing, blank, unreadable, corrupt, or otherwise unusable attachments
- Applications for more than the maximum award amount

**APPEAL RIGHTS:** Any discretionary action taken by the Office of Grants Administration (OGA) may be appealed to CDFA's Office of Hearings and Appeals Office within ten (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 OGA decision being challenged. The submissions must be sent to the California Department of Food and Agriculture, Office of Hearings and Appeals, 1220 N Street, 4th Floor, Sacramento, CA 95814 or emailed to [CDFA.LegalOffice@cdfa.ca.gov](mailto: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. Successful applicants will receive specific instructions regarding the award process, including information on invoicing and reporting requirements. Applicants not selected for an award may request feedback regarding their applications by writing to [grants@cdfa.ca.gov](mailto:grants@cdfa.ca.gov) within 60 days of notification.

In accordance with [ARB Funding Guidelines for Agencies that Administer California Climate Investments](#), CDFFA will post basic information on the DDRDP web site about all of the applications it has received at least 10 days before awarding grant funds. After projects are selected and all funds are encumbered, CDFFA will post an updated list within 90 days that identifies status of all project applications.

# Assistance and Questions

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## Workshops and Webinar

CDFA will conduct workshops and a webinar on the 2017 DDRDP solicitation process. Please visit CDFA's DDRDP website ([www.cdfa.ca.gov/go/dd](http://www.cdfa.ca.gov/go/dd)) for details. All applicants are encouraged to participate in a workshop or webinar.

## Questions and Answers (Q&A)

General questions regarding the solicitation process may be submitted to [grants@cdfa.ca.gov](mailto:grants@cdfa.ca.gov). Responses to all questions received during the workshops, webinar, or by email will be posted to CDFA's DDRDP website according the following schedule:

Questions Received by:	Responses Posted by:
TBD	TBD

*Date (TBD), at 5:00 pm PST* is the final deadline to submit questions for the DDRDP grant application.

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.

# Additional Guidance and Resources

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## Project Requirement on Water Quality Protection

Design and construction of digester vessels (i.e. ponds, tanks, or other vessels where bio-methane is produced) under the program shall be protective of surface and groundwater quality. Digester vessel designs considered protective of water quality under the program include double lined ponds consistent with the Tier 1 criteria of the [Central Valley Regional Water Quality Control Board \(Region 5\) Dairy General Order](#). Above-ground and below-ground digester vessels are also considered protective of water quality provided they are designed to be water tight (e.g., vinyl water seals at joints, proper rebar density to minimize cracking) and built in accordance with a strict construction quality assurance (CQA) program (e.g., any cracks sealed).

Alternative digester vessel designs may be accepted provided they are demonstrated to the appropriate Regional Board through the submittal of technical reports that the design is as protective as or more protective than the three specified designs: doubled lined pond with a leachate collection and removal system, above-ground vessel, and below-ground concrete digester vessel. The Design Report for a double lined pond, above-ground vessel, and below-ground concrete digester vessel, or proposed alternative design must be signed and stamped by an appropriately licensed professional (e.g., California registered civil engineer) and submitted to the Regional Water Quality Control Board in the Region where the project is located for approval.

## Project Readiness Resources

To assist applicants with this component of their project, the following information is provided as a resource:

- CalEPA's general information on dairy digesters: <http://www.calepa.ca.gov/digester/>
- General assistance with siting and permitting a digester: <http://business.ca.gov/>
- CalEPA's consolidated permit process to aid permitting of digesters and to clarify permitting processes and requirements: <http://www.calepa.ca.gov/digester/Documents/2012/PermitFacts.pdf>
- **Water Quality:** The Central Valley Water Board released a Programmatic Environmental Impact Report for dairy digester projects to simplify the CEQA review and permitting of these facilities. Note: this PEIR is for projects located in the Central Valley Region: [http://www.waterboards.ca.gov/centralvalley/water\\_issues/dairies/dairy\\_program\\_regs\\_requirements/dairy\\_peir\\_final\\_cert.pdf](http://www.waterboards.ca.gov/centralvalley/water_issues/dairies/dairy_program_regs_requirements/dairy_peir_final_cert.pdf)
- **Air Quality:** San Joaquin Air Pollution Control District Best Available Control Technologies (BACT) Guideline 3.3.15 for Waste Gas-Fired IC Engines applies to engines fueled with digester gas. The District BACT Guidelines can be found in the BACT Clearinghouse: <http://www.valleyair.org/busind/pto/bact/bactidx.htm>
- Sacramento Metropolitan Air Quality Management District's BACT Clearinghouse: [http://www.airquality.org/businesses/permits-registration-programs/best-available-control-technology-\(bact\)](http://www.airquality.org/businesses/permits-registration-programs/best-available-control-technology-(bact))

- South Coast Air Quality Management District's BACT Guidelines: <http://www.aqmd.gov/home/permits/bact/guidelines>
- BACT contact's for other air Districts can be found here: <http://www.arb.ca.gov/bact/contact.htm>

# Appendix A: Attachments

Attachments should be submitted as PDF files, in Times New Roman font size 11, with 1 inch margins, page numbers should be on bottom right corner. Attachments listed as single PDF files (examples include but not limited to: supporting documents, letters of support and design plans) have no page limit. Each attachment may not exceed 25 MB. All attachments should include FAAST PIN on top left corner.

<b>Application Attachments</b>	
<b>Feasibility of the Digester Project Attachments</b>	
Attachment I	Project Implementation Plan (PDF, 5 pages maximum [max])
Attachment II	Additional Project Implementation Plan Attachments (Single PDF file, no page max)
Attachment III	Copy of Deed (if applicable) (PDF)
Attachment IV	Copy of Lease Agreement (if applicable) (PDF)
Attachment V	Work Plan (Template provided)
Attachment VI	Long-term Sustainability, Operations, and Maintenance Plan (PDF, 1 page max)
Attachment VII	Project Team Qualifications (PDF, 2 pages max)
Attachment VIII	Additional Project Team Qualification Attachments (Single PDF file, no page max, 2 pages per resume max)
<b>Financial Soundness and Budget/Cost Summary Attachments</b>	
Attachment IX	Supporting Financial Documents (Single PDF file, no page max)
Attachment X	Budget/Cost Summary (Template provided)
<b>Estimated GHG Emissions Reduction Attachment</b>	
Attachment XI	Greenhouse Gas Emissions Reduction Calculation Tool (Template provided)
<b>Project Readiness Attachment</b>	
Attachment XII	Permitting Documents (Single PDF file, no page max)
<b>Environmental Performance Attachments</b>	
Attachment XIII	NOx, Criteria Pollutants, Toxic Air Contaminants and Hazardous Air Pollutants (PDF, 3 pages max)
Attachment XIV	Project Co-Benefits (PDF, 2 pages max)
Attachment XV	Additional Environmental Performance Supporting Documents (Single PDF file, no page max)
<b>Benefits to Local Communities Attachments</b>	
Attachment XVI	Community Impacts and Mitigation (PDF, 3 pages max)
Attachment XVII	Localized Economic Benefits (PDF, 2 pages max)
Attachment XVIII	Letters of Support (Single PDF file, no page max, 2 pages per letter max)

# Detailed Instructions for Completing Attachments to Application Sections

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## Feasibility of the Digester Project Attachments

### Attachment I: Project Implementation Plan

Provide a detailed discussion of the following for the proposed project:

- Provide the details of the history and background of the dairy operation. Provide herd size and breed, including average number of lactating cows, dry cows, replacement calves, replacement heifers, and any other livestock at your operation. Explain your current management practices in detail, including a description of lagoon(s) size (depth and volume) if currently using lagoon storage, parlor water use, bedding type, method and frequency of manure collection including percent of manure collected from each production group (i.e., lactating cows, heifers etc.). Include a schematic diagram showing total solids flows into and lost from the manure treatment system. Provide details of quantity, location, and source of manure and other materials (if any) digested, and quantify minimum daily total solids loads needed for the system to operate optimally. Explain if your facility will be able to guarantee the minimum feedstock needed for the digester project, and how manure will be handled when the system is not operational.

In case of a defunct digester, provide the history and background of the installed digester. Include information requested above in addition to: the funding source(s) for past construction, reasons for digester becoming non-functional and current strategies for destruction of methane generated in the absence of a functional digester. If methane is not being destroyed, what is its fate as per current management practices on the dairy operation?

- Provide details of type of digester planned and technologies proposed for anaerobic digestion. Project design documents, including schematics, figures, graphics and plans, must be submitted as part of the grant application. Project designs must be approved by a licensed professional engineer. Details such as digester volume, solids and hydraulic retention times and mass balance through the digester must be included. Mass balance must be illustrated in an annotated diagram with the following components clearly indicated:
  - Manure input rate (mass or gallons with estimated total solids)
  - Digestate outflow rate (mass or volume with estimated total solids)
  - Expected bio-gas flow with methane content estimate.
- Include a plan for renewable power or low-carbon fuels, i.e. your plan for utilization of the methane (bio-gas) produced in the project which will eventually result in destruction of the methane (i.e. emissions reduction). Provide details of the technology(ies) to be employed in your digester facility and for subsequent utilization of captured methane, specifically:

- The make and model (or energy capacity) of the engine-generator, gas turbine, fuel cell, or other technology, or gas upgrade system (if product is RNG),
  - The make, model and capacity of the gas cleaning/conditioning system including information of constituents removed (examples include but not limited to: hydrogen sulfide, carbon dioxide and moisture).
  - Describe the details of the air pollution control equipment proposed. Will this technology meet local air district rules and the requirements of this program?
  - How much energy product is expected to be produced by the system? Include the kW-h/year estimates for electricity projects and MMBtu per hour and per year of upgraded gas for RNG projects.
  - Is there a plan in place for conditioning of bio-gas and pipeline injection of RNG or use of RNG as transportation fuel or fuel displacement for other equipment, e.g. boilers?
  - Is a Power Purchase Agreement in place for electric power generation (if yes, provide a copy of agreement or support letter from the utility service as evidence)? Discuss status of project in BioMAT-FiT (if applicable). Is an agreement to sell RNG in place?
  - Are you proposing any other uses for bio-methane (if yes, please explain)?
- Demonstrate Site Control: Dairy digester developers proposing installation on a dairy site must demonstrate legal control of the site. Is there a lease agreement in place? Please provide a copy. If not, please discuss plans on finalizing contractual arrangements with a dairy operation. Owners of the dairy operation must submit a copy of their deed if they are the primary applicant. Will project be located and serve one location or multiple locations (i.e. cluster projects)?
  - Provide:
    - Timeline for the project to be operating at full capacity, expected lifetime of the digester, and a clear and concise description of the goals and objectives of the project,
    - Plan for proper use or disposal of the digestate and management of residual materials from pre- and post-digestion processes,
    - Justification for the need for CDFA funding, and an explanation of market viability including target markets, barriers, financial risks, partners, and economic viability with cash-flow projections, and,
    - Details pertaining to ensuring fuel quality and safety of use, and, safety, maintenance and training plan for the project facility and staff.
    - Discuss the potential for replicability of the project.
  - Describe any potential challenges that applicant foresees to project implementation and provide plans to avoid or overcome them.

## **Attachment II: Project Implementation Plan Supporting Documents**

Upload any additional attachments, including but not limited to project design documents, contractual agreements and schematic diagrams. No page maximum, to be uploaded as a single PDF file.



### **Attachment III: Copy of Deed (if applicable)**

### **Attachment IV: Copy of Lease Agreement (if applicable)**

### **Attachment V: Work Plan (template provided)**

Applicants are required to complete and attach the CDFA DDRDP Work Plan (draft template available for comment on the [DDRDP webpage](#)) to their application. The work plan must clearly and concisely describes the tasks and activities required to accomplish goals/objectives in the proposed Project Narrative; identify measurable targets and timelines along with an evaluation component to measure the success of the project and to determine whether the project objectives were accomplished.

- Describe all activities necessary to complete the project (including but not limited to procuring permits, site planning, engineering, construction, equipment and field supervision).
- Identify measurable targets that must be met to accomplish the project within the grant timeline (August 1, 2017 – June 30, 2019), with specific dates for each target.
- Identify who will perform the work of each activity including (but not limited to) project cooperators and contractor/consultants.
- Provide timeline in chronological order for all proposed grant activities.

### **Attachment VI: Long-term Sustainability, Operations, and Maintenance Plan**

Demonstrate how the operations and maintenance costs of the project will be sustained beyond the project term (i.e. development and construction period ending June 30, 2019), and for the life of the project (minimum expected lifetime of digester projects is 10 years). Explain all ongoing funding sources for the project. List personnel positions assigned to carry out digester operations and maintenance through the life of the project. Include details of the following:

- *Component Repair/Support (available technicians/repair parts)*: Examine, compare and describe the availability of required replacement parts and qualified service personnel to keep the system operating as effectively as possible with a minimum amount of downtime for repairs or maintenance. Provide information regarding availability of replacement parts and qualified service technicians, the cost of commonly replaced parts/services, and the availability of included maintenance packages.
- *Component Maintenance*: Examine and compare the maintenance requirements of the available internal combustion engine/generator packages, microturbines, fuel cells, boilers, FlexEnergy systems, pipeline injection systems, and fuel production systems. Provide information regarding necessary maintenance intervals, common maintenance requirements, cost of common maintenance parts/fluid replacement, complexity of maintenance, warranty required services, need for technicians to perform maintenance, typical annual maintenance cost, and time required for maintenance tasks.

### **Attachment VII: Project Team Qualifications**

Describe the organizational structure of the project team:

- Provide a list of team members along with a short description of their qualifications, experience, technical expertise, capabilities, and credentials (e.g., a professional resume). This must include at a minimum, project developers, project manager, and participating dairy farmer(s). Applicant must identify why this particular team composition and representation will enable successful implementation of the proposed work plan. Collaboration is encouraged.
- If a project is being submitted by a project developer, a contractual agreement documenting project support from the dairy producer must be included. Letters of commitment from team members demonstrating understanding of their participation and specific role(s) in the project must also be included.
- Provide an explanation of how various tasks will be managed and coordinated and how the project manager's technical expertise will help achieve the goals of the project. Describe previous experience of the project team with dairy digesters in California or other parts of the United States.
- List past successful digester projects developed by the project team, including digesters implemented in California and their operational status.

### **Attachment VIII: Project Team Qualification Supporting Documents**

Additional attachments including but not limited to resumes and team commitment letters. To be uploaded as single PDF file, no total page limit. Limit each resume to 2 pages maximum.

## **Financial Soundness and Budget Worksheet**

### **Attachment IX: Supporting Financial Documents**

- Provide documentation regarding the organization's financial strength. In case of a partnership, information from all partners is required. This information includes:
  - Independent CPA Auditor's Report (preferred).
  - Three most recent fiscal year balance sheets.
  - Profit/loss statements and federal tax returns.
  - Other appropriate documentation that demonstrates your organization's (e.g. Limited Liability Company, LLC) financial stability, such as:
    - Articles of Organization,
    - Operating Agreement,
    - Bank Statements (including those related to operating and payroll, and lines of credit if applicable), or,
    - General Ledger.
- If the project will be a new partnership with little or no history, please submit key financial information from all collaborators (e.g. dairy operators and developer).

- Indicate all additional funding sources and ability to commence work while waiting for grant payments in arrears.

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

### **Attachment X: Budget Worksheet**

Applicants must provide a clear accounting of project costs associated with all activities necessary to complete the project. All costs must be itemized into categories and consistent with activities included in the Work Plan. Applicants must identify the source and amount of matching (cash) funds, in-kind contributions, State and Federal funds, and all other funding sources necessary to complete the project. All budgeted items should demonstrate they are reasonable and adequate for the proposed project.

- Provide a clear account of project costs associated with all activities necessary to complete the project. All costs must be itemized into categories and consistent with activities included in the Work Plan. Complete and upload the CDFA DDRDP Budget Worksheet template (draft available for comment on [DDRDP webpage](#)) to your application.

## **Estimated GHG Emissions Reduction Attachment**

### **Attachment XI: Greenhouse Gas Emissions Reduction Calculation Tool**

Applicants must complete and upload the ARB GHG Emissions Reduction Calculator for CDFA - DDRDP to their application provided in FAAST. Instructions to complete the tool are provided within the tool.

## **Project Readiness Attachment**

### **Attachment XII. Permitting Documents**

Has the project already received any permitting documents? If so, convert any Permitting Documents already received identified in Project Readiness Section into a single PDF file and upload.

## **Environmental Performance Attachments**

### **Attachment XIII: NO<sub>x</sub>, Criteria Pollutants, Toxic Air Contaminants, and Hazardous Air Pollutants**

SB 859 Section 6 (2016) requires CDFA to prioritize projects based on the criteria pollution benefits achieved by the project. Describe the project's impact on NO<sub>x</sub>, criteria pollutants, toxic air contaminants and hazardous air pollutants. Include all potential emission sources and how emissions would change before and after implementation of project. Provide supporting documents to support written explanation. Examples of options that can reduce generation of air pollutants mentioned above include, but not limited to, common Carrier Pipeline Interconnection, Vehicle Fuel Production (Passenger/Light Duty), Vehicle Fuel Production (Heavy Duty/Off Road/Diesel Replacement), Hydrogen Fuel Production (Passenger/Light Duty), Microturbine Installation (onsite Electrical Generation), Fuel Cell Installation

(Onsite Electrical Generation), Natural Gas Process Fuel Replacement, Vehicle Fleet Replacement (All Vehicles), Agricultural Pump Electrification.

#### **Attachment XIV: Project Co-Benefits**

Describe any additional co-benefits the project will have beyond methane reductions and mitigation of NO<sub>x</sub>, criteria pollutants, toxic air contaminants and hazardous air pollutants. Provide an explanation of additional co-benefits provided by the project by written explanation, supporting documentation and citations from published literature. Examples of additional co-benefits that can increase the project ranking include, but not limited to: clustering of projects, scrape conversion, water conservation measures, water quality improvements, development and sale of value-added post-methane production products such as fertilizers and soil amendments, utilization of waste heat, co-digestion, expanding RCNG vehicle fuel network and on-farm equipment or transportation fleet conversion from fossil fuel use to electricity, RCNG or CNG.

#### **Attachment XV: Additional Environmental Performance Supporting Documents (if any)**

Provide documentation (including but not limited to an explanation and citations from published literature) to support project's environmental performance claims.

### **Benefits to Local Communities Attachments**

#### **Attachment XVI: Community Impacts and Mitigation**

Pursuant to requirements set forth in SB 859, Section 6 (2016), CDFR shall review the applicant's analysis identifying potential adverse impacts of the proposed project, including a net increase in criteria pollutants, toxic air contaminants, and hazardous air pollutants, groundwater and surface water impacts; and truck traffic and odor. A project shall not receive funding unless the applicant has demonstrated to CDFR that the applicant has done all of the following:

- Conducted outreach in areas that will potentially be adversely impacted by the project.
- Determined potential adverse impacts of the project.
- Committed to measures to mitigate impacts.

Applicants are encouraged to approach residents, community leaders, elected officials, advocacy organizations, local businesses, and members of vulnerable or underserved populations (i.e. elderly, youth, physically and/or mentally disabled, members from disadvantaged communities), departments, agencies, jurisdictions, etc. impacted by the project such as local health department, schools/school districts, emergency services, law enforcement, metropolitan planning organization and others. Applicants are encouraged to use various methods to notify the community of outreach efforts, such as local newspaper, county website, radio and Television.

*Topic of discussion during outreach efforts must include potential adverse impacts of digester projects, including a net increase in criteria pollutants, toxic air contaminants, hazardous air pollutants, groundwater and surface water impacts, and truck traffic and odor.*

Applicants must:

- Describe community needs and how the community was involved in the local planning and environmental review processes for this project, including how neighbors were contacted, public meeting dates, and whether translation was needed and provided. Summarize the results of this outreach; identify community's concerns, questions, or comments and how they will be addressed. Provide up to 3 letters of support from community members demonstrating that outreach was conducted.
- Describe what, if any, mitigation measures will be included in the project, including but not limited to: mitigating potential impacts such as toxic air contaminants, hazardous air pollutants, groundwater and surface water impacts, truck traffic, odor.

*Mitigation measures committed to by the applicant must be specific to the digester project and be included in the project Work Plan.*

*If the above requirements were fulfilled during the process for demonstration of CEQA compliance for the project, applicant must provide supporting documentation referencing page numbers as applicable.*

#### **Attachment XVII: Localized Economic Benefits**

Applicants must explain economic benefits that will be provided to the community (or communities) where project is located. If your project will create temporary construction and/or permanent jobs in the community, indicate how many jobs, total project work hours, total project work hours performed by residents of local communities (if known), job classification/trade, approximate salaries and benefits for each job classification and trade, how long these jobs will last, and how they compare to current unemployment rates. Please be consistent with project work plan and the budget.

Grant awardees will be required to report the economic benefits projected or achieved as a result of the project in their quarterly reports to CDFA.

#### **Attachment XVIII: Letters of Support**

As single PDF file, upload any letters of support from local government and community organizations. CDFA is unable to accept letters submitted directly to CFDA either before or after application submission deadline.

# Appendix B: Grant Recipient Requirements

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## Grant Agreement

Applicants with projects selected for award of funds will receive a Grant Agreement package with specific instructions regarding award requirements including information on project implementation and payment process.

Once a Grant Agreement is executed, the grant recipient can begin implementation of the project. Recipients are responsible for the overall management of their awarded project to ensure all project activities, including labor associated with installation, are completed no later than June 30, 2019.

## Payment Process

CDFA will provide the grant recipient with the necessary grant award and invoicing documents. The remaining 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. Invoicing and closeout of all project expenditures must be completed no later than June 30, 2019.

The grant recipients matching fund expenditures must equal or exceed the DDRDP grant expenditures throughout the grant agreement term. If matching funds are not expended at a rate consistent with grant funds, CDFA will withhold grant funds until matching funds are expended at a consistent rate.

## Reporting

Grant recipients will be required to submit quarterly Progress Reports during the project term. The Progress Report is used to identify tasks and activities achieved, potential concerns, matching funds expended to date, and other pertinent information, such as greenhouse gas reductions and project benefits. The Progress Report will require recipients provide project information including but not limited to:

- GHG emission reductions estimated using the ARB GHG Reduction Calculator.
- Detailed explanation of project co-benefits achieved and description of efforts planned or in place for sustaining the project's co-benefits through the life of the project.
- Detailed explanation of economic benefits (including but not limited to number of jobs provided, average wages and benefits) achieved and describe efforts planned or in place for sustaining the project's economic benefits.

A Final Performance Report will be required no later than 30 days after the project installation is complete. The Final Performance Report will require applicants to provide an evaluation of project outcomes and how the project contributed to increased greenhouse gas reductions from the dairy operation. Among other important information, grant recipients must report on the following:

- Greenhouse gas reductions, in MTCO<sub>2</sub>e, achieved during the grant term (if any), along with all supporting calculations. Estimate the annual GHG reductions in MTCO<sub>2</sub>e that will occur in each year until five years after completion.

- Describe benefits to local communities, including improvements in air and water quality (quantified, if applicable), and economic and social benefits identified in the grant application. Using the grant application as a guide, provide a comprehensive account of all benefits accorded to communities over the project term, and describe efforts planned or in place for sustaining the project's benefits to disadvantaged communities through the life of the project.

### Critical Project Review

Grant recipients must agree to a Critical Project Review/Site Visit during the project term to verify project progress as reported in Progress Reports submitted to CDFA after reasonable notice by CDFA.

If it is determined by CDFA from the Critical Project Review that at that time the grant project is not meeting, and is unlikely to meet, certain milestones CDFA shall have the right to terminate the Grant Agreement pursuant to the Terms and Conditions of the Grant Agreement. If the grant is terminated and has incurred any costs during the term, the Grantee may be required by CDFA to return any previously reimbursed funds. Termination may result in forfeiture by the grantee of any funds retained pursuant to 10 percent retention policy.

### Post-Project Completion Requirements

Execution of the Grant Agreement is conditional upon agreement to post-project completion requirements. Recipients are expected to maintain documentation related to the DDRDP-funded project, including GHG emissions reduction and energy generation. Recipients will be required to report actual GHG reduction benefits achieved for a period of five years after project completion. Project emissions reductions determination and reporting must be consistent with guidelines provided in the ARB GHG Reduction Calculator ARB Compliance Offset Protocol – Livestock Projects (2014), if applicable.

The data to be reported will include (but may not be limited to):

- Average population of livestock in each livestock category
- Quantity of methane captured and destroyed in any biogas destruction device (e.g. MT CH<sub>4</sub>/year from metered data, if available).
- Quantity of methane captured and utilized for electricity generation, useful thermal energy production, or upgrading to biomethane transportation fuel (MT CH<sub>4</sub>/year), as applicable.
- Renewable energy generated (kWh, scf, MMBtu, or gallons fuel/year), as applicable.
- For all stationary and mobile sources associated with manure management activities and all project equipment not powered by biogas, energy consumption by fuel type (kWh, scf, MMBtu, or gallons fuel/year), as applicable.

Reported information on project outcomes will be made publically available on ARB's website ([www.arb.ca.gov/auctionproceeds](http://www.arb.ca.gov/auctionproceeds)) and in the Annual Report to the Legislature per ARB requirements.

The purpose of this reporting is to demonstrate the long-term success of DDRDP-awarded projects by documenting GHG emission reductions and other project benefits. In accordance with [ARB Funding Guidelines for Agencies that Administer California Climate Investments](#), reported information will be made publically available per ARB requirements. After the project is operational, CDFA technical staff will work with recipients to collect the necessary data and quantify GHG emission reductions. 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 may take any action deemed necessary to recover all or any portion of the grant funding.



## Appendix C: Confidential Information

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CDFA determines what information provided by the applicant is confidential or proprietary and how it will be handled pursuant to the California Public Records Act (Government Code 6250, et seq.) and related statutes definition of “confidential or proprietary information” (also known as “trade secrets”). 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. (Gov. Code § 6254(k) in conjunction with Ev. Code § 1060 and Gov. Code §§ 6254(e), 11180-11183).
- Personal data including tax information prohibited from disclosure. (Gov. Code §§ 6254(c) and 6255, and Rev. & Taxation Code § 19542).

Applicants are directed to clearly marked, 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?**

If CDFA receives a Public Records Act request for documents submitted by the applicant, CDFA will notify the applicant of the request. The CDFA Legal Office will review the records and make a determination as to whether or not the records are exempt from disclosure under the California Public Records Act.

### **What program procedures will keep information confidential?**

Financial information will be analyzed, on a need-to-know basis, by staff from the CDFA, kept confidential, and will be maintained with restricted access. Grantee businesses will agree to provide specific key financial information for three years to develop benchmarks to evaluate the program. The records will be kept for the amount of time set forth in CDFA’s Internal Record Retention Policy.

## Appendix D: Key Terms and Definitions

Word/Term	Definition
Applicant	The respondent to this solicitation.
Application	An applicant's formal written response to this solicitation.
Cluster Project	Projects that propose to develop centralized dairy digesters serving more than one dairy (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 raw dairy biogas from a group or cluster of existing dairy operations. The hub could serve as focal point for cleaning and conditioning, upgrading and injection to a pipeline.
Commercially-available Technologies	<p>A system that has a proven operating history specific to the proposed application. Such a system is based on established design, and installation procedures and practices. Professional service providers, trades, large construction equipment providers, and labor are familiar with installation procedures and practices. Proprietary and balance of system equipment and spare parts are readily available. Service is readily available to properly maintain and operate the system. An established warranty exists for parts, labor, and performance.</p> <p>Pre-commercial technologies are new technologies or enhancements of existing technologies that are not commercially available in California. Technologies can include pre-commercial and commercial components, but for the purposes of this solicitation, technology should be commercially available in CA for the particular component.</p>
GHG	<i>Greenhouse Gas(es)</i> , atmospheric gases that have the ability to trap infra-red 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 of time.
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.
Matching Funds	Funds provided by the applicant toward the implementation of the dairy digester project, at least 50% of the total project cost.
Milk Producer	"Producer" means any person that operates a dairy herd which produces milk or cream commercially and whose bulk milk or bulk cream is received or handled by any distributor, manufacturer, or any nonprofit cooperative association of producers.
Permanent Greenhouse Gas Emission	In the context of offset credits, 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

Reductions	replace any reversed GHG emission reductions and GHG removal enhancements to ensure that all credited reductions endure for at least 100 years.
Baseline Scenario	“Baseline scenario” represents the GHG emissions presently occurring at the project location and that would occur in the absence of a DDRDP project.
Project Scenario	“Project scenario” represents the GHG emissions and emission reductions that are reasonably expected to occur as a result of implementing a DDRDP project.
Project Manager	The person designated by the applicant to oversee the project and to serve as the main point of contact for the CDFA.

# Appendix E: Detailed Scoring Criteria

SCORING CRITERIA	MAXIMUM POINTS
<b>FEASIBILITY OF THE DIGESTER PROJECT</b>	<b>20</b>
<p>Addressed all requirements of the feasibility section and work plan including, but not limited to:</p> <ul style="list-style-type: none"> <li>a. Provided details of the technology (or technologies) to be employed in digester facility and for subsequent utilization of captured methane, including but not limited to PPA agreement in place, or, steps needed or taken to achieve PPA and plan for RNG pipeline injection.</li> <li>b. Tonnes of material digested and details of materials other than dairy manure if included in the project, provided.</li> <li>c. Technologies have a track record of success and are commercially available.</li> <li>d. Documentation that demonstrates control of the dairy site provided (if applicable).</li> <li>e. Guaranteed an adequate amount of feedstock will be provided to make the project feasible through a signed contract, letter of intent, or other documentation which showed the feedstock will be available by the time the project is operational.</li> <li>f. Specific list of all tasks needed to complete project using the Work Plan template provided.</li> <li>g. Detailed Work Plan clearly and concisely described the tasks and activities required to achieve the goals/objectives in the proposed project narrative.</li> <li>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)</li> <li>i. Reasonable estimate of projected timeline for the project to be operating at full capacity included.</li> <li>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.</li> <li>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.</li> <li>l. Long term operations and maintenance plan included.</li> <li>m. 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.</li> <li>n. For defunct digester project, included additional details of the defunct digester including but not limited to funding source(s), reason(s) for non-function, current method of methane destruction or management.</li> </ul>	

<b>FINANCIAL SOUNDNESS AND BUDGET</b>	<b>10</b>
<p>Adequate documentation regarding organization’s financial strength provided through financial documents listed in the application. Additionally:</p> <ol style="list-style-type: none"> <li>Evidence of ability to fund up-front costs while waiting for reimbursement provided. Demonstrated financial strength to sustain project beyond grant term.</li> <li>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).</li> <li>Described and quantified expenditures already incurred to initiate work on project, such as engineering, site preparation, infrastructure, utility hookups, permitting and environmental review.</li> <li>Provided a complete Budget Worksheet addressing issues including, but not limited to: <ol style="list-style-type: none"> <li>Costs itemized and consistent with Work Plan.</li> <li>Back-up documentation including quotes, estimates, and equipment details provided, clearly marked in support of budget costs.</li> <li>Overall budget well justified and consistent with Work Plan.</li> </ol> </li> <li>Provided a clear accounting of all costs associated with all activities necessary to complete the project.</li> </ol>	
<b>GREENHOUSE GAS EMISSIONS REDUCTION CALCULATION AND REPORTING</b>	<b>35</b>
<ol style="list-style-type: none"> <li>Described the proposed project and explained how it will result in reduction of metric tonnes of Greenhouse Gas (GHG) emissions annually compared to existing practices for the dairy.</li> <li>Completed the ARB Greenhouse Gas Emissions Reduction Calculator Tool for CDFA-DDRDP. Proper justification for all assumptions made in the calculation process provided.</li> </ol> <p>Applicants reported GHG emission reduction results (in MTCO<sub>2e</sub>) as:</p> <ol style="list-style-type: none"> <li>Total GHG emissions reduction</li> <li>GHG reduction per unit of energy corrected milk produced by operation and</li> <li>GHG reduction per dollar CDFA-DDRDP and additional GGRF (if any) grant money invested.</li> </ol> <p>Applications will be competitively ranked on their projected emissions reductions.</p>	
<b>PROJECT READINESS</b>	<b>10</b>
<p>The permit check list is complete. Copies of permits obtained attached. CEQA: Notice of Determination (NOD) submitted.</p> <p>Projects will be competitively ranked with regards to how far along they are in their permitting process.</p>	
<b>ENVIRONMENTAL PERFORMANCE</b>	<b>15</b>
<b>NOx and Criteria Pollutants (10 points)</b>	

<p>a. Described the project’s impact on NOx, criteria pollutants, toxic air contaminants and hazardous air pollutants. Included all potential emission sources and described how emissions will change before and after implementation of project. Provided supporting information/documents to support impacts and mitigation measures (5 points)</p> <p>b. Is the biogas end-use in project RCNG generation for pipeline injection or transportation fuel? (5 points).</p> <p><b>Project Co-Benefits (5)</b> Described project co-benefits in detail. Described benefits achieved beyond methane reduction and mitigation of NOx, criteria air pollutants, toxic air contaminants and hazardous air pollutant impacts. Supporting documentation must show feasibility and plan for success of any proposed co-benefits. Any assumptions must be explained in sufficient detail.</p>	
<p><b>BENEFITS TO LOCAL COMMUNITIES</b></p>	<p><b>10</b></p>
<p><b><u>Community Impacts and Mitigation</u></b></p> <p>I. <i>Community Outreach Actions by Applicant</i></p> <p>a. Described how community was engaged. Did community-based non-profit organization(s) involved in potentially impacted communities provide assistance in engagement efforts? Did the topic of discussion include potential adverse impacts of digester projects, including a net increase in criteria pollutants, toxic air contaminants, hazardous air pollutants, groundwater and surface water impacts, and truck traffic and odor?</p> <p>b. Listed the public and/or government stakeholders involved.</p> <p>c. Provided details of community meetings, including but not limited to method of notification, attendance, location, date/time, translation services provided, childcare provided, meals provided.</p> <p>II. <i>Mitigation Measures</i>: Described in detail specific mitigation measures that will be included in the project, including but not limited to, methods to mitigate impacts such as toxic air contaminants, hazardous air pollutants, groundwater and surface water impacts, truck traffic and odor.</p> <p>III. <i>Support Letters</i>: Provided support letters from community members and/or leaders demonstrating that outreach was conducted (up to 3).</p> <p><b><u>Localized Economic Benefits</u></b></p> <p>Provided jobs-related information including but not limited to:</p> <p>a. Number of permanent jobs created a result of this project</p> <p>b. Number of temporary jobs created as a result of this project</p> <p>c. Job classification/trade</p> <p>d. Number of project hours</p> <p>e. Wages/salaries and benefits for each job classification and trade and how long they will last.</p> <p>f. Comparison of newly created jobs compare to current unemployment rates.</p>	

g. Training provided, credentials or certifications.	
<b>TOTAL</b>	<b>100</b>