



2024 DAIRY DIGESTER RESEARCH AND DEVELOPMENT PROGRAM

Request for Grant Applications

Released Date: July 23, 2024

Applications Due: October 18, 2024, by 5:00 P.M. PT

Late submissions will not be accepted.



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About the Program

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 anaerobic dairy digesters that result in long-term methane emission reductions on California dairies and minimize or mitigate adverse environmental impacts.

Funding and Duration

The [Budget Act of 2022](#) (Senate Bill 154, Chapter 43) appropriated \$48 million from the California State Budget to CDFA for methane emissions reductions from dairy and livestock operations, which was distributed through the DDRDP and the Alternative Manure Management Program (AMMP). CDFA awarded half of these appropriations for the 2023 grant solicitation; the expected remaining funds from the appropriations to be made available through DDRDP and AMMP in 2024. However, the [Budget Act of 2024](#) (Assembly Bill 107, Chapter 22) transferred the remaining half of funds for livestock methane reduction (\$24 million) to the Greenhouse Gas Reduction Fund (GGRF), to be allocated as \$17 million in FY 24-25, with an expected \$7 million in FY 25-26. *Given the current budget circumstances, please be aware awards and final grant agreements for 2024 DDRDP applicants are contingent upon the funding being available. If the expected \$7 million is appropriated in FY 25-26, it will be applied to the 2024 AMMP and DDRDP grant rounds as originally intended.*

Approximately \$8 million is expected to be available for the 2024 DDRDP. The [AMMP](#) will make available approximately \$17.4 million, which includes additional Greenhouse Gas Reduction funds from the Budget as amended by [Assembly Bill 179](#) to support non-digester practices that reduce methane from dairy and livestock operations.

- CDFA will fund a maximum grant award of \$1.6 million per project for DDRDP projects situated in dairy operations that have not received an AMMP award in the past.
- Applicants who have previously accepted and successfully implemented an AMMP project are eligible for up to \$1.0 million per project through

DDRDP.

- A minimum of 50% matching funds is required, with a limit of 25% for in-kind contributions. Please refer to the [Cost Share](#) section for more details.
- The maximum project term is thirty (30) months.
- The grant agreement term for awarded projects is anticipated to begin June 1, 2025, and end November 30, 2027. Grant funds cannot be expended before the start of the grant agreement or after the completion of the grant term.
- CDFA may offer an award different than the amount requested.
- Applicants may also be eligible for an additional funding opportunity through the [Dairy Plus Program](#).

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, California Native American 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. These entities are eligible for an additional 5 points in the Detailed Scoring Criteria (refer to [Appendix E: Detailed Scoring Criteria](#)). The 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.
- Past AMMP dairy operation recipients who were funded and successfully completed an AMMP project (i.e., have a closed-out, completed, and operational AMMP project) are eligible to apply for DDRDP to further reduce methane emissions. These projects, given the AMMP grant, may have already covered expenses that advanced the operation's readiness for a digester and will be limited to a maximum grant award amount of \$1 million. Proposed projects cannot involve the replacement or discontinuation of the previously implemented AMMP practice or equipment. Any previous AMMP dairy operation recipient may be eligible to apply regardless of the past practice type implemented, but for certain practices (i.e., compost bedded pack barn, conversion from flush to scrape, pasture-based management), the digester must be addressing the portion of the herd not already covered by the previous AMMP project.
- Once a project has been awarded funds and until the project is complete and closed out, 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 and/or partnership entities of the dairy. In the event the grantee enters negotiations for the sale of the dairy for which a grant was awarded, the grantee shall disclose said negotiations to the CDFA immediately. The grant shall not be assigned to the purchaser, unless approved by the CDFA pursuant to any/all terms and conditions the CDFA deems necessary. Should the grantee or purchaser refuse to comply with the terms and conditions set forth by the CDFA or the grantee sell the dairy operation that was the subject of the grant award without approval to transfer the grant from the CDFA, the grant agreement will be terminated and the

grantee shall reimburse all grant monies to the CDFA immediately.

- 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 of greenhouse gases (e.g., increase in herd size, changing existing manure management practices to those that increase greenhouse gas (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 previously received a DDRDP grant and successfully completed a project. Previous DDRDP recipients with incomplete, expired, or failed projects may not reapply for 3 years after the time the project closed out.

Executive Order N-6-22 – Russia Sanctions

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. By submitting a bid, proposal, or application, the Bidder/Applicant represents that it is not a target of Economic Sanctions. Should the State determine Bidder/Applicant is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for rejection of the Bidder’s/Applicant’s bid/proposal/application any time prior to the contract/agreement execution, or, if determined after contract/agreement execution, shall be grounds for termination by the State.

Timeline

| DDRDP Timeline (Tentative, subject to change) | |
|---|-------------------------------------|
| Invitation to submit Grant Applications | July 23, 2024 |
| CDFA Application Workshops and Webinar | August 7, 2024 and August 13, 2024 |
| Grant Applications Due | October 18, 2024 |
| Review Process | October 2024- February 2025 |
| Announce and Award Funding | March 2025 |
| Grant Agreement Execution | See Grant Agreement |

Requirements and Limitations

Program Requirements

The DDRDP will support the implementation of dairy digester projects on California dairy operations that result in long-term, 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 - 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.

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. 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 intends to fund projects that can demonstrate project readiness 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 [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 most of the applicable permitting within eighteen (18) months of the grant agreement execution. CEQA and permit compliance requirements vary depending on project type and location. If the environmental impacts of the project are deemed insignificant by

the lead agency (in most cases, the County), an initial environmental study and negative declaration may satisfy CEQA requirements. Applicants are advised to check with their local county and city planning commissions for CEQA and conditional use permit requirements.

Additionally, grant applicants are also required to demonstrate progress within twelve (12) months by accomplishing at least one of the listed items. For example, securing matching funding, ordering related supplies/equipment, submitting invoices to CDFA for reimbursement, providing proof of matching costs expenditures, obtaining necessary planning permits, and demonstrating site preparation for the implementation of the project. Failure to demonstrate progress in the activities mentioned above may result in termination of the grant agreement.

CalGold, an online tool for permit assistance provided by the Governor's Office of Business and Economic Development may be a useful resource. Visit www.calgold.ca.gov for more information.

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 laborers who 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, the 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 California Climate Investments Quantification, Benefits, and Reporting Materials webpage at 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 three 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; and (3) GHG reduction per dollar DDRDP grant funds requested over 10 years.

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 the 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.

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 the 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 have 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/electricity projects, the total NO_x (mono-nitrogen oxides) emissions must be no greater than 0.50 lb/MWhr.

Applicant dairy operations are expected to comply with all applicable state and federal regulations and requirements during the application submission and project grant agreement term if awarded.

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 \$1.6 million per new DDRDP project or \$1 million per DDRDP project submitted by a previous AMMP recipient. The applicant must contribute with 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, contractor/consultant fees, and other associated project costs). Other State or Federal grants may serve as matching funds, however, Dairy Plus Program funds will not be considered 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. The 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, 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 the dairy biomethane pilot project process, and costs being incurred for the Dairy Plus Program.
- 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, and 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 reduction 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.
- Costs that were already incurred by the AMMP or Dairy Plus Program award.

*For more guidance on Allowable and Unallowable Costs please refer to CCR 330.2 and guidance posted by CDFA on the [Final Selected Items of Cost Guidance](#) webpage.

How to Apply

The applicant will be required to complete and submit their grant applications using an online application platform (Amplifund). The application can be accessed on the [DDRDP webpage](#). Applicants must create a user account to submit a grant application. Email is the primary form of communication at CDFA, so any email addresses used in the online application must be accurate and up-to-date.

To ensure concept proposals and attachments are submitted successfully, CDFA strongly encourages all applicants to comply with the computer system recommendations provided by Amplifund. CDFA cannot guarantee that the Amplifund system will be compatible with other browsers or operating systems. Amplifund recommends that applicants:

- Use Chrome, Firefox, Edge, or Safari.
- Avoid using an iPad, iPhone, or similar mobile device.
- Save work often, the system will time out after a period of time and any unsaved work will be lost.

For guidance navigating the Amplifund Portal, please see the [Applicant Portal User Guide](#).

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

In case of technical difficulties with the application, please send an email to cdfa.oefi_ddrdp_tech@cdfa.ca.gov and include the applicant's name and the name of the project in the subject line.

Grant Application Questions and Attachments

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 project title in the top left corner of the page.

Questionnaire

A preview of the application questions is available in the [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 (required)

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 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 the 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.

For projects on dairy operations that previously received funding from the AMMP, describe the AMMP project, including the practice type implemented, the livestock in the project boundary (only those for which manure management was impacted by the project), and when it was completed. Discuss how the new digester project will build upon (not replace) the AMMP project to further reduce methane emissions, create additional benefits, and ensure the AMMP project remains functional and used in accordance with the original project to the extent feasible.

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 (required):** 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; maximum of 60 pages.
- **Supporting Materials 1.2 (required):** Resumes, team commitment letters, etc. Upload as a single PDF file; maximum of 36 pages.
- **Supporting Materials 1.3:** Copy of Deed and/or Lease Agreement (if applicable). Upload as a single PDF file; no total page limit.
- **Supporting Materials 1.4:** For centralized projects (e.g., two or more dairy operations are submitting a grant application to install a shared solid separator), letters of commitment or support from participating operations (if applicable). Upload as a single PDF file; no total page limit.

Attachment 2: Work Plan Template (required)

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 (required)

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 the 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. Provide detailed information on each item described in the budget spreadsheet.

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.

Note: when obtaining estimates and quotes and building a project budget, please keep in mind the time between application and the start of a project's grant term if awarded can be 6-12 months; try to reasonably evaluate the cost of items or work when they will be purchased or performed and whether it will be financially feasible to achieve within the total project budget (includes grant funding and matching funds).

Attachment 4: Financials (required)

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 should include:
 - 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 developers).
- Indicate all additional funding sources and the ability to commence work while waiting for grant payments in arrears.

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

Note: Project partners must not have filed for bankruptcy in the past five years.

3. Estimated GHG Emissions Reduction

Attachment 5: DDRDP Benefits Calculator Tool (required)

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

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

Note: For past AMMP projects, the DDRDP Benefits Calculator Tool should reflect the implemented AMMP project in the baseline.

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, but not limited, 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; use of default values for standard milk in the absence of dairy-specific data (if applicable). Provide the documentation for the model year, horsepower, miles, and hours of operations for the off-road equipment/vehicles which includes agricultural tractors, construction vehicles, manure trucks, and medium and heavy-duty trucks used during the project baseline. Upload as a single PDF file; maximum of 24 pages.

4. Project Readiness and Permitting Status

Attachment 6: Project Readiness Template (required)

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 parties on the project. Discuss the status of interconnection, power purchase agreements, and offtake agreements. Upload as a single Word file; maximum of 6 pages.

- **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 the 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 the 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.

Complete and upload the [Project Readiness Template](#) as a single PDF file; a maximum of 120 pages.

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

5. Environmental Performance

Attachment 7: Environmental Performance Template (required)

The Environmental Performance attachment should describe the project's impact on criteria pollutants (such as NO_x), 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. Examples of acceptable mitigation strategies include, but are not limited to:

- a) Replacement of diesel engines and/or equipment with low or non-NO_x 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_x offset credits. Specify the agency and the program where the credits were purchased.
- c) Executed Community Benefits Agreement with the local community or other stakeholders that address and identify disadvantaged community needs (e.g., alternative fuel bus, and 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 the project's environmental performance claims. Upload as a single PDF file; a maximum of 120 pages.

6. Community Impact

Attachment 8a: Community Impact Template (required)

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.

Note: 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. While meetings or presentations required by the County or local agencies can be included, they will not count as community outreach efforts conducted by the applicant. In-person community meetings are required as part of the outreach efforts. Comprehensive records of the meetings held for individual projects or each specific project in a cluster must be provided, including but not limited to dates/times, location, attendance, meeting notes or follow-up reports, transportation service provided, childcare provided, meals provided, and video recordings. **Links for accessing the meeting recordings can be provided in the “Community Impact template”.**

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 the number of views and shares, screenshots of presentations and/or advertisements to demonstrate what materials were shared with the community, information on social media platforms utilized, and how the target audience was notified of the efforts.

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

Attachment 8b: CARB Community Engagement Questionnaire (required)

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.

In addition to the Community Impact template (8a), and CARB Community Engagement Questionnaire (8b) include the following supporting materials:

- **Supporting Materials 8c (required):** Provide three (3) letters of support from community members, local government, and local community organizations demonstrating that outreach was conducted, at least one (1) of these letters from the local community (e.g., local non-profit associations, local community activists, residents of the area, etc.). Upload as a single PDF file; maximum of 24 pages.
- **Supporting Materials 8d (required):** Provide documentation to justify responses to the priority population benefits questions. Upload as a single PDF file; maximum of 12 pages.

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

Review and Notification

Review Process

CDFA will fund the highest-scoring projects that result in long-term, annual and measurable GHG 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 and financial review to determine whether grant application requirements are met and to ensure the financial soundness and credibility of the dairy operation. The second includes a comprehensive and technical review of GHG emissions reduction and an evaluation of the merits of the grant applicants based on the Scoring Criteria. Two separate groups, the DDRDP Technical Advisory Committee (DDRDP TAC) which consists of state and federal agency individuals with expertise in manure management, methane reduction measures, environmental impacts and permitting in California, and contracted technical subject matter experts from academic research institutions, cover assigned portions of the application and scoring criteria to complete the second level review.

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 will consider applicants' past grant performance when determining awards of new projects in consultation with the CDFA Secretary and the TAC. Past performance may include but is not limited to, timely completion of projects, submission of all required documentation and data during and after project completion, termination of projects by CDFA due to lack of progress, and termination of projects by the recipient that had incurred grant costs and has not returned the funds to CDFA.

CDFA will prioritize socially disadvantaged farmers and ranchers, as defined by the [Farmer Equity Act of 2017](#), for DDRDP funding.

CDFA can balance the award portfolio to service producers of varying sizes and across the geography of the state.

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 (including if a required attachment is for a different application and its content cannot be used to assess the project fully).
- 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. 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 90 days after receiving notification.

CDFA will post basic information on the DDRDP website about all of the applications it has received at least 10 days before awarding grant funds. Once final decisions on funding awards are made, CDFA will post the list of projects selected for funding. In accordance with the Grants Information Act of 2018 (Stats. 2018, Ch.318) and AB132, information on awarded projects will also be posted on the [California Grants Portal](#).

Assistance and Questions

Workshops

CDFA will conduct application assistance workshops on the DDRDP solicitation process and the use of the electronic application submission system. All workshops will be available as live webinars and as recordings, and all applicants are encouraged to participate.

Questions and Answers (Q&A)

CDFA cannot assist in the preparation of grant applications; however, general questions regarding the solicitation process may be submitted to: cdfa.oefi_ddrdp_tech@cdfa.ca.gov.

CDFA will conduct three rounds of Questions and Answers (Q&A) to address general questions about the application submission process and program requirements. Responses to all questions received during the workshops or by email will be posted to CDFA's DDRDP website according to the following schedule:

| Questions Received by: | Responses Posted by: |
|------------------------|----------------------|
| August 15, 2024 | August 22, 2024 |
| September 5, 2024 | September 12, 2024 |
| September 26, 2024 | October 3, 2024 |

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 the [DDRDP webpage](#).

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/> and <https://www.calgold.ca.gov/>
- For CEQA guidance, visit the [Governor's Office of Planning & Research State Clearinghouse](#)
- SoCalGas Renewable Natural Gas Toolkit can be found here: https://www.socalgas.com/1443741172283/rng-toolkit_v2.pdf
- For water quality, the Central Valley Regional Water Quality Control Board [Dairy General Order Guidance](#) and information on the State Water Resources Control Board [Waste Discharge Requirements](#)
- For air quality, the California Air Resources Board has information on the [Local Air Districts Authority to Construct](#)
- *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: <https://ww2.arb.ca.gov/BACT>
- For solid waste, the California Department of Resources Recycling and Recovery (CalRecycle) has information on [Solid Waste Facilities Permits](#)

Related Grant Opportunities

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

CDFA Dairy Plus Program: the California Dairy Research Foundation (CDRF) was awarded a [USDA Climate Smart Commodities grant](#) in 2022 to build climate-smart dairy markets and provide financial incentives for dairy producers to adopt climate-smart manure management practices to reduce methane emissions and address nitrogen surplus. CDFA will be administering producer incentive funds for these advanced manure management projects in a parallel solicitation with its AMMP and DDRDP programs. These federal funds are intended to amplify the reach and scope of on-farm climate-smart projects and practices and will be in addition to what AMMP and DDRDP already offer. To learn more, visit the [Dairy Plus Program webpage](#).

Appendix A: Attachments

Attachments should be submitted in Arial font size 12, with one (1) inch margins, page numbers should be on the 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 are 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 the project title in the top left corner. If a Table of Contents is included, it will not be included in the page limit requirement.

| Application Attachments | |
|--|---|
| Digester Project Plan and Long-Term Viability | |
| Attachment 1 | Project Narrative Template (Required) , as single Microsoft Word file, 12 pages max, template provided) |
| Supporting Materials 1.1 | Site plan, project design documents, schematic diagrams, cluster maps, etc. (Required) , as a single PDF file, 60 pages max) |
| Supporting Materials 1.2 | Resumes, team commitment letters, etc. (Required) , as a single PDF file, 36 pages max) |
| Supporting Materials 1.3 | Copy of Deed and/or Lease Agreement (if applicable, as a single PDF file, no page max) |
| Supporting Materials 1.4 | For centralized projects, letter(s) of commitment from participating operations (if applicable, as a Single PDF file) |
| Attachment 2 | Work Plan Template (Required) , as a single Microsoft Word file, 5 pages max, template provided) |
| Financials and Budget Worksheet | |
| Attachment 3 | Budget Worksheet Template (Required) , as Microsoft Excel file, template provided) |
| Supporting Materials 3.1 | Bids, quotes, or estimates to support budget costs (If applicable, as a single PDF file; no page max) |
| Attachment 4 | Financials (Required) , Single PDF file, no page max) |

| Estimated GHG Emissions Reduction | |
|--|--|
| Attachment 5 | DDRDP Benefits Calculator Tool (Required) , as Locked Microsoft Excel file, template provided) |
| Supporting Materials 5.1 | Explanation of variables different from the DDRDP Benefits Calculator. (If applicable, as a single PDF file; 24 pages max) |
| Project Readiness and Permitting Status | |
| Attachment 6 | Project Readiness Template (Required) , as single Microsoft Word file, 6 pages max, template provided) |
| Supporting Materials 6.1 | Additional Permitting Documents (If applicable, as a single PDF file, 120 pages max) |
| Supporting Materials 6.2 | Status of interconnection, offtake agreements; power purchase agreements, etc. (If applicable, as a single PDF file, 120 pages max) |
| Environmental Performance | |
| Attachment 7 | Environmental Performance Template (Required) , as a single Microsoft Word file, 6 pages max, template provided) |
| Supporting Materials 7.1 | Explanation and citations from published literature, to support the project's environmental performance claims. (If applicable, as a single PDF file, 120 pages max) |
| Community Impact | |
| Attachment 8a | Community Impact Template (Required) , single PDF file, 6 pages max, template provided) |
| Attachment 8b | CARB Community Engagement Questionnaire (Required) , Pages 1-3, Single PDF file) |
| Supporting Materials 8c | 3 Letters of Support being at least one (1) of these letters from the local community (Required , as a single PDF file, 24 pages max) |
| Supporting Materials 8d | Explanation of Priority Population Benefits (Required , as a single PDF file, 12 pages max) |

Appendix B: Grant Recipient Requirements

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. CDFA reserves the right to rescind an award due to a lack of response from an awardee.s

| 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. The 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 |

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, and other pertinent information, such as greenhouse gas reductions and project benefits. The Progress Report will require recipients to 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_{2e}, achieved during the grant term (if any), along with all supporting calculations. Estimate the annual GHG

reductions in MTCO₂e 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 and Final Verification

Grant recipients must agree to a Critical Project Review (CPR)/On-site Dairy Farm Visit (in-person-/virtually) during the project term to verify project progress as reported in Progress Reports submitted to CDFA. The CPR can also be combined with a Final Verification if CDFA deems it appropriate.

If CDFA determines from the CPR or Final Verification that the grant project is not meeting and/or 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. Failure to work with CDFA or its designees to provide the necessary project-related documentation or terminate a project due to not meeting milestones 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. Termination may result in forfeiture by the grantee of any funds retained pursuant to the 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.

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 CH₄/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 CH₄/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 or projects funded by California Climate Investments will be made publicly available in the Annual Report to the Legislature and CARB's website (<https://ww2.arb.ca.gov/our-work/programs/california-climate-investments>) and 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. 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

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 the information confidential?

Financial information will be analyzed, on a need-to-know basis, by staff from the CDFA, kept confidential, and will be maintained with restricted access. Grantee businesses will agree to provide specific key financial information for three years to develop benchmarks to evaluate the program. The records will be kept for the amount of time set forth in CDFA's Internal Record Retention Policy.

Appendix D: Key Terms and Definitions

| Word/Term | Definition |
|-------------------------------------|--|
| Baseline Scenario | “Baseline scenario” represents the GHG emissions presently occurring at the project location and that would happen in the absence of a DDRDP project. |
| 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 collecting raw dairy biogas from a group or cluster of existing dairy operations. The hub could serve as a focal point for cleaning and conditioning, upgrading , and injection into 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 an established design, and installation procedures and practices. Professional service providers, trades, large construction equipment providers, and laborers 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 | 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. |

| | |
|--------------------------------------|--|
| GHG | Greenhouse Gas(es) are 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. |
| 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 who operates a dairy herd that 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. |
| 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 Funding Guidelines for Agencies that Administer California Climate Investments (August 2018) 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 (CCI) 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. |
| Socially Disadvantaged | "Socially Disadvantaged Farmer or Rancher" means a farmer or rancher who is a member of a socially disadvantaged |

| | |
|--------------------------|--|
| Farmer or Rancher (SDFR) | 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 Farmer Equity Act of 2017 . |
|--------------------------|--|

Appendix E: Detailed Scoring Criteria

| SCORING CRITERIA | MAX POINTS |
|--|------------|
| DIGESTER PROJECT PLAN AND LONG-TERM VIABILITY | 20 |
| <p>Addressed all requirements of the feasibility section and Work Plan including, but not limited to:</p> <ol style="list-style-type: none"> a. Provided details of the technology (or technologies) to be employed in the digester facility and for subsequent utilization of captured methane, including but not limited to the 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. b. Provide tonnes of material digested and details of materials other than dairy manure if included in the project. c. Technologies affiliated with the digester and biogas cleanup have a track record of success and are commercially available. d. Documentation that demonstrates control of the dairy site provided (if applicable). 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 that shows the feedstock will be available by the time the project is operational. f. Specific list of all tasks needed to complete the project using the Work Plan template provided. g. Detailed Work Plan clearly and concisely described the tasks and activities required to achieve the goals/objectives in the proposed project narrative. 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) i. Reasonable estimate of the projected timeline for the project to be operating at full capacity included. 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 the project within the grant timeline, with specific dates for each target. k. Included an evaluation component to measure the 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 the work | |

| | |
|--|------------------|
| <p>plan.</p> <ul style="list-style-type: none"> l. Long-term operations and maintenance plan included. 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. 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. o. For past AMMP projects, clearly described the implemented AMMP project baseline in the DDRDP Benefits Calculator Tool template, and how installing a digester would further reduce methane emissions on the dairy and create additional benefits. Additionally, explained how the proposed project will not replace or discontinue the use of the AMMP practice or equipment. | |
| <p>BUDGET WORKSHEET AND FINANCIALS</p> | <p>10</p> |
| <p>Adequate documentation regarding the organization's financial strength is provided through the financial documents listed in the application. Additionally:</p> <ul style="list-style-type: none"> a. Evidence of ability to fund upfront costs while waiting for reimbursement provided. Demonstrated financial strength to sustain the project beyond grant term. b. Described and quantified sources and amounts of local, state, and federal funds, loans, other grants, and all other funding necessary to complete the proposed project (if applicable). c. Described and quantified expenditures already incurred to initiate work on the project, such as engineering, site preparation, infrastructure, utility hookups, permitting, and environmental review. d. Provided a complete Budget Worksheet addressing issues including, but not limited to: <ul style="list-style-type: none"> 1. Itemized costs consistent with the Work Plan. 2. Back-up documentation including quotes, estimates, and equipment details in support of budget costs. 3. Overall budget well justified and consistent with Work Plan. 4. Clearly divided the costs related to the digester and the activities directly related to the digester/biogas conditioning portion from the manure management-related activities. e. Provided a clear accounting of all costs associated with all activities necessary to complete the project. Costs appeared reasonable and allowable. | |

| | |
|--|-----------|
| ESTIMATED GREENHOUSE GAS EMISSIONS REDUCTION | 35 |
| <p>a. Described the proposed project and explained how it will result in the reduction of metric tonnes of Greenhouse Gas (GHG) emissions annually compared to existing practices for the dairy.</p> <p>b. Provided a detailed explanation and documentation of the vehicle used for transporting the biogas by trucking (virtual pipeline), and how it can impact the GHG emission calculations.</p> <p>c. Provided the fuel type, model year, horsepower, and annual average operation (hrs/year) and miles for the agricultural tractors and construction equipment to be used during the project term.</p> <p>d. Completed the DDRDP Benefits Calculator Tool template accurately. Proper justification for all assumptions made in the calculation process provided.</p> <p>e. For past AMMP projects, clearly described and documented that the AMMP project has been successfully implemented. Completed the DDRDP Benefits Calculator Tool and the baseline reflected the implemented AMMP project.</p> <p>Applicants reported GHG emission reduction results (in MTCO_{2e}) 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>Applications will be competitively evaluated on their projected emissions reductions.</p> | |
| PROJECT READINESS | 10 |
| <p>The permit template is complete. Copies of permits obtained attached.</p> <p>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.</p> | |
| ENVIRONMENTAL PERFORMANCE | 15 |

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| <p>NOx and Criteria Pollutants (10 points)</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 the 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>Water Quality and Other Co-Benefits (5)</p> <p>Provided a detailed explanation and documentation of additional co-benefits. Co-benefits could include but are not limited to: water conservation, water quality, water storage, groundwater safety, efficient water usage/application, nutrient management and removal, reduction of odor, development of value-added products, waste heat utilization on the dairy farm, supplying energy at peak grid demand, and guarantee local use of transportation fuel.</p> <p>Supporting documentation must show feasibility and plan for the success of any proposed co-benefits. Any assumptions must be explained in sufficient detail.</p> | |
| <p>COMMUNITY IMPACT</p> | <p>10</p> |

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| <p><u>Community Impacts and Mitigation</u></p> <p>I. <i>Community Outreach Actions by Applicant</i></p> <p>a. Described how the community was engaged. Did community-based non-profit organization(s) involved in potentially impacted communities provide assistance in engagement efforts? Did the topics of discussion include potential adverse impacts of digester projects, including a net increase in criteria pollutants, toxic air contaminants, hazardous air pollutants, groundwater, and surface water impacts, and truck traffic and odor?</p> <p>b. Listed the public and/or government stakeholders involved.</p> <p>c. Comprehensive records of the meetings held for individual projects or for each specific project in a cluster should be provided, including but not limited to the method of notification, dates/times, location, attendance, meeting notes or follow-up reports, translation service provided, childcare provided, meals provided and video recordings. Links for accessing meeting recordings can be provided in the “Community Impact template”.</p> <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), where 1 letter should come directly from the local community (e.g., local non-profit associations, local community activists, residents of the area, etc.).</p> <p><u>Localized Economic Benefits</u></p> <p>Provided jobs-related information requested in the template.</p> <p><u>Benefits Priority Populations</u></p> <p>Provided direct, meaningful, and assured benefits to one or more priority populations AND meaningfully addressed an important community need.</p> | |
| <p>TOTAL</p> | <p>100</p> |
| <p><u>ADDITIONAL POINTS</u></p> <p>The project involves a new Submitting Organization (i.e., dairy digester developer) that has not previously been awarded through the DDRDP.</p> | <p>5</p> |