



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

2017 Dairy Digester Research and Development Program

Grant Application Workshop





2017 Request for Grant Applications

- About the Program
- Funding and Duration
- Eligibility and Exclusions
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- Review and Evaluation Process
- How to Apply
- Grant Application
- Questions and Assistance



About the Program

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

Projects must reduce methane emissions on a commercial California dairy operation

Funding and Duration

- 2017 DDRDP funding is authorized by Budget Act of 2016, AB 1613
 - **\$29 - \$36 million available**



- Project Grant Amounts:
Not to exceed \$3 million
- Maximum Project Duration:
October 1, 2017 – September 30, 2019



Eligibility

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



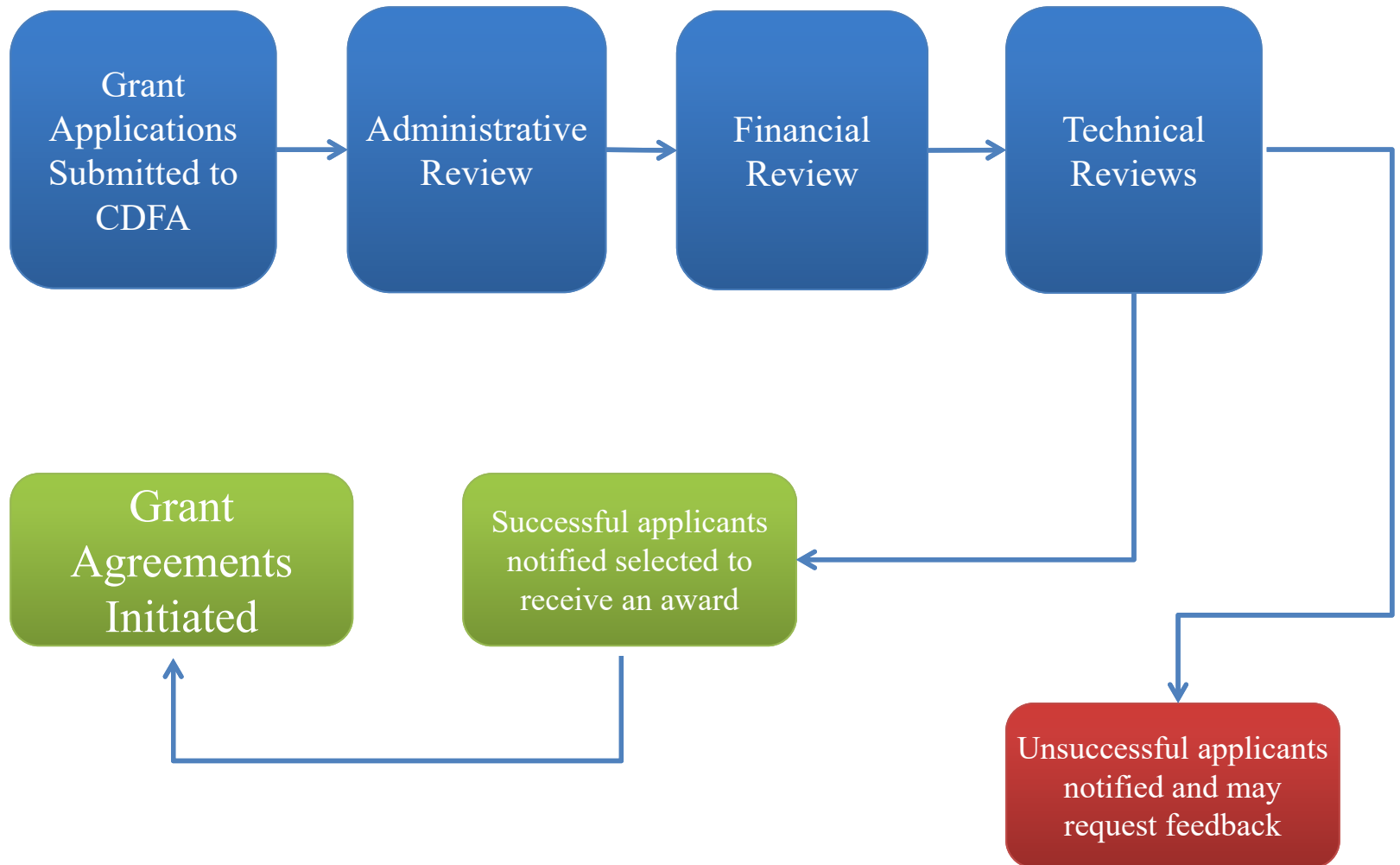
Exclusions

- Upgrades to existing, functional dairy digesters to boost emission reductions and energy production.
- Projects that propose to switch existing management practices to those that increase baseline greenhouse gas (GHG) emissions (e.g., from dry scrape to flush lagoon systems).
- Duplicate equipment or activities that will receive funding from the California Public Utilities Commission (CPUC) pilot project authorized by California Health and Safety Code Section 39730.7(d)(2) (e.g., interconnection costs).

Note: Biogas conditioning and clean-up costs are allowable under the 2017 DDRDP



Solicitation Process



Solicitation Timeline

Invitation to submit Grant Applications	May 3, 2017
Application Workshop I 1:00 p.m. – 3:00 p.m. 2800 Gateway Oaks Drive, Room 101 Sacramento, CA 95833	May 12, 2017
Application Workshop II 10:00 a.m. – 12:00 p.m. 4437 S. Laspina Street Tulare, CA 93274	May 15, 2017
Application Workshop Webinar 9:00 a.m. – 11:00 a.m. https://attendee.gotowebinar.com/register/7989083755502886657	May 16, 2017
Grant Applications Due	June 28, 2017 5:00 p.m. PDT
Announce and Award Funding	September 2017





Program Requirements

- Methane used for energy production or transportation fuel.
- Convert bio-methane to renewable electricity or fuel (e.g., RNG or RCNG), to use on-site or inject into an existing pipeline, or for the utilization of useful thermal energy onsite or at a neighboring facility.
- 80% or more dry weight of the feedstock for anaerobic digestion must be manure from dairy livestock.



Program Requirements

- Must use Air Resources Board's Quantification Methodology for FY 2016-17 and Estimated GHG Reduction Calculator.
- The calculator assists applicants in estimating avoided methane emissions from anaerobic manure decomposition.

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

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



Program Requirements

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



Budget Cost Categories

Project costs must clearly support the implementation of the digester.

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



Unallowable Costs

- 2017 DDRDP grant funds may not be used to reimburse applicants for costs incurred outside of the grant term.
- Costs covered by another State or Federal grant program.
- Pre-development costs, including, but not limited to: permits, project designs, and any other activities that contributed to a project's readiness.
- Costs associated with environmental review required for project permits, including preparation of EIRs.
- Expenditures for purchasing or leasing land or buildings.
- Purchase of dairy manure (tipping fees) or other feedstocks.
- Costs associated with the five-year GHG emissions reductions reporting.
- Costs incurred during community outreach.
- Costs associated with mitigation of potential adverse impacts (SB 859).



Review and Evaluation Process

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

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



How to Apply

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

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



General Information Tab

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



Questionnaire Tab

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



Attachments Tab

Digester Project Plan and Long-Term Viability

- Attachment 1: [Project Narrative Template](#)
 - Supporting Materials 1.1: Site Plan, project design documents, schematic diagrams, etc.
 - Supporting Materials 1.2: Resumes, team commitment letters, etc.
 - Supporting Materials 1.3: Copy of Deed and/or Lease Agreement
- Attachment 2: [Work Plan Template](#)



Attachments Tab

Financials and Budget Worksheet

- Attachment 3: [Budget Worksheet Template](#)
- Attachment 4: Financials
 - Provide documentation regarding the organization’s financial strength. In case of a partnership, information from all partners is required. This information includes:
 - Independent CPA Auditor’s Report (preferred).
 - Three most recent fiscal year balance sheets.
 - Profit/loss statements and federal tax returns.
 - Other appropriate documentation that demonstrates your organization’s financial stability, such as: Articles of Organization; Operating Agreement; Bank Statements (including those related to operating and payroll, and lines of credit if applicable); or General Ledger.
 - If the project will be a new partnership with little or no history, please submit key financial information from all collaborators (e.g. dairy operators and developer).
 - Indicate all additional funding sources and ability to commence work while waiting for grant payments in arrears.

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



Attachments Tab

Estimated GHG Emissions Reduction

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

Project Readiness

- Attachment 6: Additional permitting documents



Attachments Tab

Environmental Performance

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

Community Impacts

- Attachment 8: [Community Impacts Template](#)
 - Supporting Materials 8.1: Up to three letters of support



Disqualification

- One or more unanswered questions necessary for the administrative, fiscal, or technical review;
- Missing, blank, unreadable, or corrupt content;
- Unusable or unreadable attachments;
- Requests for more than the maximum award amount.



Award Requirements

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

Questions and Answers

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

Questions Received by:	Responses Posted by:
May 17, 2017 at 8:00am	May 19, 2017 at 5:00pm
May 31, 2017 at 8:00am	June 2, 2017 at 5:00pm
June 14, 2017 at 8:00am	June 16, 2017 at 5:00pm

