



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

2018 Dairy Digester Research and Development Program

Grant Application Workshop



2018 Request for Grant Applications

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About the Program

- Competitive grant solicitation process administered by the California Department of Food and Agriculture (CDFA).
- Purpose is to award funds to California dairy operations and digester developers for the implementation of dairy digesters that result in early and extra methane emission reductions on California dairies.

Projects must reduce methane emissions on a commercial California dairy operation



Funding and Duration

- 2018 DDRDP funding is authorized by AB 109 (Ch. 249, Statutes of 2017) **\$61 - \$75 million**



- Project Grant Amounts: Up to \$3 million
- Maximum Project Duration: July 1, 2018 – June 30, 2020

Eligibility

- The project site must be located on a commercial California dairy.
- Multiple applications are allowed but each application must represent an individual digester at a unique project site.
- Existing defunct and non-functional digesters are eligible. Defunct for a minimum of 12 months.
- Centralized digesters for a group of dairy operations are eligible.



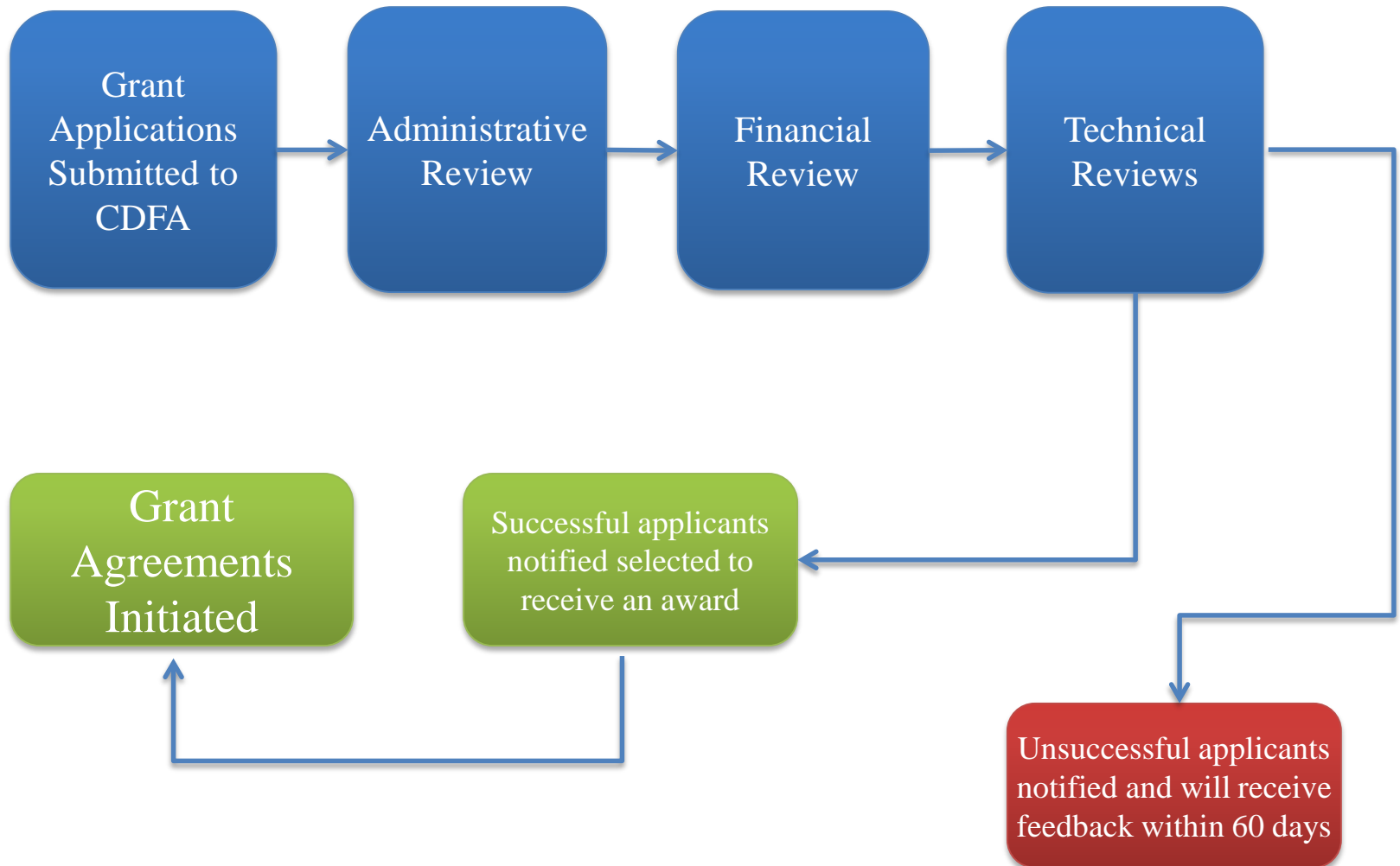
Exclusions

- Upgrades to existing, functional dairy digesters to boost emission reductions and energy production.
- Projects 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 2018 DDRDP



Solicitation Process



Solicitation Timeline

Release of Request for Grant Applications	December 15, 2017
Stanislaus County Agricultural Commissioner, Room H&I, 3800 Cornucopia Way Modesto, CA	January 3, 2018 1:00 – 3:00 pm
Tulare County Agricultural Commissioner 4437 S. Laspina Street Tulare, CA	January 4, 2018 1:00 – 3:00 pm
Application Workshop Webinar 10:00 am – 12:00 pm https://attendee.gotowebinar.com/register/1387124465661857795	January 8, 2018
Grant Applications Due	January 26, 2018 5:00 p.m. PST
Application Review	February – May 2018
Announce and Award Funding	June 2018

Program Requirements

- Methane used for energy production or transportation fuel.
- Convert bio-methane to renewable electricity or fuel (e.g., RNG or 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.
- 80% or more dry weight of the feedstock for anaerobic digestion must be manure from dairy livestock.



Program Requirements

- Must use Air Resources Board's Quantification Methodology for FY 2017-18 and Estimated GHG Reduction Calculator.
- The calculator assists applicants in estimating avoided methane emissions from anaerobic manure decomposition.

*The ARB GHG quantification methodology is available at:
<https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/quantification.htm>*

*Questions regarding the QM Tool should be submitted to:
GGRFProgram@arb.ca.gov*

Program Requirements

- The digester system design, construction, and operation must maximize air and water quality protection.
- Use of double-lined ponds consistent with the Tier 1 specification of the Dairy General Order (R5-2013-0122), above-ground concrete tank, or below-grade concrete lined tank.
- For power production projects, the total NO_x (mono-nitrogen oxides) emissions must be no greater than 0.50 lb/ MW-hr.
- Use commercially available technology with proven operating history.



Budget Cost Categories

Project costs must clearly support the implementation of the digester.

- **Supplies:** items with an acquisition cost less than \$5,000 per unit and have a useful life of less than one year.
- **Equipment:** nonexpendable, tangible personal property that has a useful life of more than one year and a cost of \$5,000 per unit or greater.
- **Contractor/Consultant:** labor to install the project. Consultant fees are for a specific and identifiable service that is directly related to project implementation.
- **Design and engineering:** costs, including those provided by contractor/consultants up to 5% of the total amount requested.
- **Other:** direct expenses for implementing the project not covered in any of the previous categories.



Unallowable Costs

- 2018 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 EIRs.
- 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 (SB 859).



Changes between 2017 and 2018

- Defunct digesters must be non-functional for a minimum of 12 consecutive months.
- The "Greenhouse Gas Quantification Methodology for the California Department of Food and Agriculture Dairy Digester Research and Development Program: Fiscal Year 2017-18" and associated "Calculator Tool for Dairy Digester Research and Development Program: Fiscal Year 2017-18" have been revised.
- Cluster projects must include a detailed plan for the entire cluster, including a feasibility analysis indicating the minimum number of projects critical to the economic and technical viability of the cluster. Additionally a cluster map must be included in Supporting Materials 1.1. Refer to page 12 of the RGA.
- CDFA may assess applicants past grant performance in determining if a new project will receive funding.
- Additional guidance for conducting community outreach has been provided in the Attachment 8: Community Impact.
- Applicants must provide information in Supporting Materials 8.2 regarding benefits associated with AB 1550. Applicants must provide information regarding disadvantaged and low-income communities.
- CDFA established recommended page limits for attachments.



Review and Evaluation Process

- Multiple Levels of Review:
 1. Administrative Review – Internal
 2. Financial Review – Internal
 3. Technical Review – External experts
 4. Overall Review – Technical Advisory Committee (TAC)
 5. CDFA will select projects for funding based upon the following:

	<u>Max Points</u>
• GHG emission reductions	35
• Project plan and long-term viability	20
• Environmental performance	15
• Budget and financials	10
• Project readiness	10
• Community impact	10



How to Apply

- Partnership with State Water Resources Control Board to host a web-based application submission process.
- Online application system: FFAST
- User account needed to submit grant application
 - [How to Create a FFAST Account](#)
 - [FFAST User Manual](#)

Financial Assistance Application Submittal Tool (FFAST):
<https://faast.waterboards.ca.gov>

General Information Tab

- Applicant Organization:
 - Legal business name of the organization that will receive grant funds.
- Submitting Organization:
 - Name of the organization submitting the application on behalf of the applicant.
- Project Title:
 - Should appropriately and concisely describe the project in 125 characters.
- Project Description:
 - Summarize the project, including digester type, herd size, and estimated GHG emissions reduction.
- Project Location:
 - Enter the latitude and longitude, watershed, county, and regional water board.



Project Budget Tab

- Funds Requested
 - Total amount of DDRDP funds requested (\$3M maximum).
 - Must match cell E8 on tab 7. Cost Summary of the Budget Worksheet.
- Local Cost Match
 - Total amount of matching funds or in-kind contributions committed to this project from other sources, if applicable.
- Total Budget
 - Funds Requested + Local Cost Match = Total Project Cost

Questionnaire Tab

1. Applicant Organization Type
2. Project Type
3. Project Duration
4. Digester Project Plan and Long-Term Viability
5. Financials
6. Estimated GHG Emissions Reduction
7. Project Readiness
8. Evaluation of AB 1550 Benefits
9. Attachments



Attachments Tab

Digester Project Plan and Long-Term Viability

- Attachment 1: [Project Narrative Template](#) (10 pages maximum)
 - Supporting Materials 1.1: Site Plan, project design documents, cluster maps, schematic diagrams, etc. (50 pages recommended).
 - Supporting Materials 1.2: Resumes, team commitment letters, etc. (30 pages recommended).
 - Supporting Materials 1.3: Copy of Deed and/or Lease Agreement. (No page limit).
- Attachment 2: [Work Plan Template](#) (4 pages maximum).



Attachments Tab

Financials and Budget Worksheet

- Attachment 3: [Budget Worksheet Template](#)
- Attachment 4: Financials (No page limit).
 - 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 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.

Attachments Tab

Estimated GHG Emissions Reduction

- Attachment 5: [Estimated GHG Reduction Calculator](#)
 - Supporting Materials 5.1: Explanation of assumptions of GHG calculations. (20 pages recommended).

Project Readiness

- Attachment 6: Additional permitting documents (100 pages recommended).



Attachments Tab

Environmental Performance

- Attachment 7: [Environmental Performance Template](#) (5 pages maximum).
 - Supporting Materials 7.1: Explanation and citations from published literature, to support project's environmental performance claims. (100 pages recommended).

Community Impacts

- Attachment 8: [Community Impacts Template](#) (5 pages maximum).
 - Supporting Materials 8.1: Up to three letters of support (20 pages recommended).
 - Supporting Materials 8.2: Explanation of AB 1550 Benefits (10 pages recommended).



Grounds for Disqualification

- 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.



Award Requirements

- If selected for an award, execution of the grant agreement is conditional upon applicants agreeing to the following program requirements:
 - CEQA compliance anticipated within six months of executed grant agreement.
 - Grant recipients must submit quarterly status reports to CDFA explaining in detail the project's progress.
 - Recipients must report annual GHG emission reductions data to CDFA for five years after the end of the project term and/or the digester becomes operational.



Questions and Answers

- Email questions to: grants@cdfa.ca.gov
- Email QM questions to:
GGRFProgram@arb.ca.gov
- Questions posted to CDFA website:
<https://www.cdfa.ca.gov/oefi/ddrdp/>

Questions received by:	Responses posted by:
January 8, 2018 at 8:00 am	January 12, 2018 at 5:00 pm
January 15, 2018 at 8:00 am	January 19, 2018 at 5:00 pm

