

# 2017 DAIRY DIGESTER RESEARCH AND DEVELOPMENT PROGRAM

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## Request for Grant Applications

Released: May 3, 2017

Applications Due: June 28, 2017

*No late submissions accepted.*



California Department of Food and Agriculture

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# About the Program

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## Purpose

The California Department of Food and Agriculture's (CDFA) 2017 Dairy Digester Research and Development Program (2017 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 long-term methane emission reductions on California dairies and minimize or mitigate adverse environmental impacts.

## Funding and Duration

Assembly Bill 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. \$9-\$16 million will be provided in incentives to support non-digester practices that reduce methane emissions from dairy and livestock operations through a separate program, the Alternative Manure Management Program. A range of award amount has been included to ensure encumbrance of funds in each program by high-quality projects that will result in verifiable and quantifiable GHG reductions.

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 October 1, 2017, or after September 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 may 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.

2017 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).
- Duplicate equipment or activities that will receive funding from the California Public Utilities Commission (CPUC) pilot project authorized by California Health and Safety Code Section 39730.7(d)(2) (e.g., interconnection costs). *Note: Biogas conditioning and clean-up costs are allowable under the 2017 DDRDP.*

## Timeline

2017 DDRDP Timeline	
Invitation to submit Grant Applications	May 3, 2017
Application Workshops and Webinar	May 12 – May 16, 2017
Grant Applications Due	June 28, 2017 at 5:00 p.m. PDT
Review Process	July/August 2017
Announce and Award Funding	September 2017

# Requirements and Limitations

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## Program Requirements

The 2017 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 ([Government Code Section 16428.9](#)) 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 (e.g., 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 (e.g., 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, or 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/or the digester becomes operational.

## California Environmental Quality Act and Permits

CDFA's intent is to fund projects that can demonstrate a project's "readiness." Project readiness will be evaluated based on evidence that applicants are ready to start 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 clearly outlined in the FFAST Questionnaire under the Project Readiness section.

If awarded, grant recipients are expected to demonstrate compliance with California Environmental Quality Act (CEQA) and all applicable permitting within six (6) months of the execution of the grant agreement.

## 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. 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.

2017 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 Emission Reduction Calculations

Applicants are required to use the quantification methodology titled "Quantification Methodology for FY 2016-17" and associated "Dairy Digester GHG Emission Reduction Calculator for FY 2016-17" (hereafter referred to as Estimated GHG Reduction Calculator) developed by the California Air Resources Board (ARB). The quantification methodology and calculator are available on ARB's website at [www.arb.ca.gov/cci-quantification](http://www.arb.ca.gov/cci-quantification).

This quantification methodology and calculator were developed specifically for the 2017 DDRDP and are based on the ARB Compliance Offset Protocol – Livestock Projects (2014) with some modifications to allow for the calculation of anticipated net GHG reductions of a 2017 DDRDP project prior to implementation.

Applicants are required to provide GHG calculations in the following four formats: (1) total project emission reductions over 10 years; (2) GHG reduction per unit of energy-corrected milk (ECM) produced by the dairy operation over 10 years; (3) GHG reduction per dollar 2017 DDRDP grant money requested over 10 years; and (4) GHG reduction per dollar total GGRF grant money requested over 10 years.

## Environmental (Water and Air Quality) Protection

Projects must demonstrate protection of water and air quality. Accordingly, the design and construction of digester vessels (i.e., ponds and tanks) under this program must be demonstrated to be protective of surface and ground water quality. To meet the 2017 DDRDP water quality requirements, one of the following is required: 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, above-ground concrete tank, or below-grade concrete lined tank.

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.

See [Additional Guidance and Resources](#) for detailed information regarding water quality requirements and Best Available Control Technologies (BACT). In making awards, CDFA will prioritize projects that minimize emissions of criteria pollutants, (See [Scoring Criteria](#) for more information).

## Matching Funds

CDFA will fund up to 50% of the total project costs with a maximum grant award not to exceed \$3 million per project. The applicant must contribute a minimum of 50% of total project cost in matching funds of which only 25% can include in-kind contributions. Grant recipients must 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 GGRF. Matching contributions include allowable costs incurred that are directly related to the implementation of the digester system (i.e., supplies and materials, equipment, and contractor/consultant fees, and other associated project costs).

*In-kind contributions* are 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 also 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 "readiness." Examples include but are not limited to: pre-development activities such as permits and project design.

Applicants must 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 limited to labor to install the project. Consultant fees are for a specific and identifiable service that is directly related to project implementation.

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

*Design and engineering:* Design and engineering costs, including those provided by contractor/consultants up to 5% of the total amount requested are allowable.

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

## Unallowable Costs

The following costs are *not* allowed:

- 2017 DDRDP grant funds may not be used to reimburse applicants for costs incurred outside of the grant term.
- Costs 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 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 (i.e., SB 859).

# 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 Proposal Identification Number (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 may contact FAAST customer service at (866) 434-1083, Monday through Friday, 8:00 am to 5:00 pm PDT 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, CDFR encourages applicants to comply with FAAST's computer system recommendations. CDFR 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 CDFR and FAAST staff to provide applicants with technical assistance, should any issues arise.

FAAST computer system recommendations:

- 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.

# Grant Application: FAAST Questionnaire and Attachments

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Applicants must respond to the questionnaire in FAAST and upload all attachments into the [FAAST system](#). Attachments must be submitted in Times New Roman font size 11, with one (1) inch margins, and page numbers should be on bottom right corner. Attachments listed as single PDF files (supporting documents, letters of support, design plans, etc.) have no page limit.

All attachments should include the FAAST PIN, assigned to your application by the FAAST system, in top left corner.

## FAAST Questionnaire

The FAAST Questionnaire can only be accessed within the FAAST system. Click [Preview FAAST Questionnaire](#) to view the questions as they will appear in FAAST. Previewing the questions will assist applicants in determining what information is necessary to complete the FAAST Questionnaire.

## Attachments

### Digester Project Plan and Long-Term Viability

#### Attachment 1: Project Narrative Template

The Project Narrative should detail the history and background of the dairy operation, the type of digester to be used in the proposal, plans for renewable power or low-carbon fuels, site control, sustainability of the project, operations, maintenance, organization of project team, and experience.

Complete and upload the [Project Narrative template](#) to FAAST.

In addition to the Project Narrative template, include the following supporting materials:

- **Supporting Materials 1.1:** Site plan, project design documents, schematic diagrams, etc. Upload to FAAST as a single PDF file; no total page limit.
- **Supporting Materials 1.2:** Resumes, team commitment letters, etc. Upload to FAAST as a single PDF file; no total page limit. Limit each resume to two (2) pages maximum.
- **Supporting Materials 1.3:** Copy of Deed and/or Lease Agreement (if applicable). Upload to FAAST as a single PDF file; no total page limit.

#### Attachment 2: Work Plan Template

The Work Plan must clearly and concisely 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](#) to FAAST.

## Budget Worksheet and Financials

### Attachment 3: Budget Worksheet Template

Applicants must provide a clear accounting of costs, work hours, and equipment associated with all activities necessary to complete the project. Applicants must identify 2017 DDRDP funds requested, 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.

Complete and upload the [Budget Worksheet template](#) to FFAST.

### Attachment 4: Financials

There is no template to complete for Financials; however, applicants must attach the following documentation:

- 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) 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.*

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

## Estimated GHG Emissions Reduction

### Attachment 5: Estimated GHG Reduction Calculator

Estimate the project GHG emissions reduction with the Estimated GHG Reduction Calculator template.

Complete and upload the [Estimated GHG Reduction Calculator](#) template to FFAST.

In addition to the Estimated GHG Reduction Calculator template, include the following supporting materials:

- **Supporting Materials 5.1:** Explanation of Assumptions for GHG Calculations (if applicable).

## Project Readiness

### Attachment 6: Additional Permitting Documents

There is no template to complete for Project Readiness; however, applicants must attach the following documentation:

- Depending on the type of project, additional local, State, or Federal permits may be required. Potential permits may include: 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, etc.

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

Upload to FAAST as a single PDF file; no page limit.

## Environmental Performance

### Attachment 7: Environmental Performance Template

The Environmental Performance attachment should describe the proposals impact on criteria pollutants (such as NO<sub>x</sub>), toxic air contaminants and hazardous air pollutants. Provide an explanation of additional benefits such as: water conservation, value-added products, utilization of waste heat, reduction of odor, etc.

Completed and upload the [Environmental Performance template](#) to FAAST.

In addition to the Environmental Performance template, include the following supporting materials:

- **Supporting Materials 7.1:** Provide documentation, including but not limited to an explanation and citations from published literature, to support project's environmental performance claims. Upload to FAAST as a single PDF file; no page limit.

## Community Impact

### Attachment 8: Community Impact Template

The Community Impact template should describe how a proposal will create an economic benefit in the community, detail any negative impacts, and explain the mitigation measures that will be implemented.

Complete and upload the [Community Impact template](#) to FAAST.

In addition to the Community Impact template, include the following supporting materials:

- **Supporting Materials 8.1:** Provide up to three (3) letters of support from community members, local government, and community organizations demonstrating that outreach was conducted. Upload to FAAST as a single PDF file; no page limit.

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

# Review and Notification

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## Review Process

CDFA will 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. Grants applications disqualified as a result of the administrative review may be appealed. The second is a comprehensive 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. Final award decisions as a result of the comprehensive and technical reviews cannot be appealed.

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 feedback regarding the applicant's financial soundness and credibility.

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

## 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, fiscal, or technical review;
- Missing, blank, unreadable, or corrupt content;
- Unusable or unreadable attachments;
- Requests for more than the maximum award amount.

**APPEAL RIGHTS:** Any disqualification taken by the Office of Grants Administration (OGA) 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 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 [cdfa.oefi\\_ddrdp\\_tech@cdfa.ca.gov](mailto:cdfa.oefi_ddrdp_tech@cdfa.ca.gov).

In accordance with [ARB Funding Guidelines for Agencies that Administer California Climate Investments](#), CDFFA will post basic information on the 2017 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 [www.cdfa.ca.gov/go/dd](http://www.cdfa.ca.gov/go/dd) for more 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 [cdfa.oefi\\_ddrdp\\_tech@cdfa.ca.gov](mailto:cdfa.oefi_ddrdp_tech@cdfa.ca.gov). Responses to all questions received during the workshops, webinar, or by email will be posted to CDFA's 2017 DDRDP website according to the following schedule:

Questions Received by:	Responses Posted by:
May 17, 2017 at 8:00am	May 19, 2017 at 5:00pm
May 31, 2017 at 8:00am	June 2, 2017 at 5:00pm
June 14, 2017 at 8:00am	June 16, 2017 at 5:00pm

Note: All times listed above are Pacific Daylight Time (PDT).

**June 14, 2017, at 8:00 am PDT** is the final deadline to submit questions for the 2017 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 must 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
- 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
- **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
- **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 one (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 FFAST PIN on top left corner.

<b>Application Attachments</b>	
<b>Digester Project Plan and Long-Term Viability</b>	
Attachment 1	<a href="#">Project Narrative Template</a> (Single PDF file, 8 pages maximum [max])
Supporting Materials 1.1	Site plan, project design documents, schematic diagrams, etc. (Single PDF file, no page max)
Supporting Materials 1.2	Resumes, team commitment letters, etc. (Single PDF file, no page max) Limit each resume to 2 pages.
Supporting Materials 1.3	Copy of Deed and/or Lease Agreement (if applicable) (Single PDF file, no page max)
Attachment 2	<a href="#">Work Plan Template</a> ( Single PDF file, 4 page max)
<b>Financials and Budget Worksheet</b>	
Attachment 3	<a href="#">Budget Worksheet Template</a> (Single PDF file, template provided)
Attachment 4	Financials (Single PDF file, no page max)
<b>Estimated GHG Emissions Reduction</b>	
Attachment 5	<a href="#">Estimated GHG Reduction Calculator</a>
Supporting Materials 5.1	Explanation of Assumptions for GHG Calculations (if applicable)
<b>Project Readiness</b>	
Attachment 6	Additional Permitting Documents (Single PDF file, no page max)
<b>Environmental Performance</b>	
Attachment 7	<a href="#">Environmental Performance Template</a> (Single PDF file, 5 pages max)
Supporting Materials 7.1	Explanation and citations from published literature, to support project's environmental performance claims. (Single PDF file, no page max)
<b>Community Impact</b>	
Attachment 8	<a href="#">Community Impacts Template</a> (Single PDF file, 5 pages max)
Supporting Materials 8.1	Up to 3 Letters of Support (Single PDF file, no page max, 2 pages per letter)

# 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, 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 June 30, 2019.

## Payment Process

CDFA will provide grant recipients 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 2017 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 Estimated 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 grant recipients to provide an evaluation of project outcomes and how the project contributed to 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>2e</sub> 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.

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 has 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 must 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. Grant recipients are expected to maintain documentation related to the 2017 DDRDP-funded project, including GHG emissions reduction and energy generation. Grant 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 requirements for Phase 2 Project Outcome Reporting in the ARB Funding Guidelines: [www.arb.ca.gov/cci-fundingguidelines](http://www.arb.ca.gov/cci-fundingguidelines).

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 2017 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 will work with grant 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 shall take any action deemed necessary to recover all or any portion of the grant funding.

## Appendix C: Confidential Information

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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 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.

### 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 Reductions	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 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 2017 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 2017 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>DIGESTER PROJECT PLAN AND LONG-TERM VIABILITY</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 or other details of utilization of captured methane.</li> <li>b. Provide tonnes of material digested and details of materials other than dairy manure if included in the project.</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. Guarantees that 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, and current method of methane destruction or management.</li> </ul>	

<b>BUDGET WORKSHEET AND FINANCIALS</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>a. Evidence of ability to fund upfront costs while waiting for reimbursement provided. Demonstrated financial strength to sustain project beyond grant term.</li> <li>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).</li> <li>c. 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>d. Provided a complete Budget Worksheet addressing issues including, but not limited to: <ol style="list-style-type: none"> <li>1. Itemized costs consistent with the Work Plan.</li> <li>2. Back-up documentation including quotes, estimates, and equipment details in support of budget costs.</li> <li>3. Overall budget well justified and consistent with Work Plan.</li> </ol> </li> <li>e. Provided a clear accounting of all costs associated with all activities necessary to complete the project.</li> </ol>	
<b>ESTIMATED GREENHOUSE GAS EMISSIONS REDUCTION</b>	<b>35</b>
<ol style="list-style-type: none"> <li>a. 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>b. Completed the Estimated GHG Reduction Calculator template for 2017 DDRDP. Proper justification for all assumptions made in the calculation process provided.</li> </ol> <p>Applicants reported GHG emission reduction results (in MTCO<sub>2</sub>e) as:</p> <ol style="list-style-type: none"> <li>a. Total project emission reductions over 10 years;</li> <li>b. GHG reduction per unit of energy-corrected milk (ECM) produced by the dairy operation over 10 years;</li> <li>c. GHG reduction per dollar 2017 DDRDP grant money requested over 10 years;</li> <li>d. GHG reduction per dollar total Greenhouse Gas Reduction Fund (GGRF) grant money requested over 10 years (Includes 2017 DDRDP and other GGRF grants).</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 criteria pollutants such as NOx, 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 one that reduces or eliminates NOx emissions, such as 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>COMMUNITY IMPACT</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>Letters of Support</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>                  Provided jobs-related information including but not limited to:</p> <p>a. Number of permanent jobs created as 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 compared to current unemployment rates.</p> <p>g. Training provided, credentials or certifications.</p>	
<p><b>TOTAL</b></p>	<p><b>100</b></p>