Dear CDFA,

Please do a balance check on you activities to reduce methane gas emission.

1. Advancing compostation of animal manure heats the fibers and agrivates a 100 % emission of nitrogen in fibers that turns to ammonia emission. This will increase your smog problem with PM 2.5 and PM 10, further advance your biodiversity loss and it is an absolutely unsustainable technology without the compostation taking place under roof with air scrubbers to catch the ammonia. You are likely to introduce an increase of 5-6,000 premature death in California with your activity. In our country, compostation under free air is illegal and considered dumping and you will receive a ½ year prison sentence if you do it!

2. Biogas and digesting of slurry is fine as long as you keep the digested slurry under cover until injection into soil. If you expose the digested slurry to free air after digestion, the methanogenesis process has been agrivated compared to conventional storage of slurry and you achieve the opposite of CO2 reduction – you increase it!

It seems to me to be very- very strange that you promote technologies that achieve the opposite of what you are investing for – and use tax money to do it.

Wake up! – this is 2018 – we have technologies to help that are a lot cheaper and significantly more effective!

I have tried to inform you about the use of acidification technology to solve your problem. The European Union has made acidification technology “BAT” – Best Available Technology - for all member states for a good reason. By 2030, we expect all slurry will be acidified in EU. Denmark is the front runner and it is now legislative mandatory for use on all slurry from 2020.

We can demonstrate that acidification has the potential to reduce WORLD CO2 emission with +1% within 5 years!

Think of Sulphuric acid as AdBlue for slurry!
Med venlig hilsen / Best regards / mit freundlichen Grüßen

Morten Toft
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Danmark
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www.biocover.dk
November 1, 2018

Secretary Karen Ross
California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814
By email: cdfa.oeff@cdfa.ca.gov

Re: DDRDP Draft Program Materials for 2019

Dear Secretary Ross:

Thank you for the opportunity to provide comment on the California Department of Food and Agriculture’s (CDFA) draft program materials for the 2019 Dairy Digester Research and Development Program (DDRDP). We have appreciated the time your staff has taken to meet with our staff and stakeholders to discuss our questions and concerns, and are writing this letter to highlight three requests for changes to the current materials.

As Chair and Vice Chair of the Joint Legislative Committee on Climate Change Policies, it is our responsibility to oversee all of California’s climate investments. CDFA has been awarded $260 million in revenue from the Greenhouse Gas Reduction Fund since 2013 to pursue dairy methane reduction projects, including $99 million for the 2018-2019 fiscal year. CDFA is currently proposing to make $61-75 million of that funding available for DDRDP in 2019.

Upon review of the draft materials posted on CDFA’s website, we have three requests:

1. **Electricity generation and production of renewable natural gas (RNG) should not be the only eligible end uses.** Specifically, we would like to see the funding guidelines amended to allow for DME and hydrogen as eligible end uses. These fuels move our state closer to our zero emission transportation goals, and don’t require dairies to invest in expensive pipeline connections. Despite a fuel-agnostic quantification methodology from the California Air Resources Board, the acceptance of these fuels into the Low Carbon Fuel Standard, and the partnerships these fuel producers are developing with other state agencies like the California Energy Commission, the draft guidelines put forward by CDFA make clear that only electricity generation and RNG are eligible (see Appendix E – Scoring Criteria, where a PPA or plan for pipeline injection are requested; we have also received correspondence from program staff that these are the only two eligible end uses). This does not align with Administrative or Legislative intent to promote zero emission transportation and increase the supply of renewable hydrogen.
2. **Expand the definition of “commercially-available technologies.”** The draft materials clearly outline that only commercially-available technologies will be eligible for funding, and define that as “a system that has proven operating history specific to the proposed application” (see Appendix D – Key Terms and Definitions). However, there are many uses for biogas that are not currently deployed, such as hydrogen production, that are scientifically sound and well-researched. Any product that can be created from conventional natural gas or methane should be an eligible end use for biogas. Further, the definition of commercially-available technology limits that scope to California, but we think it is appropriate that a technology commercially available anywhere in the world be eligible for potential funding — there is no scientific or legislative justification to preclude innovation that may not be widely accepted in California yet.

3. **The timeline for release of the final application materials should be delayed until January 2019.** It has come to our attention that the SB 1383 Dairy and Livestock Greenhouse Gas Reduction Group will meet to provide recommendations on digesters and other approaches to reducing methane on December 3, 2018. To allow time for CDFA to incorporate any recommendations in this solicitation, we believe it would be prudent to delay the release of any final DDRDP materials until at least January 2019. This should still allow for ample time to execute a proposal period, project review, and grant agreements before the end of the fiscal year, and would ensure that these funds aligned with the most recent data and best practices available.

Thank you for your time and consideration of our comments. If you have any questions, please do not hesitate to contact Katie Valenzuela, Principal Consultant for the Joint Legislative Committee on Climate Change Policies, at Katie.ValenzuelaGarcia@asm.ca.gov.

Sincerely,

Assemblymember Eduardo Garcia

Senator Henry Stern

Cc: Rachael O’Brien, Deputy Secretary for Legislative Affairs, Rachael.OBrien@cdfa.ca.gov
Dr. Amrith Gunasekara, Science Advisor to Secretary Ross,
amrith.gunasekara@cdfa.ca.gov
Please clarify the Allowed versus Unallowable Costs as described on pages 9 and 10 of the RGA and confirm if in-kind predevelopment activities are allowed in-kind match.

In the text for the RGA, Allowed Costs includes pre-development activities conducted prior to the proposed project term that contributed to the project’s “readiness.” But the Unallowable Costs text states the that pre-development costs, including, but not limited to: permits, project designs, and any other activities that contributed to a project’s readiness are not allowed. See below:

Page 9 – Matching Funds **Allowed** – In-Kind

*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.*

Page 10 - **Unallowable** Costs: The following costs are **not** allowed:

* Costs incurred outside of the grant term.
* 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

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N. Ross Buckenham  
CEO, California Bioenergy LLC  
office: 559-667-9560  
mobile: 214-906-9359

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From: N. Ross Buckenham <rbuckenham@calbioenergy.com>
Sent: Monday, November 05, 2018 6:58 AM
To: CDFA OEFI@CDFA <CDFA.OEFI@cdfa.ca.gov>
Cc: Andrew Craig <acraig@calbioenergy.com>; Neil Black <nblack@calbioenergy.com>
Subject: Comment Question re CDFA DDRDP RGA

Please confirm that project funding from non-CDFA grant sources including funding the CPUC Order Instituting Rulemaking (“5 Pilots”) and the CPUC’s AB 2313 (50%) program is allowable as Match Costs provided there are no duplicated costs being allocated to more than one funding, reimbursing or grant agency, i.e. no double counting.

N. Ross Buckenham
CEO, California Bioenergy LLC
office: 559-667-9560
mobile: 214-906-9359
Please explain how a FOIA request for a copy of a grant application or an awarded grant would be handled. Particularly how an applicant would be notified prior to release of FOIA materials, what process applicant can go through to confirm there is no release of confidential material and particularly how highly confidential dairy farmer and applicant tax returns, financial statements and dairy specific data can be redacted prior to FOIA release.

N. Ross Buckenham  
CEO, California Bioenergy LLC  
office:  559-667-9560  
mobile:  214-906-9359
November 5, 2018

Office of Environmental Farming and Innovation
California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814

Re: The Dairy Digester Research and Development Program: (DDRDP): Proposed Solicitation for 2019: Draft Request for Grant Applications (RGA)

Dear OEFI Staff:

Thank you for the opportunity to comment on the Office of Environmental Farming and Innovation’s (OEFI’s) Draft RGA, which is envisioned to apply to the next competitive solicitation round for grant funds under DDRDP.

Specifically, Oberon Fuels (Oberon) wishes to offer the following four concerns as they pertain to critical elements either within the Draft RGA or with regard to OEFI’s currently anticipated timeframe for releasing the next Proposed Solicitation:

I. The Draft RGA arbitrarily limits eligible end uses under DDRDP to only electricity generation and the production of renewable natural gas (RNG).

As currently contemplated in the Draft RGA, dairy digester projects that would produce dimethyl ether (DME) or hydrogen as end use transportation fuels would be prevented from competing in the next anticipated DDRDP funding round. We believe OEFI’s current position on this issue is both inconsistent with, and counterproductive to, the purposes for which the DDRDP was established by the Legislature, as well as with other important, well-established policies and actions that the State is undertaking to help facilitate California's ambitious zero-emission transportation goals.

For example, as you are aware, California has for the past decade-and-a-half pursued a number of significant policies and actions that recognize the critical role innovative, low-carbon fuels currently have and will continue to play in the near- and long-terms to help California meet its ambitious, zero-emission transportation goals:

- The State’s renewable hydrogen (H₂) mandate (SB 1505/Chapter 877, Statutes of 2005), which requires 33.3 percent renewable content in the hydrogen sold in all publicly-funded fueling stations, as well as all private fueling stations once the H₂ volume sold in California exceeds 3.5 million kg (~2019).
- The California Air Resources Board’s (ARB’s) 2017 Scoping Plan, which includes renewable hydrogen deployment and electrification of transportation with batteries AND hydrogen.
- The Governor’s 2018 Executive Order (EO B-48-18), in which he called for a target of 5 million zero-emission (including hydrogen fuel-cell) vehicles on California’s roads by 2030.

1 Page Seven of OEFI’s “2019 Draft DDRDP RGA: Requirements and Limitations: Program Requirements”
We also found nothing in DDRDP’s authorizing statutes [Senate Bill (SB) 1383 (Chapter 395, Statutes of 2016)] that support OEFI’s current view that DME and hydrogen are not eligible as end-use transportation fuels under DDRDP. Therefore, Oberon Fuels strongly believes that OEFI’s current position to limit eligibility to compete under DDRDP to a single end-use transportation fuel type is short-sighted and incompatible with the spirit and statutory construct of SB 1383, as well as the intent of the Legislature and Administration.

II. DDRDP’s Quantification Methodology is inconsistent with OEFI’s position on DME and Hydrogen.

It is important to note that the DDRDP Quantification Methodology OEFI intends to require solicitation applicants to use to calculate their respective proposed projects’ greenhouse gas (GHG) emissions reductions, is silent on the type(s) of end use transportation fuels that can be produced from proposed “projects where biogas is upgraded to biomethane for use as a transportation fuel….“ Upgraded biomethane can be used as transportation fuel by compressing it (CNG), liquefying it (LNG), and chemically converting it (H₂, DME). In fact, the Quantification Methodology makes it clear that it was “developed to estimate the outcomes (emphasis ours) of proposed projects, inform project selection, and track results of funded projects….“ In other words, the Quantification Methodology is fuel agnostic.

This important point is further confirmed elsewhere in the Quantification Method under “Project Types,” which informs solicitation applicants that:

“Each DDRDP project requesting funding must include at least one of the following project components:

- [Biogas Control System (BCS)] that utilizes recovered biogas for electricity generation;
- BCS that recovers biogas and upgrades to biomethane for use as transportation fuel (emphasis ours), whether onsite, at a nearby facility, or through pipeline injection;
- BCS that recovers biogas for combustion in a boiler that utilizes thermal energy in a process thereby reducing demand for fossil-fuel based energy in that process."

Again, we note that that the Quantification Method is silent on the type of end-use transportation fuel required to be produced from an otherwise eligible BCS project. As mentioned above, upgraded biomethane can be used in multiple ways as a transportation fuel whether through compression (CNG), liquefaction (LNG), or chemical conversion (H₂, DME).

Consequently, Oberon believes that OEFI’s current focus on the types of end-use transportation fuels produced by otherwise eligible BCS projects is unduly restrictive and not supported by CDFA’s (and CARB’s) own DDRDP Quantification Methodology.

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³ Page Two of “DDRDP Quantification Methodology: Methodology Development”
⁴ Pages One and Two of “DDRDP Quantification Methodology: Project Types”
III. OEFI’s current definition of “Commercially-available Technologies” is overly restrictive and impractical in the sense that it would prohibit eligibility for dairy digester projects using scientifically sound and accepted technologies that are commercially-available elsewhere in the world.\(^5\)

For over 30 years, DME has been produced throughout the world using commercially-available technologies. DME was first used as an aerosol propellant because of its environmentally benign characteristics. This and other properties, including a high oxygen content, lack of sulfur or other noxious compounds, and ultra-clean combustion make DME a versatile and promising solution in the mixture of clean, renewable, and low-carbon fuels under consideration worldwide. The majority of global DME production is currently in China with additional production facilities found or under development in US, Canada, Germany, Sweden, Japan, Trinidad and Tobago (online 2019), Indonesia, and Uzbekistan to name a few. The world’s first bioDME plant is located in Sweden.

Therefore, by limiting the scope of “commercially-available technology” only to within the confines of California, OEFI is ignoring and eliminating any consideration under DDRDP widely recognized commercially-available technologies used elsewhere in the world. Ironically, a reasonable argument can be made that until the first wave of DDRDP grants were issued, dairy digesters – especially those interconnecting the pipeline – were not generally “commercially available technologies” in California. Each dairy project requires modifications to the digester design to adjust to the specific farm and is not off-the-shelf. Only now are the first dairy biogas projects injecting biomethane into the California pipeline, which required “enhancements of existing technologies that are not commercially available in California” and therefore would be defined as pre-commercial as currently defined by OEFI in its Draft RGA\(^6\). Enhancements had to be made to the conditioning process prior to pipeline injection due to the stringent purity requirements for entering the California pipeline.

Additionally, there exists a wealth of data (including research conducted by CARB) that is currently available to OEFI with regard to the conversion of dairy biogas to DME and H\(_2\).

For example:

- In 2014, the United States Environmental Protection Agency (US EPA) issued a Renewable Fuel Standard pathway for biogas-based DME and calculated that Oberon’s biogas conversion process would result in a 68% Greenhouse Gas (GHG) reduction. [1] [2] Oberon biogas-based DME is eligible for D-3 & D-5 RIN credits.[3] [4] [5]
- In 2015, CARB, in partnership with a multi-agency working group, published their Tier 1 report on DME, in which they evaluated the effect of DME on air, soil, and water. We believe CARB’s report is an excellent aggregation on publicly available data on DME and part of the Multimedia Assessment process. The biogas conversion process is discussed in detail in the report. An initial lifecycle assessment of the conversion of various feedstocks to DME is also included in the report. The full, 164-page report is available for download here.
- In 2016, Argonne National Laboratory, at the direction of the US Department of Energy, worked with Oberon, Volvo, Ford, Haldor Topsoe, and Lulea University to update the

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\(^5\) Page 27 of OEFI’s “2019 Draft DDRDP RGA: Appendix D: Key Terms and Definitions”

\(^6\) Page 27 of OEFI’s “2019 Draft DDRDP RGA: Appendix D: Key Terms and Definitions”
Greenhouse gases, Regulated Emissions and Energy use in Transportation (GREET) lifecycle analysis of DME. When using renewable feedstocks, the updated GREET analyses estimated DME to offer 85-101% GHG reduction. The abstract is published here with the complete article available from the Society of Automotive Engineers.

- In May 2018, CARB presented to the Dairy Working Group Subgroup 2 their updated Dairy Digester Emissions Matrix. The focus of this work was to comparatively assess the emissions profile of various uses of dairy biogas. Pipeline injection of dairy biomethane to hydrogen vehicle is one of the scenarios evaluated and showed a greater CO2 net benefit than pipeline injection to natural gas vehicles.[6] [7]

- Most recently, CARB performed calculations [8] [9] to determine the estimated carbon intensity (CI) of DME from dairy biogas. It was found that, when made from 100 percent dairy biogas (RNG feedstock CI = -150), DME would have a CI of -278.[10] [11]

As noted above, Oberon believes that ample evidence exists and is readily available to OEFI to confirm the existence of commercially-available technologies already employed to produce DME, along with to existence of readily available data to assure OEFI the ability, at a minimum, of BCS projects producing DME as an end use transportation fuel to be able to achieve the outcomes prescribed by the DDRDP’s Quantification Method.

IV. OEFI’s anticipated DDRDP solicitation timeline coincides with when the SB 1383 Dairy and Livestock Working Group (Working Group) is also slated to deliver its DDRDP recommendations to CDFA’s Director.

OEFI has announced a tentative date of “December 2018” for releasing its invitation to submit Grant Applications for the next round of DDRDP funding7. While OEFI’s timeline is also caveated as “tentative,” we note that this is approximately the same timeframe in which the SB 1383 Working Group, which was formed pursuant to SB 1383 and has been working diligently since May 2017, is concluding its mandated task of identifying and addressing technical, market, regulatory, and other challenges and barriers to the development of dairy methane emissions reductions projects, and is scheduled on December 3, 2018 to submit its recommendations for strengthening the DDRDP, consistent with SB 1383’s goal and directive, to CARB, CDFA, the California Energy Commission, and the California Public Utilities Commission.

Therefore, Oberon respectfully urges OEFI and CDFA to take a reasonable amount of time to first consider, in consultation with the CARB and the other aforementioned sister agencies, the Working Group’s recommendations prior to releasing the next DDRDP solicitation. Otherwise, the fear is that yet another year, at a minimum, will go by before any of the Working Group’s recommendations could be acted upon -- particularly any meriting prompt action by OEFI and CDFA that could be accomplished administratively -- which, in turn, could prove counterproductive to CDFA’s recently publicly stated objectives to improve competition under DDRDP and maximize access and participation in the program from a diverse group of interested applicants. Arbitrarily preventing otherwise eligible BCS projects from competing in the upcoming DDRDP solicitation, Oberon would argue, is a step backward from that worthwhile goal, as well as California’s ambitious methane emissions reduction and renewable transportation fuels production and consumer utilization goals.

7 Page Six of OEFI’s “2019 Draft DDRDP RGA: “2019 DDRDP Timeline (Tentative)”
In conclusion, thank you again for your thoughtful consideration of our above comments. If you or Director Ross have any further questions, please do not hesitate to reach out to me directly, and I will ensure a prompt reply.

Sincerely,

Rebecca Boudreaux, Ph.D.
President, Oberon Fuels
rebecca@oberonfuels.com
(619) 255-9361
CDFA DDRDP RGA Comment regarding an Applicants long term water plan to address SGMA.

*Pumping of water in San Joaquin Valley will be severely limited by SGMA. In addition, surface water is not available in some areas of the valley. Maps are being published to identify the “White Areas” where surface water is not available to supplement reductions in pumped water. Dairies located in “White Areas” as defined by the SGMA 2020 water implementation plan will likely need to stop or reduce cropping of feed and thus convert to scraping manure (not compatible with lagoon digesters) to remove excess nitrogen from the dairy, or shut down the dairy operation if a solution to SGMA is not available.*

*CDFA should i) request applicants identify if they are located in a SGMA “White Area” and ii) if so submit an additional package authored by a SGMA engineer outlining their mitigation plan to show how they will sustain themselves over the ten year term of the DDRDP GHG reductions. Some significant portion of CDFA DRDDP grant application score should be deducted for dairies in “SGMA White Areas” that do not have a surface water solution identified.*

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**N. Ross Buckenham**  
CEO, California Bioenergy LLC  
office: 559-667-9560  
mobile: 214-906-9359
November 5, 2018

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

Dear Secretary Ross:

Sustainable Conservation appreciates the opportunity to comment on the 2019 Dairy Digester Research and Development Program (DDRDP) Draft Request for Grant Applications. Achieving the 40% reduction in dairy methane emissions mandated by SB 1383 is CDFA’s primary focus with the DDRDP, and we strongly believe digesters are critical to achieving that goal, in addition to non-digester practices. At the same time, DDRDP should be incentivizing projects that maximize environmental co-benefits and avoid undesirable impacts. In addition to generating methane, research shows that manure has been a significant contributor to nitrate contamination of water supplies, particularly in the San Joaquin Valley.

We have the following two recommendations to ensure that water quality is being adequately addressed within the DDRDP:

1. The DDRDP should include water quality as a factor in environmental co-benefits
2. The issue of nutrient balance / nutrient exports should be explicitly addressed in the program guidelines under “Environmental (Water and Air Quality) Protection” section, and the DDRDP application and review process should assess any necessary nutrient export strategies

1. **The DDRDP should include water quality as a factor in environmental co-benefits**

Given dairy manure’s documented contribution to water quality impacts, we feel it is critical and urgent that the DDRDP include water quality as a factor in environmental co-benefits. We have submitted the same comment in a separate letter regarding the Alternative Manure Management Program (AMMP).

2. **The issue of nutrient balance / nutrient exports should be explicitly addressed in the program guidelines under “Environmental (Water and Air Quality) Protection” section, and the DDRDP application and review process should assess any necessary nutrient export strategies**

There is an additional aspect that is unique to digesters as it relates to water quality and manure exports. UC Davis and the Central Valley Dairies Regional Monitoring Program, among others, have found that over application of manure to cropland is by far the largest source of nitrate leaching from dairies in California. Over application of manure to cropland often occurs when dairies (1) have more manure nutrients than their crops demand and (2) are not able to export...
those nutrients off-site for beneficial use elsewhere. Therefore, if a dairy has excess nutrients, it needs a robust manure export strategy in order to avoid water quality impacts.

Yet digesters require dairies to keep manure on-site for energy generation – in many cases a contractual obligation. Since digestion does not reduce manure nitrogen levels, dairies with excess manure nutrients that are considering installing digesters must have a robust and reliable manure export strategy. Without such a strategy, the dairy could be locking itself into a water quality dilemma.

To avoid incentivizing a project that could put a producer in jeopardy of water quality challenges, we feel strongly that (1) the issue of nutrient balance / nutrient exports be explicitly addressed in the program guidelines under “Environmental (Water and Air Quality) Protection” section, and (2) the DDRDP application and review process should require a robust discussion and assessment of any excess nitrogen and reliable strategies to address that nitrogen in a way that is protective of water quality.

We thank you again for the opportunity to comment and appreciate your consideration of our recommendations for the 2019 Dairy Digester Research and Development Program (DDRDP) Draft Request for Grant Applications.

Sincerely,

J. Stacey Sullivan
Policy Director
Dear CDFA,

Thank you for the opportunity to comment on the 2019 RGA. Please see our comments below:

Expanding the size of the herd

The 2019 draft solicitation states that once a project has been awarded funds, the project may not expand the size of their herd during the project term. It also states that DDRDP funds cannot be used towards dairy herds that are expanding during the application period. Oftentimes the dairy operates independently of the digester developer and makes herd management decisions corresponding with the primary business of producing milk.

The present approach makes sense. A project cannot score methane reductions resulting from future planned growth – since those reductions are speculative. But a project that is planning herd growth should be included since that project will actually result in even more methane reductions than it is being evaluated on. Similarly, to discourage a dairy from participating in the grant process and digester development would be counterproductive.

It is also important to note that the California dairy industry is consolidating and moderately decreasing in size. A dairy herd consolidation by an applicant (permitted by all relevant agencies) should additionally be allowed to participate in the grant. A consolidation is different from a herd expansion in that it moves cows from an older, generally less efficient and more polluting (if an open lot) to a methane mitigation system but does not overall increase the herd numbers.

Definition of Dairy Operation

Assembly Bill 109 provides Greenhouse Gas Reduction Funds to CDFA to fund early and extra methane emissions reductions from dairy and livestock operations. The definition provided in CDFA’s DDRDP solicitation seems to narrow the definition by requiring the livestock operation to commercially produce milk or cream to be eligible.
Heifer ranches are typically located within a cluster of dairies who outsource the heifer portion of their support stock operations to these professionally managed heifer ranch operators. Heifer ranches flush their manure into large anaerobic lagoons just like dairies do and like the dairies would do if the heifers were located on property.

The DDRDP digester grants should not discriminate against heifer ranches particularly since they can house tens of thousands of animals producing the equivalent methane emissions to an average dairy. In order to ensure the most cost-effective emissions are being capture, we propose the language be changed to the following:

“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.”

In addition, we have studied the GHG calculator and confirmed that dairies which out-source their heifer operations score lower on the GHG/ECM versus dairies that raise their own heifers since they have less manure production but the same milk production. This issue should be examined to make sure the GHG/ECM score makes sense, versus semi-arbitrarily, rewarding some projects and hurting others.

Lastly, since applicant dairies that utilize heifer ranches are paying a penalty in terms of their CDFA DDRDP score, it seems reasonable that a heifer ranch that installs a digester to process its manure should be able to not only apply for a grant but also use a “standard” GHG/ECM score. The “standard” could vary depending if the heifer ranch was raising holsteins, jerseys, or some mix. The GHG calculator that calculates GHG/ECM could easily be modified to have a check box for a “Heifer Ranch” application that defaults the GG/ECM number to the average GHG/ECM of last years awarded CDFA DDRDP grants.

It seems consistent that a properly licensed heifer ranch supporting its local neighboring dairies should be eligible for DDRDP digester grants since those same animals do count as eligible if they happen to be raised on a dairy farm.

Thank you for the opportunity to comment.

Best,

Andrew Craig
Director of Greenhouse Gas Reduction Initiatives
324 S. Santa Fe Street, Suite A, Visalia, CA 93292
Office: 559-667-9560 ext. 105
Mobile: 714-213-5839

CALIFORNIA BIOENERGY
Helping dairies fuel a renewable future
TO: CDFA OEFI Staff

FROM: Bill Graham, Steve Dvorak

DATE: November 5, 2018

RE: Comment Letter on 2019 DDRDP Draft Grant Application

Thank you for the opportunity to provide comment on the draft dairy digester grant application. We have several questions/concerns:

1) **No herd expansions during the project term:** Many dairies are undertaking facility upgrades that include the addition of an anaerobic digester and may involve changes in herd size. We would like to understand why this new limitation is being considered. We believe that limiting the ability of dairy management to modernize facilities that may involve a herd expansion will be an unnecessary hindrance to the dairy operator and development success. We respectfully request this limitation be lifted.

2) **Community Outreach:** Page 15 of the draft RGA indicates that, “community outreach must have occurred a maximum of 12 months after the application submission deadline” and lists a date of “December 17, 2017”. How does this affect prior outreach that may have been conducted by an applicant in a prior DDRDP process that was not selected for a grant?

3) **Draft DDRDP Benefits Calculator:** The draft DDRDP Benefits Calculator was only released last Friday, November 2nd. While we understand there is a period of time to allow for comment directly to CARB, we are concerned this does not provide sufficient time to analyze potential effects of new DDRDP Benefits Calculator against the RGA.

4) **Local Use of Energy/Fuel:** The draft RGA indicates favor local use of energy/fuel. Can you please provide more definition of what is “local” and what benefits there may be?

5) **Preference for RCNG Projects:** Is there a points preference for RCNG projects as indicated on page 31 under Environmental Performance?
We understand the CDFA considers covered lagoon digesters to be commercially available, provided they are designed and built to common industry standards. In the same way, does CDFA interpret other common proven process flows designs as being commercially available technologies in California, specifically: Continuous Stirred Tank Reactor, Up-flow Anaerobic sludge Blanket, Suspended Growth Treatment Reactors, or Fluidized Media Reactors?

Best Regards,

Craig Hartman, PE
Civil Engineer
November 5, 2018

Via email to: cdfa.oefi@cdfa.ca.gov

Re: Comments on “Draft Request for Grant Applications” (RGA) for 2019 Dairy Digester Research and Development Program (DDRDP)

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

Dairy Cares continues to strongly support both the Alternative Manure Management Program (AMMP) and the DDRDP as highly effective and needed incentive programs to reduce dairy manure methane emissions consistent with state goals. These programs, in addition to California’s Low Carbon Fuel Standard and California Public Utility Commission incentives, are critical toward incentivizing methane reductions across the state’s dairy farms.

Support for funding level range of $61 million to $75 million
The DDRDP has already successfully funded over 60 projects during the first three rounds of funding. Dairy operator interest in the program remains high and Dairy Cares supports another round of funding in the $61 million to $75 million range. The proposed program funding ranges have provided an effective way for CDFA to weigh program demand and the state’s need to reduce dairy methane emissions consistent with state’s ambitious reduction goals. We believe the proposed funding range strikes an appropriate balance between digester and non-digester strategies and provides appropriate flexibility and discretion to determine final funding allocations for each program.

Changes to Project Technology
CDFA has proposed changes to the grant program that allow new or pre-commercial technologies that provide benefits beyond GHG emission reduction, including nutrient removal and management. Dairy Cares strongly supports this addition, which allows
technology installation to count toward matching funds for the project. Nutrient management technologies utilized on the back end of digester operations can provide significant additional water quality and environmental protection benefits as part of the project.

**Herd Size Limit**
CDFA has proposed changes to the grant program that limits herd size expansion during the development phase (project term). While Dairy Cares understands the rationale for this proposed change, it cautions CDFA that dairy herd size is a local permitting issue that is best left to local agencies. For this reason, we would respectfully ask CDFA to remove this requirement.

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

Sincerely,

Michael Boccadoro
Executive Director

CC: Charles “Chuck” Ahlem
    Casey Walsh Cady, CDFA
    Dairy Cares Board