

December 10, 2018

Via email to:

[Cdfa.oefi@cdfa.ca.gov](mailto:Cdfa.oefi@cdfa.ca.gov)

**Re: Comments on “2019 Alternative Manure Management Program (AMMP) Demonstration Projects, Draft Request for Grant Applications (RGA),” and “2019 Dairy Digester Research and Development Program (DDRDP) Demonstration Projects, Draft RGA”**

On behalf of Dairy Cares, we are pleased to provide comments on the above-referenced draft documents. Dairy Cares is a coalition of California’s dairy companies and associations, including the state’s largest dairy producer trade associations and the largest milk processing companies and cooperatives. Formed in 2001, Dairy Cares is dedicated to promoting long-term environmental and economic sustainability for California’s family-owned dairy farms, and several of our member groups also represent confined non-dairy beef cattle operations.

### **Previous comment letters**

As stated in previous comment letters to you in December 2016, February 2017, May 2017, August 2017, and November 2018, the state has placed great pressure on the California dairy community to reduce manure methane emissions. AMMP and the Dairy Digester Research and Development Program (DDRDP) are designed to incentivize manure methane reduction projects on dairies with proceeds from the state’s cap-and-trade auctions (Greenhouse Gas Reduction Fund or GGRF). AMMP and DDRDP, along with other incentives such as favorable tariff rates for electricity generated by dairy methane, carbon credits for captured or avoided methane emissions from dairies, and Low Carbon Fuel Standard (LCFS) credits for methane-based renewable fuels, are central to the success or failure of our efforts to promote voluntary, incentivized methane reduction across the state’s dairy farms. These programs are also vital to achieving early, voluntary reductions of these emissions. For brevity, we incorporate by reference our previous comments.

### **Dairy Cares supports funding for demonstration projects that create new options**

Dairy Cares supports the concept of providing funding to demonstrate innovative projects that currently are not be eligible for funding through AMMP or DDRDP incentive grants. We are interested in projects that demonstrate promise in achieving multiple objectives, such as reducing

greenhouse gases (GHGs), other air emissions, reducing impacts to water quality, and generating added-value products from manure and additional revenue streams for dairies.

We are aware of certain innovative technologies and practices that are in use in other states and nations, and which are not currently in use in California. We see the proposed program described in the draft RGAs as an opportunity to test the feasibility of innovative practices and technologies in a California dairy setting while generating independently verified, site-specific data about their performance under the conditions that are unique to California dairies. Those unique conditions include differences in climate, dairy design and operational parameters (including but not limited to significant differences in how manure is managed), hydrology and soils, and potential markets for manure-based value-added products.

As such, we believe the \$4 million offered for demonstration projects (\$2 million for AMMP and \$2 million for DDRDP) could provide a useful spark to further innovations beyond what is currently fundable via the AMMP and DDRDP programs.

We do offer the following constructive comments, questions and requests for clarification to ensure that the program is as effective as possible going forward:

1. **\$1 million limit on AMMP Demonstration Projects.** The draft AMMP RGA (*page 5*) allocates up to \$2 million for projects but suggests a \$1 million per-project limit, in comparison with the DDRDP RGA, which allows up to \$2 million per project to be funded (*page 5, draft DDRDP RGA*). Because some innovative technologies may be costlier to install and demonstrate, we support a \$2 million per-project limit in the AMMP RGA (similar to the DDRDP). The goal of the program should be high-quality demonstrations, and an artificially low project cap may discourage innovative, quality projects. Increasing the cap would provide additional flexibility to CDFR and would not preclude CDFR from funding projects with smaller budgets.
2. **Demonstrating the adoption of eligible AMMP practice(s) in areas where those practices are underutilized (page 5).** Dairy Cares seeks additional clarification in this area. In general, we do not support use of these proposed, very limited Demonstration Project funds to demonstrate “adoption of *eligible* (emphasis added) AMMP practices in areas where those practices are underutilized.” Firstly, we don’t believe a case can be made that any AMMP practices are “underutilized.” The program is relatively new and demand for grant funding has exceeded the amounts available. Secondly, adoption of AMMP practices has been highest in areas where dairies are too small to build economically feasible digesters, thus, AMMP funds are being utilized exactly where we would expect the funds to be utilized. Finally, and most importantly, these funds should not be used to demonstrate practices that are already in use in California and already have access to AMMP funding; rather, these proposed funds should be used to determine whether more effective and efficient technologies and practices can be added to the toolkit of what is already available. There are many other more efficient and less expensive options available for outreach and education related to existing AMMP-funded practices, and Dairy Cares stands ready to work with CDFR to ensure that information

about these is adequately distributed to dairy operators throughout the state without creating an additional, costly program.

3. **Proprietary technologies and manure management practices.** On page 6 of the AMMP RGA, it is stated that “AMMP Demonstration Projects will not fund the development or testing of proprietary technologies and manure management strategies. Public sharing of project data and outcomes is required.” Again, Dairy Cares seeks clarification and potential modification of this statement. We agree that project data should be publicly shared, regarding for example, effectiveness of the technology in reducing GHGs, costs to operate, and environmental co-benefits, and that this information should be independently verified. However, the apparent prohibition of “testing of proprietary technologies” is impractical. It would seem to prohibit testing of commercial systems that are deployed in other states or countries and which may be patented or otherwise depend on proprietary technology or protected by intellectual property laws. The goal of this funding should be to encourage, not discourage, innovation, and the private sector is an important part of that. Thus, we urge CDFA to consider a program that is flexible enough to allow demonstration and independent verification of performance for technology that is available on the commercial market but is not in use on California dairies already and is not funded via AMMP. *We note that no such prohibition against “testing of proprietary technologies” is included in the Draft DDRDP RGA, but only in the AMMP RGA.*
4. **Scoring criteria.** We are concerned that the scoring criteria in the Draft AMMP puts inadequate emphasis on potential water quality benefits of projects. Only 10 points of 100 points are allocated to “environmental benefits” (non-GHG reduction benefits), and these appear to be heavily weighted to inputs in the co-benefits section of the Estimated GHG Reduction Calculator, which provides estimated changes in a variety of air emissions, but no metrics whatever related to water quality impacts. For example, the calculator provides outputs (estimated changes in emissions post-project) for reactive organic gases, oxides of nitrogen, particulate matter (PM) 2.5 microns or less, diesel PM, soil health co-benefits and fossil fuel reduction. In other words, the calculator estimates GHG and air quality benefits but essentially ignores water quality. Failure to provide quantitative metrics for water quality benefits has the result of discouraging or creating an unlevel playing field for technologies and practices that improve both GHG outcomes and protect water quality, which in turn discourages investment in technologies that solve multiple environmental problems. We suggest that the calculator and scorecard be modified to give quantitative credit to methane-reduction projects and practices that also facilitate export of excess manure nitrogen from dairies for use elsewhere.
5. **Contractor labor.** We reiterate our previous comments that the 15 percent cap on contractor labor is arbitrary and unrealistic for many projects; we suggest this be increased to 25 percent.

**Conclusion**

As always, we thank the California Department of Food and Agriculture for their diligent work to develop and implement the AMMP and DDRDP. We look forward to working with your agencies to continue to develop research programs, incentive funding and to remove obstacles to implementing methane-reducing projects on California dairies.

Sincerely,

J.P. Cativiela

A handwritten signature in black ink, appearing to read 'J.P. Cativiela', with a stylized flourish at the end.

Regulatory Affairs Director, Dairy Cares

C: Charles “Chuck” Ahlem, Dairy Cares  
Michael Boccadoro, Dairy Cares  
Lynne McBride, California Dairy Campaign  
Kevin Abernathy, Milk Producers Council  
Paul Sousa, Western United Dairymen  
Casey Walsh Cady, California Department of Food and Agriculture



8220 West Doe Avenue,  
Visalia, CA 93291

December 7, 2018

Nilan Watmore  
California Department of Food and Agriculture  
1220 N Street  
Sacramento, CA 95814

Via email to: [cdfa.oefi@cdfa.ca.gov](mailto:cdfa.oefi@cdfa.ca.gov)

Re: Comments on Draft Alternative Manure Management Program (AMMP)

Dear Nilan,

We appreciate CDFA's motivation to support new research and innovative technologies to significantly reduce methane, and the opportunity to provide comments on the draft program guidelines and application for the AMMP Demonstration projects.

We believe that significant effort and wide implementation will be required to achieve the target goal of SB-1383. Fortunately, the dairy industry is committed and has worked collaboratively with state officials, companies and researchers to protect our climate, water, air and land.

Our comments are as follows:

**RE: Eligibility and Exclusions**

- A. Demonstrate the ability to remediate manure lagoons and ponds that emit high levels of methane. As aerobic digestion does not generate methane, provide proof of pond transition from anaerobic to aerobic digestion to eliminate the production of methane.

**V: Environmental Benefits**

- A. Environmental benefits should include the following:
  1. Water Quality - technology that provides the additional benefit of treating pond water so that it can be used in irrigation with no harmful effects on agriculture.
  2. Air Quality - technology that reduces or eliminates the lagoon pond odor.
  3. Denitrification - technology that addresses the harmful issue of nitrates will also offer positive environmental benefits.

At Aequion we recognize the value in the new practice workshop. We look forward to the elements of outreach, demonstration and education. The AMMP Demonstration Project will help the industry innovate and implement test strategies for mitigation of methane

**Best regards,**

**Charles Rex**  
*Account Executive, Aequion*

**From:** N. Ross Buckenham <r buckenham@calbioenergy.com>  
**Sent:** Friday, November 30, 2018 1:17 PM  
**To:** CDFA OEFI@CDFA <CDFA.OEFI@cdfa.ca.gov>  
**Subject:** DDRDP – Demonstration Funding Program

Dear CDFA and Casey,

Casey, thanks for pointing out that you are seeking comments on the “DDRDP – Demonstration Funding” program.

*The solicitation says: DDRDP - Demonstration Projects will award competitive grant (s) to California dairy operations and digester developers for the implementation of dairy digester projects that demonstrate **innovative technologies to achieve long-term methane emission reductions on California dairies and minimize or mitigate adverse environmental impacts.***

We seek to understand if a project proposing an innovative technology for Nitrogen recovery from the effluent of an existing digester would qualify. The word “and” suggests the innovative technology has to both reduce methane AND minimize environmental impacts. An innovative nitrogen removal system (producing organic fertilizer for removal from the dairy) would make it more likely that existing and new digesters (that obviously reduce methane) are able to continue to operate fully under SGMA water reductions where dairy operators need to reduce crop land and thus need to remove nitrogen from the dairy waste water to be exported off dairy and used on other crops. This is a critical issue facing dairies and digesters that needs to be looked at.

Thanks for the clarification.

Ross

**N. Ross Buckenham**  
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December 10, 2018

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

**Re: The Dairy Digester Research and Development Program: (DDRDP): Demonstration Projects: Draft for Public Comment: Request for Grant Applications**

Dear OEFI Staff:

Thank you for the opportunity to comment on the draft Request for Grant Applications (RGA) pertaining to the DDRDP – Demonstration Projects.

We wish to offer below our comments on what we strongly believe to be four critical elements in need of the CDFA staff's further consideration and redress with regard to the proposed solicitation as currently envisioned in the draft RGA:

- I. The terminology used to describe the program on the title page and throughout the RGA should be clarified to state, "demonstration and pilot (emphasis ours) projects," as the term, "demonstration projects" in of itself could be misconstrued to imply a specific technology readiness level<sup>1</sup>.
- II. Make \$3 to \$5 million available under this DDRDP "Demonstration (and Pilot) Projects" solicitation and set the maximum dollar amount threshold that could be awarded to a project on par with the maximum dollar amount that can be awarded to a project under the DDRDP solicitation<sup>2</sup>.
- III. Expressly include renewable dimethyl ether (DME) and renewable hydrogen as other legitimate examples of the types of end-use transportation fuels that qualify under this solicitation; currently the only examples the RGA cites are "renewable natural gas [RNG] and renewable compressed natural gas [RCNG]."<sup>3</sup>
- IV. Create a direct nexus between the successful completion of a "demonstration or pilot project" under this CDFA program and the scope of what CDFA determines as "commercially-available technology" under the DDRDP.

**I. The terminology used to describe the program on the title page and throughout the RGA should be clarified to state, "pilot (emphasis ours) and demonstration projects," as the term, "demonstration projects" in of itself could be misconstrued to imply a specific technology readiness level<sup>4</sup>.**

We are supportive of focusing this solicitation on near-commercial, field-ready projects, not in-lab, benchtop experiments. However, the terminology using on the title page and throughout the RGA should be clarified to state, "pilot and demonstration projects" so as to not imply a specific technology readiness level.

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<sup>1</sup> See RGA's Title Page and references throughout RGA.

<sup>2</sup> Page 5 of RGA, "Funding and Duration."

<sup>3</sup> See Page 7 of RGA, "Program Requirements."

<sup>4</sup> See RGA's Title Page and references throughout RGA.



**II. Make \$3-5 million available under this DDRDP “Pilot and Demonstration Projects” solicitation and set the maximum dollar amount threshold that could be awarded to a project on par with the maximum dollar amount that can be awarded to a project under the DDRDP solicitation<sup>5</sup>.**

Pilot and demonstration projects can be costly due to the scaling and building of a first-of-its-kind project and the smaller scale on which the product is produced. This is critical to providing a pathway to a commercial product. Therefore, we believe that the funding level for these projects should be on par, if not greater than, the DDRDP funding levels.

**III. Expressly include renewable dimethyl ether (DME) and renewable hydrogen as other legitimate examples of the types of end-use transportation fuels that qualify under this solicitation; currently the only examples the RGA cites are “renewable natural gas [RNG] and renewable compressed natural gas [RCNG].<sup>6</sup>**

It is important that all innovative, low carbon fuels that can help the state of California reach its short-lived climate pollutant and GHG reduction goals should be eligible offtakes under this solicitation. Specifically, renewable DME and renewable hydrogen should be expressly listed in the RGA as legitimate examples of transportation fuels that qualify as eligible end uses under this solicitation. A wealth of data exists (including research conducted by CARB), which is readily available to OEFI about the conversion of dairy biogas to DME and H<sub>2</sub> to amply demonstrate the abilities of these fuels to help California reach its emission reduction goals, including:

- In 2014, the [United States Environmental Protection Agency \(US EPA\) issued a Renewable Fuel Standard pathway for biogas-based DME](#) and calculated that Oberon’s biogas conversion process would result in a 68% Greenhouse Gas (GHG) reduction. Oberon biogas-based DME is eligible for D-3 & D-5 RIN credits.
- In 2015, CARB, in partnership with a multi-agency working group, published their Tier 1 report on DME, in which they evaluated the effect of DME on air, soil, and water. We believe CARB’s report is an excellent aggregation on publicly available data on DME and part of the Multimedia Assessment process. The biogas conversion process is discussed in detail in the report. An initial lifecycle assessment of the conversion of various feedstocks to DME is also included in the report. The full, 164-page report is available for [download here](#).
- In 2016, Argonne National Laboratory, at the direction of the US Department of Energy, worked with Oberon, Volvo, Ford, Haldor Topsoe, and Lulea University to update the Greenhouse gases, Regulated Emissions and Energy use in Transportation (GREET) lifecycle analysis of DME. When using renewable feedstocks, the updated GREET analyses estimated DME to offer 85-101% GHG reduction. The abstract is [published here](#) with the complete article available from the *Society of Automotive Engineers*.
- In May 2018, CARB presented to the Dairy Working Group Subgroup 2 their [updated Dairy Digester Emissions Matrix](#). The focus of this work was to comparatively assess the emissions profile of various uses of dairy biogas. Pipeline injection of dairy biomethane to hydrogen vehicle is one of the scenarios evaluated and showed a greater CO<sub>2</sub> net benefit than pipeline injection to natural gas vehicles.
- Most recently, CARB performed calculations to determine the estimated carbon intensity (CI) of DME from dairy biogas. It was found that, when made from 100 percent dairy biogas (RNG feedstock CI = -150), DME would have a CI of -278.

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<sup>5</sup> Page 5 of RGA, “Funding and Duration.”

<sup>6</sup> See Page 7 of RGA, “Program Requirements.”

**IV. Create a direct nexus between the successful completion of a “pilot or demonstration project” under this CDFA program and the scope of what CDFA determines as “commercially-available technology” under the DDRDP.**

From our understanding, the purpose of this solicitation is to evaluate innovative technologies that can offer opportunities for dairy farms to further reduce their emissions and create additional revenue streams for farms. In addition to testing these new technologies on farms and evaluating their real-world performance, we believe it is important to create a direct nexus between the successful completion of a “pilot or demonstration project” under this CDFA program and the scope of what CDFA determines as “commercially-available technology” under the DDRDP.

In conclusion, thank you again for your thoughtful consideration of our above comments. If you or Director Ross have any further questions, please do not hesitate to reach out to me directly, and I will ensure a prompt reply.

Sincerely,

A handwritten signature in blue ink that reads "Rebecca Boudreaux".

Rebecca Boudreaux, Ph.D.  
President, Oberon Fuels  
[rebecca@oberonfuels.com](mailto:rebecca@oberonfuels.com)  
(619) 255-9361



Sustainable Conservation

December 10, 2018

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

Dear Secretary Ross:

Sustainable Conservation appreciates the opportunity to comment on the Alternative Manure Management Program (AMMP) Demonstration Projects Draft Request for Grant Applications. We applaud CDFA's recognition that non-digester manure management practices have a critical role to play in achieving the goal of a 40% reduction in dairy methane emissions by 2030, as well as its continued commitment to incentivizing adoption of non-digester practices on California's dairies. The term "non-digester practices" covers a wide range of manure management practices and technologies that can be implemented on dairies of all sizes. CDFA's AMMP currently recognizes a few of these practices as eligible for funding, but some have been underutilized due to a lack of understanding or data. Many others have yet to be included as eligible practices within AMMP. As a result, the full potential of non-digester practices to contribute to the achievement of the 40% reduction goal cannot be realized. CDFA's commitment to funding demonstration projects is therefore very welcome.

In particular, we are excited to see that the AMMP Demonstration Projects will fund the testing and demonstration of new technologies and manure management practices that are not currently covered under the AMMP. We believe that getting new technologies into the AMMP portfolio is urgent, and critical in order to meet the 2030 40% methane reduction goal as well as other environmental goals and requirements for dairies, particularly those concerning water quality. The SB 1383 Dairy and Livestock Working Group's Subgroup #1 identified the need for incorporating new technologies and recommended that the state create a non-digester research and development program with the purpose of advancing innovative non-digester practices in California. While we believe that this should be a discrete program with a dedicated funding source for new non-digester technologies and practices, possibly using resources outside of CDFA's GGRF incentive programs, we are very pleased that CDFA is taking the initiative to allocate some of its existing funding to respond quickly to this need that Subgroup #1 identified.

Three of the four following comments request clarification on the requirements for projects involving new technologies and manure management practices that are not currently covered under the AMMP. We also request a change in the reporting requirements for projects that receive grants.

**1. Clarify what documentation and/or other requirements need to be provided in the application in order for a new technology to be considered for the AMMP Demonstration Projects.**

Our understanding is that new technologies must have already been proven in some way before being considered for a demonstration project grant. Currently, there is no guidance provided for how that requirement can be met by an applicant. Questions that need to be answered include: What proof of methane reductions and other benefits/impacts is required? What type and extent of research does CDFA consider adequate for demonstrating this performance? Do the research results need to be peer reviewed? If not, does the research need to come from an academic institution or is a third-party researcher or even the vendor itself acceptable? Do the requirements related to demonstrated performance differ based on



whether the research occurred in an academic/lab or a commercial operation setting? Is there a minimum number of studies required to be considered adequate for demonstrating performance? If so, does the requirement differ depending on who has conducted the research and/or the setting where the research was conducted? Are there minimum requirements for the number of systems in operation or their time in operation? Is there a restriction or preference for the location of other similar systems (regional vs. national vs. international)? More clarity and detail on what information an application for a new technology demonstration project needs to provide in order to meet the program's threshold requirements is essential.

**2. Clarify process used to calculate GHG reductions by a project involving new technologies and management practices not currently part of AMMP and incorporated into the GHG Reduction Calculator.**

We are concerned about some potentially confusing inconsistencies in the guidance/requirements for addressing estimated GHG emissions reduction for projects involving new technologies and management practices not currently part of AMMP. On page 8, applicants are told that they are “required to use, *wherever applicable*, the...Quantification Methodology and Estimated GHG Reduction Calculator” [emphasis added]. An alternative process is then clearly set forth for “new manure management strategies not included in the Estimated GHG Reduction Calculator,” which requires that the projects include a scientifically sound data collection component to measure methane emissions. Then, however, on page 14, all applicants are required to complete and upload the Estimated GHG Reduction Calculator, and, in addition, include supporting materials providing a detailed plan for collection of GHG emissions data if the strategy includes practices not included in the Calculator. Finally, the scoring criteria on page 26 clearly offers alternative Calculator/Non-Calculator methods of obtaining 10 of the 25 points for estimated GHG reductions.

We recommend that the requirement to complete and upload the Estimated GHG Reduction Calendar on page 14 be revised to make it clear that it only applies to projects whose practices are already included in the Estimated GHG Reduction Calculator. We would also echo our concerns about lack of sufficiently clear guidance on what constitutes adequate documentation expressed above in this context.

**3. Clarify process used to calculate, and scoring to be applied to, environmental co-benefits by a project involving new technologies and management practices not currently part of AMMP and incorporated into the GHG Reduction Calculator.**

As we stated in our comments on the 2019 draft Request for Grant Applications for AMMP as a whole, Sustainable Conservation is very glad to see that environmental co-benefits are now part of the GHG Reduction Calculator (though we do strongly urge that water quality benefits be included in the assessment). While we are pleased to see that environmental co-benefits are part of the draft request for demonstration projects, and that water quality benefits are at least mentioned, we are concerned that there appears to be a complete lack of provision for how projects involving new technologies and management practices not currently part of AMMP and incorporated into the GHG Reduction Calculator can meet the requirements for environmental co-benefits. On page 15, all applicants are directed to provide inputs into the environmental co-benefits section of the Calculator, and, in addition, provide detailed environmental impacts and benefits analysis. This makes no provision for projects including practices not incorporated into the Calculator. We recommend that this section be revised to make it clear that the requirement to use the Estimated GHG Reductions Calculator applies only to projects with practices that are included in the Calculator, and that the word “Additionally” in the second sentence be deleted and replaced with “Alternatively, for projects proposing new strategies not included in the Estimated GHG Reductions



Sustainable Conservation

Calculator...” We also recommend that the word OR be inserted between the two sentences in the detailed scoring criteria for environmental benefits on page 27.

**4. Reduce AMMP Demonstration Project grant recipient reporting from quarterly to annually, consistent with the requirements for AMMP Project grants.**

CDFA reduced the reporting requirement for AMMP project grants from quarterly to annually when it revised the 2017 Request for Grant Applications, with no negative effects of which we are aware. We see no reason why AMMP Demonstration Projects should require more frequent reporting than AMMP Projects. This proposed reduction of the reporting requirement will be particularly significant for project applicants since the expense of reporting is explicitly included in the list of Unallowable Costs specified on pp. 9-10 of the draft document.

**Conclusion**

Sustainable Conservation has strongly supported the allocation of GGRF to AMMP, and we will continue to do so. Our enthusiasm for AMMP is that much stronger now that CDFA is supporting the demonstration of new technologies and manure management practices to help expand the portfolio of eligible practices within AMMP. It is only through a diverse offering of non-digester practices as well as digesters that we will achieve the goal of 40% dairy methane emissions by 2030. We look forward to continuing to work closely with CDFA on this vital issue, and we thank you again for the opportunity to comment.

Sincerely,

J. Stacey Sullivan  
Policy Director



December 10, 2018

California Department of Food and Agriculture  
1220 N Street  
Sacramento, CA 95814  
[cdfa.oefi@cdfa.ca.gov](mailto:cdfa.oefi@cdfa.ca.gov)

**Re: RFP for Demonstration Projects**

To Whom It May Concern,

We are writing to provide comments to the Draft RFP for Demonstration Projects recently released by the California Department of Food and Agriculture. Specifically, we direct our feedback on the relationship between manure management and environmental quality.

We appreciate the consideration of air and water quality in the program description and proposed application materials but recommend that the final RFP include enforceable standards and metrics that ensure that the demonstration projects will not result in negative local or regional impacts on air or water quality. As currently drafted, the RFP does not include sufficient measures to prevent negative air and water quality impacts, and in particular, negative impacts on communities near host dairies and often most impacted by degraded air and water quality.

Accordingly, we recommend the following changes to the RFP to ensure compliance with existing mandates to prevent negative impacts on the environment, and in particular on disadvantaged communities:

- The prohibition on growth of herd sizes must expand beyond the two-year project term to the life expectancy of the project
- Projects must include ongoing water and air quality monitoring and reporting to assess improvements or negative impacts with respect to groundwater, surface water, and air quality.
- All standards, requirements, testing, and reporting related to environmental quality and environmental impacts must assess the short, medium, and long term environmental impacts of a project.
- All standards, requirements, testing, and reporting related to environmental quality and environmental impacts must assess the lifecycle impacts of a project implementation, including but not limited to increases of enteric emissions, manure, land application of manure, transportation (including trucking) related to the demonstration project.
- All articulated environmental benefits must include a precise discussion of the geography that would benefit from the project, the estimated timeline on which those benefits would

accrue, and reporting requirements to verify said benefits across projected lifespan of the project.

Thank you for consideration of these comments. Please feel free to email [pseaton@leadershipcounsel.org](mailto:pseaton@leadershipcounsel.org) or call 310-980-6494 to discuss these comments and the demonstration program generally.

Sincerely,

Phoebe Seaton





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

December 10, 2018

**RE: AMMP Demonstration Program Comments**

Dear Dr. Joshi,

We are very pleased to see the Department propose Demonstration project funding as part of the Alternative Manure Management Program (AMMP). Demonstration projects help to extend the impact of programs like AMMP through outreach and education efforts to producers on the benefits of new management practices. Over the years, we have seen the benefits of farmer-to-farmer education, initially through the successful Biologically Integrated Orchard Systems and Farming Systems (BIOS) (BIFS) projects, and now with the Healthy Soils Demonstration projects.

Through this focus on on-farm education and outreach, CDFA is helping to lead the way on Climate Smart Agriculture in ways that are not only good for the environment and our health, but good for producers. Below we offer our recommendations to improve the impact of the Demonstration projects.

We look forward to discussing this further with you.

Sincerely,

Jeanne Merrill, Policy Director, California Climate & Agriculture Network

Cynthia Daley, Director of the Regenerative Agriculture Initiative, CSU Chico

David Runsten, Policy Director, Community Alliance with Family Farmers

William Hart, Project Manager, Gold Ridge Resource Conservation District



Jill Demers, Executive Director, Humboldt County Resource Conservation District

Randi Black, Dairy Advisor, UC Cooperative Extension, Sonoma, Marin, and Mendocino Counties

JoAnn Baumgartner, Director, Wild Farm Alliance

cc: Secretary Karen Ross and Undersecretary Jenny Lester Moffit

**1. Improve Geographic Impact and Number of Demonstration Projects:** Require Demonstration Project Applicants to work with *existing* AMMP project awardees.

CDFA proposes to invest \$2 million in Greenhouse Gas Reduction Fund (GGRF) in AMMP Demonstration Projects. Demonstration projects could receive up to \$1 million of which up to \$750,000 could go towards funding a dairy or livestock producer to install new practices. The remaining dollars would fund partners to conduct outreach and education work to implement the demonstration side of the projects. Under this current proposal only 2-3 Demonstration Projects could be funded. This will significantly limit the geographic impact of the Demonstration Projects.

To give you a sense of the current geographic scope of existing AMMP projects, here is a breakdown of existing AMMP awards by county:

	<b>2017</b>	<b>2018</b>	<b>TOTAL</b>
<b>Merced</b>	3	19	22
<b>Stanislaus</b>	6	6	12
<b>San Joaquin</b>	3	3	6
<b>Tulare</b>	2	3	5
<b>Sonoma</b>	0	3	3
<b>Humboldt</b>	1	1	2
<b>Madera</b>	0	2	2
<b>Sacramento</b>	1	0	1
<b>Marin</b>	1	0	1
<b>Del Norte</b>	1	0	1
<b>Fresno</b>	0	1	1
<b>Kings</b>	0	1	1
<b>Glenn</b>	0	1	1
<b>TOTAL</b>	18	40	58

We suggest an alternative to the proposed funding structure: Require Demonstration Project applicants to work with one of the *existing* AMMP awardees, of which there are 58, to showcase their change in management practices, working in partnership to do outreach and education work

with producers in the region. This would significantly lower the cost of Demonstration projects by only having to fund the outreach and education work of the partners and not the installation of new practices, allowing for a greater number of Demonstration Projects to be funded. We suggest a project cap of \$250,000, which would result in 8-10 projects.

By working with existing AMMP awardees there is the added benefit of not having to wait to do Demonstration project activities while the management practice changes are installed, which can take several months if not longer. Instead, technical service providers can identify ready and willing producers to work with them on their Demonstration project. Additional, related recommendations include the following:

- Make explicit that Resource Conservation Districts, U.C. Cooperative Extension and nonprofits with demonstrated expertise on dairy methane issues are eligible to apply for Demonstration Project funding with existing AMMP project awardees. Companies should not be eligible for Demonstration Project funding, but rather should be encouraged to submit their practice/product ideas to CDFA under the new practice review, as described in more detail below.
- Allow the dairy and livestock producer time and expense of participating in the planning and implementation of the Demonstration project to be covered by the grant, not just the time and expenses of TA providers or partners.
- Prioritize geographic diversity of Demonstration projects. It would be ideal to have Demonstration projects happening in all of the key dairy regions in the state to allow for maximum impact and encourage greater AMMP participation in underserved regions.
- Future AMMP Incentive program awardees could receive additional points on their application if they were willing to participate in future Demonstration projects.

## **2. Separate New Practice Review from Demonstration Projects**

Under the current draft proposal, companies or others could apply to demonstrate new practices not currently eligible for AMMP Incentives. They would have to do the following:

In case of projects proposing new manure management strategies not included in the Estimated GHG Reduction Calculator, projects must include a scientifically sound data collection component to measure methane emissions from project. Such projects must include academic subject-matter experts as project partners. Applicants must provide appropriate justifications and citations to support their calculations. Applicant should review GHG quantification methodologies published by CARB and harmonize assumptions as recommended by CARB. The GHG data collection methodology should be supported by multiple scientific papers published in reputed peer reviewed journals. (page 8, Draft Guidelines)

This raises concerns for us. Farmers participating in a new practice Demonstration project run the risk of changing farm management in ways that will not adequately result in methane reduction and/or have other negative environmental or agronomic outcomes. This puts producers in a place of regulatory uncertainty, especially as the state may consider regulating methane emissions from the dairy and livestock industries as soon as 2024. Why have our working dairies be the laboratories for untested practices or products? This is not good use of public dollars.

Instead, we support the SB 1383 workgroup recommendation of having a robust public process for reviewing new practices for the AMMP Incentives program. Just as CDFA does under the

Healthy Soils Program, new practice ideas should be solicited, public workshops should be held and public comments reviewed. Farmers should be encouraged to participate in this process as they also have practical solutions for their operations that should be considered. The new practice review should be separate from and in addition to the Demonstration Projects.

### **3. Provide Technical Reviewer Comments to Applicants**

We also wanted to provide comment on the recent AMMP Incentives Awards. Twenty-three AMMP applications were turned down in the most recent round of funding. CDFR informed rejected applicants that they would receive feedback on their applications, but to date only administrative review comments have been made available to applicants. These contain comments on whether or not the applicant adequately completed the application, but provides no technical reviewer comments on how the applicant fared on the merits of their project. This hurts the ability of applicants interested in re-applying because they have little to no information on why their projects did not score adequately to receive funding. We request that CDFR make the technical reviewer comments available to rejected AMMP applicants.

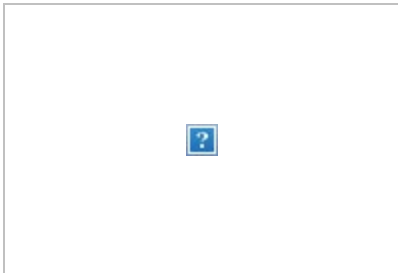
**From:** Matt Hart <matt@thegrantfarm.com>  
**Sent:** Monday, December 10, 2018 3:01 PM  
**To:** CDFA OEFI@CDFA <CDFA.OEFI@cdfa.ca.gov>  
**Cc:** Mark Filimonov <mark@thegrantfarm.com>; Ethan Hanohano <ethan@thegrantfarm.com>  
**Subject:** Comments on the 2019 CDFA DDRDP Draft RGA

CDFA Team,

The Grant Farm has attached a series of questions in response to the Draft 2019 CDFA DDRDP Request for Grant Applications. We appreciate the opportunity to comment on the draft.

Please let us know if there are any clarifications needed for your team to better respond to the questions.

Matt Hart  
[matt@thegrantfarm.com](mailto:matt@thegrantfarm.com)  
(650) 796-6288



**Funding Solicitation: 2019 Dairy Digester Research and Development Program, Request for Grant Applications**

**Comment/Question**

1. We respectfully request that CDFA remove the limitation on including dairies that plan to increase herd size over the course of the project term. While we agree that applicants should not be able to claim emissions reductions associated with planned herd expansions, we believe it is important not to erect obstacles to dairies that would otherwise participate in the DDRDP Program. Margins are quite tight in the dairy farm industry and, to take advantage of economies of scale, many dairy farms are consolidating or planning herd expansions. In many cases, especially during consolidation, dairy cows from older, less-efficient and environmentally friendly dairy farms would be moved to dairy farms using more efficient, cleaner systems—producing net reductions in emissions even as the total number of dairy cows at a particular location increases significantly. In other scenarios, new equipment and technologies could result in significant reductions in GHG emissions, enabling the dairy farmers to increase herd size—and enjoy the associated economies of scale—without increasing net GHG emissions.
2. In the Request for Grant Applications dated November 26, 2018, CDFA states that: “Projects must propose new and innovative strategies or technologies not currently funded under DDRDP guidelines.” Can you explain what this means? It seems counter to the stated approach in earlier versions to include commercially proven technologies. Is CDFA stating that technologies funded under previous years’ DDRDP Programs are no longer eligible for funding in this year’s funding cycle?
3. In the Request for Grant Applications dated November 26, 2018, CDFA states that: “The grant recipients matching fund expenditures must equal or exceed the 2019 DDRDP Demonstration Projects 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.” Should applicants understand this requirement literally? Since match is not required, but only recommended, what is the policy when the grant award is larger than the proposed match?
4. In the Request for Grant Applications dated November 26, 2018, CDFA states: “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).” Many dairy farmers may balk at providing personal information such as federal tax returns or P&L statements. Please consider relaxing this requirement and allowing the applicant to provide the required financial documentation and to make a strong case for the financial viability of the project in a way that meets the needs of CDFA and the participating dairies.