2023 Dairy Digester Research and Development Program Questions and Answers (Q&A)

August 3, 2023

1. Do you expect the 2024 grant timeline to be like 2023, in other words, applications received by August 2023 etc., or will the process start earlier in 2024?

We anticipate the 2024 round of grant solicitations to open a little earlier in the year compared to the 2023 timeline, but timelines are always subject to change. Please regularly visit the <u>DDRDP</u> webpage for new updates.

2. Page 9 of the DDRDP Request for Grant Applications (RGA) includes the following requirement:

"Projects must use methane for energy production or transportation fuel (e.g., including but not limited to renewable natural gas - RNG). 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."

Does this requirement limit biomethane as a "transportation fuel" to pipeline injection only? Or will it be permissible to deliver biomethane by truck? Truck transport of compressed natural gas is a common practice where pipeline access is not available. Biomethane converted to hydrogen can only be moved by truck. Requiring pipeline injection will severely limit biomethane options for digester projects.

No, this requirement is not limiting the use of biomethane only for pipeline injection. The biomethane for transportation fuel can be either transported by truck or be directly injected into a pipeline. Both options are eligible practices.

3. The DDRDP Benefits Calculator Tool asks for detail on the vehicles used to manage manure and clean out lagoons in the baseline and project scenarios. If this work is performed by a third-party contractor where the type of vehicle used is unavailable, should the diesel usage be estimated? CARB/DDRDP Benefits Calculator Tool offers thirteen different dropdown selections/options of vehicle type for manure management activities. CDFA recommends applicants to provide as much information and evidence on any type of vehicle used on the farm by a third-party contractor as possible.

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4. Do the matching costs need to fall within the grant agreement term starting in March 2024, or can those costs occur prior to the grant agreement start date?

To ensure that the matching funds are counted towards the project, it is essential for recipients to expend matching funds in parallel with the reimbursement of the DDRDP grant funding during the grant term period, which begins at the earliest March 2024. In other words, both the reimbursable costs and the matching costs associated with the DDRDP-funded project must occur within the specified grant term to be considered.