

# 2022 DAIRY DIGESTER RESEARCH AND DEVELOPMENT PROGRAM

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## Request for Grant Applications

*Draft for Public Comment*

**Public comments must be submitted to [cdfa.oefi\\_ddrdp\\_tech@cdfa.ca.gov](mailto:cdfa.oefi_ddrdp_tech@cdfa.ca.gov) by December 21, 2021, 5 PM PT.**



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# About the Program

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## Purpose

The California Department of Food and Agriculture's (CDFA) [Dairy Digester Research and Development Program \(DDRDP\)](#), 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

DDRDP is part of California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment, particularly in disadvantaged communities.

The Budget Act of 2021 (SB 170, Chapter 240) appropriated \$32 million from the California State Budget to CDFA for methane emissions reductions from dairy and livestock operations. This funding allocation is for both the DDRDP and the Alternative Manure Management Program (AMMP), with priority given to the AMMP. CDFA will fund up to 50% of the total project cost with a maximum grant award of \$2 million per project. Therefore, a minimum of 50% matching funds is required (no more than 25% in-kind contributions). See [Cost Share](#) for more details.

The maximum project term is two (2) years. Grant funds cannot be expended before TBD or after TBD. 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. Individuals and/or entities receiving grant award funds must be located in California with a physical California business address.

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, including Federal and California Recognized Native American Indian Tribes, 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). Individual dairies can only submit one application per submission period (i.e., multiple developers cannot apply for the same dairy operation).

New Submitting Organizations that have not been previously funded through DDRDP are encouraged to apply in order to allow participation of diverse Submitting Organizations. These entities are eligible for an additional 5 points in the Detailed Scoring Criteria (refer to [Appendix E: Detailed Scoring Criteria](#)). Submitting Organization must be the dairy digester developer involved in the project.

A group of dairy operations can submit one grant application to develop centralized dairy digesters and gas clean-up facilities, known as a “cluster” or “hub and spoke” project. The location of the centralized digester and/or gas clean-up facility can be determined 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. Defunct digesters must be non-functional for a minimum of 12 consecutive months.

~~Applicants may request CDEFA to re-consider previous applications submitted in 2020 through the FAAST DDRDP electronic application submission platform system for 2020 funding. If requesting to reconsider to submit previously submitted applications, new submission must not be made, i.e., multiple submissions for the same project are not allowed.~~

~~If choosing to re-submit previous applications with minor edits, a new submission is required using the new DDRDP electronic application submission platform.~~

Once a project has been submitted to the DDRDP electronic application submission platform and awarded funds, the project may not:

- Change or alter their biogas end-use during the project term.
- Change the herd size beyond the limits established by the dairy operation's existing permits at the time of application during the project term.
- Change ownership of the dairy and/or partnership entities. Should the grantee sell the dairy operation that was the subject of a grant award, all grant monies awarded shall be returned to the CDFA.

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 an increase in baseline emissions greenhouse gases (e.g., **increase in herd size**, changing existing manure management practices to those that increase greenhouse gases (GHG) emissions such as from dry scrape to flush lagoon systems).
- Duplicate equipment or activities that received 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 DDRDP.*
- Dairy operations that have already accepted or implemented a grant award by CDFA's Alternative Manure Management Program (AMMP), or plan to accept or implement a grant award by AMMP or a dairy operation that previously received DDRDP funding.

## Timeline

DDRDP Timeline (Tentative)	
Invitation to submit Grant Applications	TBD
CDFA Application Workshops and Webinar	TBD
Grant Applications Due	TBD
Review Process	TBD
Announce and Award Funding	TBD
<b>Grant Agreement Execution</b>	See <u>Grant Agreement</u>

# Requirements and Limitations

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## Program Requirements

The DDRDP will support the implementation of dairy digester projects on California dairy operations that result in permanent, annual, and measurable GHG emission reductions.

Projects must use methane for energy production or transportation fuel (e.g., including but not limited to renewable natural gas). Projects that propose flaring as the sole end-use for biogas will not be eligible for funding. Projects must either convert biomethane to renewable electricity or fuel (to use on-site or inject into an existing pipeline), or for the utilization of energy at a neighboring facility.

At least 80% 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 progress reports to CDFA explaining in detail the project's progress and the status of compliance with all applicable air and/or water pollution control standards and requirements of the hosting dairy facility. 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 promptly 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 Application Questionnaire and Project Readiness template under the Project Readiness section.



If awarded, grant recipients are expected to demonstrate compliance with the 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 and Definitions \(Appendix D\)](#) for a detailed definition of "commercially available" as applicable to this program.

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

Projects may propose to include nutrient management technologies, **such as those to help manage excess nitrogen in addition to the anaerobic digester eligible under the DDRDP**. However, implementation of standalone nutrient management technology to an existing digester is not eligible. The projects can be reimbursed for equipment and implementation costs of nutrient management technology.

## Greenhouse Gas Emission Reduction Calculations

Applicants are required to use the latest quantification methodology titled "Greenhouse Gas Quantification Methodology for the California Department of Food and Agriculture Dairy Digester Research and Development Program" and associated "Benefits Calculator Tool for the Dairy Digester Research and Development Program" (hereafter referred to as Quantification Methodology and Benefits Calculator Tool, respectively) developed by the California Air Resources Board (CARB). The Quantification Methodology and Benefits Calculator Tool are available on the CARB CCI Quantification, Benefits and Reporting Materials webpage: [www.arb.ca.gov/cci-resources](http://www.arb.ca.gov/cci-resources).

This Quantification Methodology and Benefits Calculator Tool were developed specifically for the DDRDP and are based on the [CARB Compliance Offset Protocol – Livestock Projects](#) (2014) with some modifications to allow for the calculation of anticipated net GHG reductions of a DDRDP project prior to implementation. Technologies not supported in the CARB Benefits Calculator Tool will not be funded.

Applicants are required to provide GHG calculations in the following four formats: (1) total project emission reductions over 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 DDRDP grant funds requested over 10 years; and (4) GHG reduction per dollar total project funds over 10 years (includes cost-share).

### Priority Populations

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

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

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

Priority populations can be identified using the mapping tools provided by CARB here: [www.arb.ca.gov/cci-communityinvestments](http://www.arb.ca.gov/cci-communityinvestments).

Projects are not required to provide benefits to priority populations. However, the projects that are determined to be providing benefits based on their responses to the application questions are eligible to receive additional points during the review process. Consistent with [CARB's 2018 Funding Guidelines for Agencies Administering California Climate Investments](#), priority will be given to those projects that maximize benefits to priority populations using criteria addressed.

### **Environmental (Water and Air Quality) Protection Requirements**

Projects must demonstrate protection of water and air quality. The design and construction of digester vessels (i.e., ponds, tanks, or other vessels where biomethane 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 watertight (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 or below-grade vessels constructed of concrete or other suitable impermeable and corrosive-resistant material. The Design Report for a double-lined pond, above-ground vessel, below-grade vessel, or proposed alternative digester vessel 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.

The digester system design, construction, and operation must minimize the 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/MWhr.

Applicant dairy operations must be compliant with all applicable air and/or water pollution control standards and requirements for the dairy operation during the application submission. Awarded dairy digester projects and dairy operations must maintain compliance with all applicable air and/or water pollution control standards and requirements during the project grant agreement term.

In making awards, CDFA will prioritize projects that minimize emissions of criteria pollutants (see [Appendix E: Detailed Scoring Criteria](#) for more information).

## Cost Share

CDFA will fund up to 50% of the total project costs with a maximum grant award not to exceed \$2 million per project. The applicant must contribute a minimum of 50% of the 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 the ability to commence work while waiting for grant payments in arrears.

*Matching funds* are a portion of project costs not borne by the DDRDP grant. 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). Other State or Federal grants may serve as matching funds.

*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.

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 and associated biogas end-use system, and nutrient management technologies. Categories listed below are consistent with the project Budget Worksheet template. Allowable project costs include, but are not limited to:

- *Supplies*: Supplies and materials are items with an acquisition cost of 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 that 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. 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. Compensation for design and engineering fees must be reasonable and consistent with fees in the marketplace for the same or similar services.
- *Other Costs*: Other direct costs and expenses for implementing the project not covered in any of the previous categories, including secondary lagoon lining costs.

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

reimbursement, and must be supported with proper documentation, including but not limited to: a copy of the cashed check(s) or receipts of wire transfer(s) of payment or reference number(s) of specific transactions made toward these payments.

## Unallowable Costs

A cost is unallowable if it does not comply with program requirements or other terms and conditions in the grant agreement. The following costs are **not** allowed:

- Costs incurred outside of the grant term.
- Costs that are not directly related to the implementation of the anaerobic digester and nutrient management technologies (if applicable).
- Costs related to the grant management and fulfilling the requirements set by the Program, included but not limited to: quarterly progress reports, final performance reports, and post-project completion reports preparation, and virtual or in-person site visits for critical project review/verification.
- Costs covered by another State or Federal grant program, including funds provided by the Investor Owned Utilities as a result of the CPUC Order Instituting Rulemaking to implement dairy biomethane pilot project process.
- Pre-development costs, including, but not limited to application preparation, project designs, and any other activities that contributed to a project's readiness.
- Cost of all permits necessary for the completion of the project. Examples include but are not limited to air district permits, county building permits, water board permits.
- Costs associated with CEQA environmental review, such as preparation of Environmental Impact Reports.
- Direct and/or indirect expenditures for purchasing or leasing land and/or buildings, including costs associated with the land use or loss of agricultural production.
- Direct and/or indirect expenditures for purchasing dairy manure (tipping fees) or other feedstocks.
- Costs associated with travel (e.g., hotels, flights, per diem, etc.).
- 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., California Government Code Section 16428.86(a)).
- Costs not supported with adequate proof of payment documentation.

# How to Apply

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Applicants will be required to complete and submit their grant applications online using an electronic application submission platform, available at: **TBD**. Each applicant must create an account to submit an application.

## **Step 1 – Create an Account**

## **Step 2 – Create a Profile**

## **Step 3 – Start an Application**

Applicants may review the application questions and required documents to be attached in [Appendix F: Application Questionnaire Preview](#). Applicants are encouraged to gather all required information prior to final submission to facilitate effective and timely submission of the grant application.

Once you start an application, you can edit an existing application or begin a new application. The eight (8) digit application ID number will be used throughout the application process as a project identifier.

Questions are answered in one or more of the 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 without exception.

You can click the pen and paper icon on the right to edit an application or the eye icon to view data you already entered.

## **Step 4 – Submit an Application**

Once all of the required fields (as indicated by a red \* in the application) have been completed, the Submit button will become green and you will be able to submit the application. Applicants will not be able to submit the application without responding to the required fields.

If you submitted your application in error or wish to recall your application, you can click “Edit” to reopen the application. Please keep in mind that a reopened application must be resubmitted before the application deadline to be



considered. Once the due date has passed, applicants will not be able to edit or recall an application.

In case of technical difficulties with the application, please send an email to [cdfa.oefi\\_ddrdp\\_tech@cdfa.ca.gov](mailto:cdfa.oefi_ddrdp_tech@cdfa.ca.gov) and include your application ID number in the subject line.

# Grant Application Questions and Attachments

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Attachments must be submitted in Arial font size 12, with one (1) inch margins, and page numbers should be on the bottom right corner. Attachments listed as single PDF files (supporting documents, letters of support, design plans, etc.) have recommended page limits noted in the section below.

All attachments must include the 8-digit Application Identification number, automatically assigned to your application by the application submission platform in the top left corner.

## Questionnaire

A preview of the application questions is available in [Appendix F: Application Questionnaire Preview](#).

## Application Sections

For attachments and supporting materials that do not have a required template, applicants are encouraged to create a linkable table of contents and/or hyperlinks to reference applicable sections within a document. Do not include extraneous or duplicate information.

### 1. 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 (i.e., clearly specify BioMAT and offtake contract and/or status), specify any peak demand provisions, discuss local vs. regional use of generated fuel or electricity, site control, sustainability of the project, operations, maintenance, organization of project team, and experience. For projects that are a part of a larger cluster, 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, and assign the

priority for the dairy digester in the cluster by qualifying them as low, medium or high importance.

For projects that propose to change their biogas end-use within the 10-year life of the project, discuss this in Project Narrative, and ensure that this is reflected and consistent in the Estimated GHG Emissions Reduction, Environmental Performance, Community Impact, Budget Worksheet sections, and Work Plan attachment.

Complete and upload the [Project Narrative template](#) as a Word file to the online system. Ensure that all values and inputs discussed in the project narrative are consistent with those in the DDRDP Benefits Calculator Tool.

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

- **Supporting Materials 1.1:** Site plan, project design documents, cluster maps, schematic diagrams, etc. Offtake agreements and power purchase agreement (PPA) documents should be uploaded to Section 6: Project Readiness and Permit Status. Upload as a single PDF file; 60 pages recommended.
- **Supporting Materials 1.2:** Resumes, team commitment letters, etc. Upload as a single PDF file; 36 pages recommended.
- **Supporting Materials 1.3:** Copy of Deed and/or Lease Agreement (if applicable). Upload as a single PDF file; no total page limit.

### **Attachment 2: Work Plan Template**

The Work Plan must clearly describe the tasks and activities required to accomplish goals/objectives in the proposed Project Narrative. It must identify measurable targets and timelines and include an evaluation component to measure the success of the project and determine whether the project objectives were accomplished.

Complete and upload the [Work Plan template](#) as a Word file.

## **2. Budget Worksheet and Financials**

### **Attachment 3: Budget Worksheet Template**

Applicants must provide a clear accounting of costs, bid sheets and estimates, work hours, and equipment associated with all activities necessary to complete the project. Applicants must identify 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](#) as an Excel file.

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

- **Supporting Materials 3.1:** Bids, quotes, or estimates to support budget costs. Applicants are encouraged to obtain multiple estimates to ensure costs are reasonable and consistent with the market rate. Upload as a single PDF file; no total page limit.

#### **Attachment 4: Financials**

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

- Provide documentation regarding the dairy and the developer's financial strength. In the case of a partnership, information from all partners (including the dairy operation) is required. This information includes:
  - Most recent independent CPA Auditor's Report (preferred).
  - Most recent federal tax returns and accompanying schedules.
  - Recent Profit/Loss statements.
  - Project financing letter from a financial institution.
  - Other appropriate documentation that demonstrates your organization's (e.g., Limited Liability Company) financial stability, such as: Articles of Incorporation; 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 the 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 as a single PDF file; no total page limit.

### 3. Estimated GHG Emissions Reduction

#### **Attachment 5: DDRDP Benefits Calculator Tool**

Estimate the project GHG emissions reduction with the DDRDP Benefits Calculator Tool.

Complete and upload the [DDRDP Benefits Calculator Tool](#).

*Applicants must provide the latest DDRDP Benefits Calculator Tool as a LOCKED Excel file. If a PDF file is provided unaccompanied of the Excel spreadsheet or it is unlocked, the application will be disqualified.*

In addition to the DDRDP Benefits Calculator Tool template, include the following supporting materials:

- **Supporting Materials 5.1:** Explanation of variables different from the DDRDP Benefits Calculator Tool. For example, the non-default volume of manure volatile solids deposited on land and not entering the anaerobic environment; proof of herd documentation for the past 12 months; and, use of default values for standard milk in absence of dairy-specific data (if applicable). Upload as a single PDF file; 24 pages recommended.

### 4. Project Readiness and Permitting Status

#### **Attachment 6: Project Readiness Template**

Complete template for [Project Readiness](#).

Applicants should describe the permits needed for the digester project. Provide a table of all permits needed and permit status. Discuss the dairy's permit status, any current or pending enforcement actions of any kind, or non-compliance status for the dairy operation or other associated party on the project. Discuss the status of interconnection, power purchase agreement, and offtake agreements. Upload as a single Word file; 6 pages max.

- **Supporting Materials 6.1:** Applicants must also 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.
- **Supporting Material 6.2:** Depending on the project type, attach documentation showing the status of interconnection, offtake agreements, and/or power purchase agreements.

Upload as a single PDF file; 120 pages recommended.

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

## 5. Environmental Performance

### Attachment 7: Environmental Performance Template

The Environmental Performance attachment should describe the project's impact on criteria pollutants (such as NO<sub>x</sub>), toxic air contaminants and hazardous air pollutants. Provide a detailed explanation of additional co-benefits such as: water conservation, value-added products, utilization of waste heat, reduction of odor, nutrient management, etc. Discuss the strategy to achieve these benefits and ensure they are included in the Work Plan attachment and Budget Worksheet section.

Projects are required to mitigate the impact of criteria pollutants. Example of acceptable mitigation strategies include, but are not limited to:

- a) Replacement of diesel engines and/or equipment with low or non-NO<sub>x</sub> emitting engines and/or equipment. These must be used directly on the dairy operation within the project boundary at least 90% of the time.
- b) Purchase of NO<sub>x</sub> offset credits. Specify the agency and the program where the credits were purchased.

- c) Executed Community Benefits Agreement with local community or other stakeholders that address and identify disadvantaged community needs (e.g., innovative, alternative fuel bus, charging stations, etc).

Complete and upload the [Environmental Performance template](#) as a Word file.

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 as a single PDF file; 120 pages recommended.

## 6. Community Impact

### Attachment 8: Community Impact Template

The Community Impact template should describe how the project will create an economic benefit in the community. Provide estimates on job creation including job classifications or trades, job training credentials, number of jobs provided, number of jobs provided to Priority Populations, project work hours for Priority Populations (hours), average hourly wage (\$), average hourly wage for Priority Populations (\$), total number of workers that completed job training, number of workers in Priority Populations that completed job training, and description of job quality. Reported benefits must be consistent with the Job Training and Workforce Development Benefits Table found at:

<https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/ccidoc/criteriatable/criteria-table-jobs.pdf>

Provide details of any negative environmental impacts and explain the mitigation measures that will be implemented. Community outreach efforts must have occurred a maximum of 12 months prior to the application submission deadline. Community outreach efforts must occur within the local community or county where the project is proposed. In-person community meetings are required. Additional outreach through social media is acceptable; however, applicants must provide additional metrics. Examples of additional metrics include, but are not limited to, analytics data including number of views and shares, screenshots

of presentation and/or advertisement to demonstrate what materials were shared with community, information of social media platform utilized and how the target audience was notified of the efforts.

- Complete and upload the [Community Impact template](#) as a PDF file.

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

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 local community organizations demonstrating that outreach was conducted. Upload as a single PDF file; 24 pages recommended.
- **Supporting Materials 8.2:** Provide documentation to justify responses to the priority population benefits questions. Upload as a single PDF file; 12 pages recommended.

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



# Review and Notification

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## Review Process

CDFA will fund the highest scoring projects that result in permanent annual greenhouse gas emission reductions from dairy manure management and maximum project co-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. Grant applications disqualified as a result of the administrative or financial 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 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 and will review 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.

CDFA may assess applicants' past grant performance in determining if a new project will receive funding. Prior performance will include timely completion of projects and submission of all required documentation and data during and after project completion.

Consistent with the [Farmer Equity Act of 2017](#), Socially Disadvantaged Farmers or Ranchers will be prioritized for funding.

## Disqualifications

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

- One or more unanswered questions necessary for the administrative, financial, or technical review;
- Missing, blank, unreadable, corrupt, or otherwise unusable attachments;
- Requests for more than the maximum award amount;
- Application does not comply with [Eligibility and Exclusions](#), or does not meet [Program Requirements](#).

APPEAL RIGHTS: Any disqualification taken by the Office of Environmental Farming and Innovation (OEFI) 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 decision being challenged. The submissions must be 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 funding will receive feedback regarding their applications within 60 days after receiving notification.

~~In accordance with [CARB 2018 Funding Guidelines for Agencies that Administer California Climate Investments](#), CDFA will post basic information on the DDRDP web site regarding the applications it has received at least 10 days before awarding grant funds. After projects are selected and all funds are encumbered, CDFA will post an updated list within 90 days that identifies status of all project applications.~~

# Assistance and Questions

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## Workshops and Webinars

CDFA will conduct workshops and a webinar on the DDRDP solicitation process; please visit <https://www.cdfa.ca.gov/oefi/ddrdp/> 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 DDRDP website according to the following schedule:

Questions Received by 5:00 p.m. PT on:	Responses Posted by 5:00 p.m. PT on:
TBD	TBD
TBD	TBD
TBD	TBD

**TBD** is the final deadline to submit questions for the DDRDP grant application.

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

## Community Outreach Guidelines

CDFA will provide community outreach guidelines on community engagement strategies which is available on the DDRDP webpage: <https://www.cdfa.ca.gov/oefi/ddrdp/>.

## Project Readiness Resources

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

- General assistance with siting and permitting a digester: <http://business.ca.gov/>
- SoCalGas Renewable Natural Gas Toolkit can be found here: [https://www.socalgas.com/1443741172283/rng-toolkit\\_v2.pdf](https://www.socalgas.com/1443741172283/rng-toolkit_v2.pdf)
- **Air Quality:** San Joaquin Air Pollution Control District Best Available Control Technologies (BACT) Guideline 3.3.15 for Waste Gas-Fired IC Engines applies to engines fueled with digester gas. The District BACT Guidelines can be found in the BACT Clearinghouse: <http://www.valleyair.org/busind/pto/bact/bactidx.htm>
- Sacramento Metropolitan Air Quality Management District's BACT Clearinghouse: [http://www.airquality.org/businesses/permits-registration-programs/best-available-control-technology-\(bact\)](http://www.airquality.org/businesses/permits-registration-programs/best-available-control-technology-(bact))
- South Coast Air Quality Management District's BACT Guidelines: <http://www.aqmd.gov/home/permits/bact/guidelines>
- BACT contacts for other air Districts can be found here: <http://www.arb.ca.gov/bact/contact.htm>

## Related Grant Opportunities

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Please explore other CDFR grant programs that might be of interest to you on the [CDFR grants webpage](#). These may include, but are not limited to, Healthy Soils Program – Incentives, Healthy Soils Program – Demonstration, Alternative Manure Management Program, State Water Efficiency & Enhancement Program, Conservation Planning, Pollinator Habitat – Incentives.

# Appendix A: Attachments

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Attachments should be submitted in Arial font size 12, with one (1) inch margins, page numbers should be on bottom right corner in the format indicated as follows: Financials, and Community Impact Template should be submitted as PDF files (.pdf); Budget Worksheet Template and DDRDP Benefits Calculator Tool should be submitted as Excel files (.xls or .xlsx), Project Narrative Template, Work Plan Template, Project Readiness Template, and Environmental Performance Template should be submitted as Word files (.doc or .docx). All supporting materials listed as single PDF files (examples include but not limited to supporting documents, letters of support, and design plans) have recommended page limits and should be submitted as PDF files. All attachments and supporting materials should include Application Identification number on top left corner. If a Table of Contents is included, it will not be included in the page limit requirement.

<b>Application Attachments</b>	
<b>Digester Project Plan and Long-Term Viability</b>	
Attachment 1	<a href="#">Project Narrative Template</a> (Single Word file, 12 pages maximum [max])
Supporting Materials 1.1	Site plan, project design documents, schematic diagrams, cluster maps, etc. (Single PDF file, 60 pages recommended)
Supporting Materials 1.2	Resumes, team commitment letters, etc. (Single PDF file, 36 pages recommended)
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 Word file, 5 pages max)
<b>Financials and Budget Worksheet</b>	
Attachment 3	<a href="#">Budget Worksheet Template</a> (Excel file, template provided)
Supporting Materials 3.1	Bids, quotes, or estimates to support budget costs (Single PDF file; no page max)
Attachment 4	Financials (Single PDF file, no page max)
<b>Estimated GHG Emissions Reduction</b>	
Attachment 5	<a href="#">DDRDP Benefits Calculator Tool</a> (Excel file)

Supporting Materials 5.1	Explanation of variables different from the DDRDP Benefits Calculator. Upload as a single PDF file; 24 pages recommended.
<b>Project Readiness and Permitting Status</b>	
Attachment 6	<a href="#">Project Readiness Template</a> (Single Word file, 6 pages max)
Supporting Materials 6.1	Additional Permitting Documents (Single PDF file, 120 pages recommended)
Supporting Materials 6.2	Status of interconnection, offtake agreements; power purchase agreements, etc. (Single PDF file, 120 pages recommended)
<b>Environmental Performance</b>	
Attachment 7	<a href="#">Environmental Performance Template</a> (Single Word file, 6 pages max)
Supporting Materials 7.1	Explanation and citations from published literature, to support project's environmental performance claims. (Single PDF file, 120 pages recommended)
<b>Community Impact</b>	
Attachment 8a	<a href="#">Community Impact Template</a> (Single PDF file, 6 pages max)
Attachment 8b	<a href="#">CARB Community Engagement Questionnaire</a> (pages 1-3, Single PDF file)
Supporting Materials 8.1	Up to 3 Letters of Support (Single PDF file, 24 pages recommended)
Supporting Materials 8.2	Explanation of Priority Population Benefits (Single PDF file, 12 pages recommended)

# Appendix B: Grant Recipient Requirements

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## Grant Agreement

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

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

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

## 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 the end of the grant agreement term.

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

## Reporting

Grant recipients will be required to submit quarterly progress reports during the project term. The Progress Report is used to identify tasks and activities achieved, potential concerns, matching funds expended to date, **compliance status regarding all applicable air and/or water pollution control standards and requirements for the hosting dairy facility**, 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 DDRDP Benefits Calculator Tool.
- 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 job classifications, job education required, job experience required, job training credentials provided, number of jobs provided, number of jobs provided to priority populations, total project work hours, project work hours for priority populations, average hourly wage, average hourly wage for priority populations, total number of workers that completed job training, number of workers in priority populations that completed job training, employer-paid health insurance, paid leave, retirement plan, and targeted hiring strategy) 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 GHG reductions from the dairy operation. Among other important information, grant recipients must report on the following:

- Greenhouse gas reductions, in MTCO<sub>2</sub>e, achieved during the grant term (if any), along with all supporting calculations. Estimate the annual GHG reductions in MTCO<sub>2</sub>e that will occur in each year until five years after completion.
- Describe benefits to local communities, including improvements in air and water quality (quantified, if applicable), and economic and social benefits identified in the grant application. Using the grant application as a guide, provide a comprehensive account of all benefits accorded to communities over the project term, and describe efforts planned or in place for sustaining the project's benefits to disadvantaged communities through the life of the project.

### **Critical Project Review**

Grant recipients must agree to a Critical Project Review/Site Visit (in person/virtually) 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 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 to CDFA and other relevant agencies. **Project emissions reductions determination and reporting must be consistent with guidelines provided in the requirements for Project Outcome Reporting in the CARB Funding Guidelines.**

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

- Average population of livestock in each livestock category in the last 12 months.
- 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.
- Compost produced, if any (short tons/year).
- Detailed explanation of economic benefits (including but not limited to job classification, job education required, job experience required, job training credentials, number of jobs provided, number of jobs provided to priority populations, total project work hours, project work hours for priority population, average hourly wage, average hourly wage for priority populations, total number of workers that completed job training, number of workers in priority populations that completed job training, employer-paid health insurance, paid leave, retirement plan, and targeted hiring strategy) achieved and describe efforts planned or in place for sustaining the project's economic benefits. *Note: Failure to work with CDFA or its designees to provide the necessary project-related documentation will be considered non-performance.*

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

The purpose of this reporting is to demonstrate the long-term success of DDRDP-awarded projects by documenting GHG emission reductions and other project benefits. In accordance with CARB 2018 Funding Guidelines for Agencies that Administer California Climate Investments reported information will be made

~~publicly available per CARB 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 mark, on each page, "confidential/proprietary information" those documents they feel contain confidential or proprietary information. However, the mere marking of documents as "confidential/proprietary information" will not result in their being treated as confidential if they are not exempt from disclosure under the California Public Records Act.

## **What if there is a question about what is confidential?**

The CDFA Legal Office will review the records and 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

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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>
Dairy operation	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.

GHG	Greenhouse Gas(es), 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	"Permanent" means either that GHG reductions and GHG removal enhancements are not reversible, or that when GHG reductions and GHG removal enhancements may be reversible, mechanisms are in place to replace any reversed GHG emission reductions and GHG removal enhancements to ensure that all reductions endure for at least 100 years.
Baseline Scenario	"Baseline scenario" represents the GHG emissions presently occurring at the project location and that would occur in the absence of a DDRDP project.
Priority Populations	Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B of the <a href="#">Funding Guidelines for Agencies that Administer California Climate Investments (August 2018)</a> for more information on the definitions of priority populations.

Project Boundary	The project boundary is defined as “the GHG sources, sinks, and reservoirs (SSRs) that are included or excluded when quantifying the emission reductions resulting from the installation and operation of devices associated with the capture and destruction of methane” as defined in the CDFA DDRDP California Climate Investments User Guide.
Project Scenario	“Project scenario” represents the GHG emissions and emission reductions that are reasonably expected to occur as a result of implementing a DDRDP project.
Project Manager	The person designated by the applicant to oversee the project and to serve as the main point of contact for the CDFA.
Socially Disadvantaged Farmer or Rancher	“Socially Disadvantaged Farmer or Rancher” means a farmer or rancher who is a member of a socially disadvantaged group. “Socially disadvantaged group” means a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. These groups include all of the following: (1) African Americans (2) Native Indians (3) Alaskan Natives (4) Hispanics (5) Asian Americans (6) Native Hawaiians and Pacific Islanders, as defined by the <a href="#">Farmer Equity Act of 2017</a> .



# Appendix E: Detailed Scoring Criteria

SCORING CRITERIA	MAX 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> <ol 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 affiliated with the digester and biogas cleanup 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</li> </ol>	

<p>timeline, with specific dates for each target.</p> <ul style="list-style-type: none"> <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>	
<p><b>BUDGET WORKSHEET AND FINANCIALS</b></p>	<p><b>10</b></p>
<p>Adequate documentation regarding organization's financial strength provided through financial documents listed in the application. Additionally:</p> <ul 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: <ul 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> </ul> </li> </ul>	

<p>e. Provided a clear accounting of all costs associated with all activities necessary to complete the project.</p>	
<p><b>ESTIMATED GREENHOUSE GAS EMISSIONS REDUCTION</b></p>	<p><b>35</b></p>
<p>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.</p> <p>b. Completed the DDRDP Benefits Calculator Tool template. Proper justification for all assumptions made in the calculation process provided.</p> <p>Applicants reported GHG emission reduction results (in MTCO<sub>2e</sub>) as:</p> <p>a. Total project emission reductions over 10 years;</p> <p>b. GHG reduction per unit of energy-corrected milk (ECM) produced by the dairy operation over 10 years;</p> <p>c. GHG reduction per dollar of DDRDP grant money requested over 10 years;</p> <p><del>d. GHG reduction per dollar total Greenhouse Gas Reduction Fund (GGRF) grant money requested over 10 years (Includes DDRDP and other GGRF grants).</del></p> <p>Applications will be competitively evaluated on their projected emissions reductions.</p>	
<p><b>PROJECT READINESS</b></p>	<p><b>10</b></p>
<p>The permit template is complete. Copies of permits obtained attached. CEQA: Notice of Determination (NOD) submitted.</p> <p>Projects will be competitively evaluated with regards to how far along they are in their permitting process and the compliance status of the hosting dairy facility regarding all applicable air and/or water pollution control standards and requirements.</p>	

ENVIRONMENTAL PERFORMANCE	15
<p><b>NOx and Criteria Pollutants (10 points)</b></p> <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></p> <p>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, supplying energy at peak grid demand, guarantee local use of transportation fuel. Provided a detailed explanation of additional co-benefits such as: water conservation, value-added products, utilization of waste heat, reduction of odor, nutrient management and removal, development of value-added products, etc. Supporting documentation must show feasibility and plan for success of any proposed co-benefits. Any assumptions must be explained in sufficient detail.</p>	

COMMUNITY IMPACT	10
<p><b><u>Community Impacts and Mitigation</u></b></p> <p>I. <i>Community Outreach Actions by Applicant</i></p> <ul style="list-style-type: none"> <li>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?</li> <li>b. Listed the public and/or government stakeholders involved.</li> <li>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.</li> </ul> <p>II. <i>Mitigation Measures:</i> The community outreach addressed 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></p> <p>Provided jobs-related information requested in template.</p> <p><b><u>Benefits Priority Populations</u></b></p> <p>Provided direct, meaningful, and assured benefits to one or more priority populations AND meaningfully addresses an important community need.</p>	

<b>TOTAL</b>	<b>100</b>
<p><b>ADDITIONAL POINTS</b></p> <p>The project involves a new Submitting Organization (i.e., dairy digester developer) who has not previously been awarded through the DDRDP.</p>	<b>5</b>
<p><b>PAST PERFORMANCE</b></p> <p>Only applies to Submitting Organizations who have previously been awarded through the DDRDP.</p>	
<p>One or more projects implemented by a Submitting Organization were terminated by CDFA due to lack of progress (see <a href="#">Critical Project Review</a>).</p>	<b>-5</b>
<p>A Submitting Organization requested cancellation of two or more projects that had incurred grant costs.</p>	<b>-3</b>

# Appendix F: Application Questionnaire Preview

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Note: This document is intended to provide applicants with an idea of what to expect in the application. Actual questions within the electronic application submission portal (available at TBD) may be different.

CDFA highly recommends that you review the Request for Grant Applications (TBD) prior to beginning an application.

## **IMPORTANT!**

Has this submitting organization previously has been awarded a CDFA DDRDP project?

## **I) Applicant Information**

Applicant - Primary Contact (Name)

Role in the Project (Title)

Applicant Address

Applicant Email Address

Applicant Telephone for Contact

Format for telephone xxx-xxx-xxxx

Submitting Organization Name (i.e., Dairy Developer entity)

Submitting Organization - Primary Contact (Name)

Role in Submitting Organization (Title)

Submitting Organization Address

Submitting Organization Email Address

Submitting Organization Telephone for Contact

Format for telephone is xxx-xxx-xxxx

## **II) Project Information**

Project Title

Project Description

Name of the Host Dairy

Address of the Host Dairy

Latitude

Longitude

County

Please **click here** (<https://bit.ly/2Li72i5>) to identify and list your State Assembly and Senate Members below:

Assembly Member

Assembly District

Senator

Senator District

## **III) Additional Information**

Does the applicant belong to a socially disadvantaged group as defined below?

The Farmer Equity Act of 2017 identifies the following as socially disadvantaged groups: African Americans; Native Indians; Alaskan Natives; Hispanics; Asian Americans; and Native Hawaiians and Pacific Islanders.



Has the applicant served on active duty in the U.S. Armed Forces, Reserves, or National Guard?

Please select your gender

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### **Section I: Digester Project Plan and Long-Term Viability**

Address the following within the text boxes and drop-down menus using the completed Project Narrative Template (TBD) and Work Plan Template (TBD), and provide the following information:

#### **Project Type**

Select the project type

Is this project part of a cluster?

#### **Project Duration**

Enter the "Start Date" for the project. (Project cannot begin prior to TBD)

Enter the "End Date" for the project. (Project cannot end later than TBD)

Select the digester type.

Describe the biogas end-use (examples include but are not limited to: electric generation, transportation fuel - onsite renewable natural gas (RNG) or pipeline injection, boiler with utilization of useful thermal energy)

Estimated annual energy generation (MWh or MMBtu)

Units of energy generation (MWh or MMBtu)

Are the proposed greenhouse gases reduction and biogas end-use technologies commercially available in California? Note: Commercially Available Technology - a system that has a proven operating history specific to the proposed application. Such a system is based on an established design, and installation procedures and practices. Refer to [Appendix D: Key Terms and Definitions](#) in the 2022 DDRDP Request for Grant Applications.

Interconnect status (if applicable).

Other feedstock (if applicable)

Attachment 1: Project Narrative Template (required)

Attachment 1 should be uploaded as a DOC or DOCX file

Supporting Materials 1.1: Site plan, project design documents, cluster maps, schematic diagrams, etc. (Attach as a single PDF file)

Supporting Material 1.1 should be uploaded as a PDF file

Supporting Materials 1.2: Resumes, team commitment letters, etc. (Attach as a single PDF file)

Supporting Material 1.2 should be uploaded as a PDF file

Supporting Materials 1.3: Copy of Deed and/or Lease Agreement (if applicable). (Attach as a single PDF file)

Supporting Material 1.3 should be uploaded as a PDF file

Attachment 2: Work Plan Template (required)

Attachment 2 should be uploaded as a DOC or DOCX file

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## **Section II: Project Budget and Financials**

### **Budget**

Using the completed Budget Worksheet Template (TBD) provide the following information:

Grant Amount Requested

Matching Funds Provided

Total Project Budget

Within the following categories, identify the Primary Project Activity or Expense contributing to the total share of the project budget and the percentage of

project budget associated with the Primary Activity or Expense. Note: the total share of the project budget associated with the primary, secondary, and tertiary project activities or expenses may be less than 100%.

What percentage of the Project Budget is associated with the Primary Activity or Expense selected above?

Within the following categories, identify the Secondary Project Activity or Expense contributing to the total share of the project budget and the percentage of project budget associated with the Secondary Activity or Expense. Note: the total share of the project budget associated with the primary, secondary, and tertiary project activities or expenses may be less than 100%.

What percentage of the Project Budget is associated with the Secondary Project Activity or Expense selected above?

Within the following categories, identify the Tertiary Project Activity or Expense contributing to the total share of the project budget and the percentage of project budget associated with the Tertiary Activity or Expense. Note: the total share of the project budget associated with the primary, secondary, and tertiary project activities or expenses may be less than 100%.

What percentage of the Project Budget is associated with the Tertiary Project Activity or Expense selected above?

Total percentage for Project Activities and Expenses reported

Attachment 3: Budget Worksheet Template (required)

Attachment 3 should be uploaded as an XLS or XLSX file

Supporting Materials 3.1: Bids or quotes to support budget costs (if applicable)  
(Attach as a single PDF file)

Supporting Material 3.1 should be uploaded as a PDF file

## **Financials**

Activities funded under 2022 DDRDP cannot duplicate tasks funded by another Federal or State program. If other Federal or State funding sources have been secured, the following must be addressed in the text boxes below:

Describe how the DDRDP project differs from the other Federal or State program(s) rather than duplicates funding efforts.

Identify the Federal or State program(s), Federal or State agency administering the program(s), and the amount(s) of grant funds awarded.

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

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

Please attach one or more of the following documents to demonstrate the organization's financial strength (for partnerships, information from all partners is required - including information of the hosting dairy)

- Independent most recent CPA Auditor's reports, Reviews, or Compilations of financial statements
- Most recent tax returns and accompanying schedules
- Profit/Loss statements, bank accounts, or balance sheets
- Project financing letter from a financial institution
- For corporations - current operating agreements, articles of incorporation, bank statements, or General Ledger

Attachment 4: Financials (required)

Attachment 4 should be uploaded as a PDF file

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### **Section III: Estimated GHG Emissions Reduction**

Using the completed DDRDP Benefits Calculator Tool

(<http://www.arb.ca.gov/cci-resources>) template, provide the following information within the text boxes:

## **Herd Size Information**

Select Livestock Categories that are part of the Project Boundary

Total project emission reductions over 10 years (MTCO<sub>2</sub>e)

GHG reduction per unit of energy-corrected milk (ECM) produced by the dairy operation over 10 years (MTCO<sub>2</sub>e/ECM)

GHG reduction per dollar 2020 DDRDP grant money requested over 10 years (DDRDP \$/MTCO<sub>2</sub>e)

GHG reduction per dollar total project funding over 10 years (Includes DDRDP and cost-share) (MTCO<sub>2</sub>e/Total GGRF \$)

## **Co-Benefits Data (from DDRDP Benefits Calculator Tool)**

### **Criteria and toxic air pollutant emissions reductions (lbs over 10 years)**

Local (direct) ROG

Remote (indirect) ROG

Local (direct) NO<sub>x</sub>

Remote (indirect) NO<sub>x</sub>

Local (direct) PM 2.5

Remote (indirect) PM 2.5

Local (direct) Diesel PM

Remote (indirect) Diesel PM

### **Soil health co-benefits**

Compost production (dry tons)

Compost application area (acres to be treated with compost soil amendments)

### **Fossil fuel reductions (over 10 years)**

Diesel gallons

Attachment 5: DDRDP Benefits Calculator Tool (required)

Attachment 5 should be uploaded as an XLS or XLSX file

Supporting Materials 5.1: Explanation of GHG Calculations (if applicable)

(Attach as a single PDF file)

Supporting Material 5.1 should be uploaded as a PDF file

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## **Section IV: Project Readiness and Permitting Status**

Please fill out the Project Readiness Template (TBD).

Attachment 6: Project Readiness Template (required)

Attachment 6 should be uploaded as a DOC or DOCX file

Supporting Materials 6.1: Additional Permitting Documents (if applicable)  
(Attach as a single PDF file)

Supporting Material 6.1 should be uploaded as a PDF file

Supporting Materials 6.2: Status of interconnection, offtake agreements; power purchase agreements, etc (if applicable) (Attach as a single PDF file)

Supporting Material 6.2 should be uploaded as a PDF file

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## **Section V: Environmental Performance**

Please fill out the Environmental Performance Template (TBD)

Attachment 7: Environmental Performance Template (required)

Attachment 7 should be uploaded as a DOC or DOCX file

Supporting Materials 7.1: Explanation and citations from published literature, to support project's environmental performance claims (if applicable) (Attach as a single PDF file)

Supporting Material 7.1 should be uploaded as a PDF file

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## **Section VI: Community Impact**

Please fill out the Attachment 8a: Community Impact Template (TBD)

Attachment 8a: Community Impact Template (required)

Attachment 8a should be uploaded as a PDF file

For Attachment 8b: CARB Community Engagement Questionnaire  
([http://ww2.arb.ca.gov/sites/default/files/auction-proceeds/final\\_communityengagement\\_fillable.pdf](http://ww2.arb.ca.gov/sites/default/files/auction-proceeds/final_communityengagement_fillable.pdf))

Attachment 8b: CARB Community Engagement Questionnaire (required)  
Attachment 8b should be uploaded as a PDF file

Supporting Materials 8.1: Up to 3 Letters of Support (required) (Attach as a single PDF file)  
Supporting Material 8.1 should be uploaded as a PDF file

### **Evaluation of Benefits to Priority Populations**

Step 1 - Evaluate the project against each of the following criteria for Priority Populations (disadvantaged communities, low-income communities, or low-income households). Check all boxes that apply. Use the map provided at the California Air Resources Board website

(<https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm>) to select the project location. Provide documentation to justify an affirmative answer to the questions below in Supporting Materials 8.2:

Explanation of Priority Population benefits. Note: For the 2022 DDRDP, the majority of the project must be located within a disadvantaged or low-income community census tract to fulfill Step 1 of the determination of benefits.

Is the project located within the boundaries of a disadvantaged community census tract?

Is the project located within the boundaries of a low-income community census tract?

Is the project located outside of a disadvantaged community, but within ½-mile of a disadvantaged community and within a low-income community census tract?

Does the project directly benefit residents of low-income households?

Is the project located within the boundaries of a low-income household?

If a project does not meet at least one of the qualifying criteria in Step 1, no further evaluation is needed. If the project meets at least one Step 1 criterion, continue the evaluation in Step 2.

Step 2 - Addresses an important need for a community or household.

Applicants must identify an important community or household need that the project will address and evaluate the project to confirm that it will address that need. To identify a need that the project will address, applicants can use a variety of approaches listed below. Select a "yes" or "no" response for each approach employed by the project team.

Hosted community meetings, workshops, outreach efforts, or public meetings as part of a planning process to engage local residents and community groups for input on community or household needs, and provided documentation showing how the received input was considered in the selection of projects that address those needs?

Received documentation of support from local community-based organizations and/or residents (e.g., letters or emails) and selected a project or design with documented broad community support?

For the question below, please refer to the 2018 Funding Guidelines for Agencies that Administer California Climate Investments

(<https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/fundingguidelines.htm>)

Referred to the list of common needs in Table 5 (page 13) of the 2018 Funding Guidelines for Agencies that Administer California Climate Investments?

Describe identified community or household need(s):

If the project addresses a community or household need as described in Step 2, proceed to Step 3. If the project does not address a community or household need, no further evaluation is needed.



Step 3 - Evaluate the project against the following criteria to determine if it provides direct, meaningful, and assured benefits to priority populations. The benefit provided must directly address the identified need:

Project must meet the following benefit criteria focused on providing environmental improvements, economic benefits, or educational opportunities to priority populations:

Project reduces odor-causing pollutants (such as hydrogen sulfide (H<sub>2</sub>S) or ammonia (NH<sub>3</sub>)) or on-site criteria air pollutant or toxic air contaminant emissions in a disadvantaged or low-income community without increasing any other criteria pollutant or toxic air contaminant emissions?

Supporting Materials 8.2: Explanation of Priority Population Benefits (Attach as a single PDF file)

Supporting Material 8.2 should be uploaded as a PDF file

### **Socially Disadvantaged Farmers and Ranchers**

The California Department of Food and Agriculture (CDFA) is committed to equitable access for all Californians and investing in the long-term prosperity of our food farming systems, starting with our farmers. To better ensure the inclusion of California's socially disadvantaged farmers in this and other Climate Smart Agriculture grant programs, CDFA requests that applicants self-identify as part of the application process. A "socially disadvantaged group" means a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. The Farmer Equity Act of 2017 identifies the following as socially disadvantaged groups: African Americans; Native Indians; Alaskan Natives; Hispanics; Asian Americans; and Native Hawaiians and Pacific Islanders.

Does the applicant belong to a socially disadvantaged group as defined above?