

Aliso Canyon Mitigation Program
Quarter 1 - 2021 Report
(Jan 2021 – March 2021)

California Air Resources Board (CARB) staff provides this quarterly public update on the Mitigation Fund in accordance with the Aliso Canyon Mitigation Agreement between SoCalGas, CARB, and the Attorney General.¹ This report covers information identified in Section 8.c. Reporting for the period beginning from the Mitigation Fund’s formation on January 1, 2021, through March 31, 2021 (Q1 2021).

i. The Funds Available in the Mitigation Fund.

Account	Amount
Mitigation Account	\$9,052,415
Mitigation Reserve Subaccount ²	\$7,600,007
Other Subaccounts ³	\$737
Total	\$16,653,158

ii. High-level Itemization of the Use of Funds by the Mitigation Fund

Please see section vi. below for this information.

1 For more information on the Aliso Canyon Natural Gas Leak and the Mitigation Agreement, please go to CARB’s website, available at <https://ww2.arb.ca.gov/our-work/programs/aliso-canyon-natural-gas-leak>

2 This Subaccount contains the “Mitigation Reserve” as described by the Mitigation Agreement for use, as necessary, toward mitigation should the first set of projects not reduce emissions as expected.

3 These accounts include any interest earned on the monies in the fund or any funding by SoCalGas to cover the administrative costs of the Fund.

iii. A Cumulative and Calendar Year Accounting of the Amount the Mitigation Fund has Paid out from the Mitigation Account and all Sub-Accounts to any Recipient

Recipient	Cumulative Loan Amount Issued this Quarter (Q1 2021)	Cumulative Loan Amount Issued this Calendar Year (2021)
1) CalBioKern LLC	\$1,300,000	\$9,066,111
2) CalBio West Visalia LLC	\$390,000	\$4,481,492
3) CalBio Hanford LLC	\$3,900,000	\$3,900,000
Totals	\$5,590,000	\$17,447,603

Withdraws from Receipts Subaccount⁴	Month Withdrew	Amount
1) Q1 2021 Trust Fee	Jan-2021	\$835
2) Trust Counsel & Financial Reporting Fee	Jan-2021	\$484
Total Withdraws		\$1,319

iv. The Payments of Principal, Interest, and Fees Received from Mitigation Projects to Date, Separated by Payment Type

At this time, there are not yet any payments of principal, interest, or fees from Mitigation projects.

⁴ The mitigation receipts subaccount is a non-interest bearing subaccount established to hold Mitigation Fund receipts received by the Mitigation Fund.

v. **The Total Mitigation Fund Certified Reductions Quantified to Date**

There are no Mitigation Fund Certified Reductions quantified to date.

vi. **Descriptions of Each Mitigation Project:**

Borrower: CalBioGas Kern LLC includes the Kern cluster dairy entities Dairy 1, Dairy 2, Dairy 3, Dairy 4, Dairy 5, and Dairy 9	
Entity Description: CalBioGas Kern LLC is solely owned by CalBioGas LLC. CalBio LLC designs dairy-specific digesters to augment waste handling operations, save costs, and assist in the nutrient management process	
Project Construction Status: The Dairy Projects, except for Dairy 9, and conditioning plant are in the final stages of construction. The Dairy 9 digester and the conditioning facility are in construction.	
Date: 5/31/21	Reporting for the period of: 3/31/21

Kern

Itemized Expenditures Paid for by Mitigation Fund	Dairy 1	Dairy 2	Dairy 3	Dairy 4	Dairy 5	Dairy 9	Total
1) Mitigation Fund Direct Borrowing (a+b+c)	\$1,438,963	\$1,714,716	\$1,474,973	\$1,365,903	\$1,771,555	\$1,300,000	\$9,066,111
a) Digester Costs	\$641,401	\$922,907	\$686,958	\$575,209	\$986,460	\$593,225	\$4,406,160
b) BioGas Treatment	\$379,566	\$375,787	\$370,320	\$372,037	\$369,403	\$388,212	\$2,255,325
c) Common Facilities (Upgrader, Collection Lines, Interconnect)	\$417,996	\$416,002	\$417,695	\$418,657	\$415,693	\$318,563	\$2,404,626

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Itemized Expenditures Paid for by Mitigation Fund	Dairy 1	Dairy 2	Dairy 3	Dairy 4	Dairy 5	Dairy 9	Total
2) Interest During Construction (Paid in kind/capitalized) ⁵	\$32,222	\$38,397	\$33,029	\$30,586	\$39,670	\$ -	\$173,904
Total Expenditures Paid for by Mitigation Fund	\$1,471,185	\$1,753,113	\$1,508,002	\$1,396,489	\$1,811,226	\$1,300,000	\$9,240,015

Fund received from Public Programs	Dairy 1	Dairy 2	Dairy 3	Dairy 4	Dairy 5	Dairy 9	Total
1) CDFR Grants	\$2,600,00	\$3,000,000	\$2,250,000	\$1,749,596	\$2,532,686	\$ 1,901,249	\$14,033,531
2) CEC Awards	\$328,834	\$328,834	\$328,834	\$328,834	\$328,834	\$ 328,834	\$1,973,003
3) Utility: Gas Rule 39	\$625,000	\$625,000	\$625,000	\$625,000	\$625,000	\$ 625,000	\$3,750,000
4) NRCS ⁶	\$ -	\$ -	\$ -	\$254,488	\$450,000	\$ -	\$704,488
Total Funds from Public Programs received	\$3,553,834	\$3,953,834	\$3,203,834	\$2,957,918	\$3,936,520	\$ 2,855,083	\$20,461,022

⁵ Paid in kind interest is a feature of some debt instruments, refers to the interest expense that is not paid in cash but is accrued (or rolled up) onto the balance of the loan.

⁶ Natural Resources Conservation Service

Borrower: CalBioGas West Visalia LLC includes West Visalia cluster dairy entities Dairy 6, Dairy 7, and Dairy 8	
Entity Description: CalBioGas West Visalia LLC is solely owned by CalBioGas LLC. CalBio LLC designs dairy-specific digesters to augment waste handling operations, save costs, and assist in the nutrient management process	
Project Construction Status: The Dairy projects and the conditioning plant are expected to achieve final completion in March 2021.	
Date: 5/31/2021	Reporting for the period of: 3/31/2021

West Visalia

Itemized Expenditures Paid for by Mitigation Fund	Dairy 6	Dairy 7	Dairy 8	Total
1) Mitigation Fund Direct Borrowing (a+b+c)	\$1,557,573	\$1,362,929	\$1,560,990	\$4,481,492
a) Digester Costs	\$625,379	\$457,676	\$642,784	\$1,725,839
b) BioGas Treatment	\$411,946	\$383,235	\$399,801	\$1,194,982
c) Common Facilities (Upgrader, Collection Lines, Interconnect)	\$520,248	\$522,018	\$518,405	\$1,560,671
2) Interest During Construction (Paid in kind/capitalized) ⁵	\$15,542	\$13,600	\$ 15,576	\$ 44,718
Total Expenditures Paid for by Mitigation Fund	\$1,573,115	\$1,376,529	\$1,576,566	\$4,526,210

Fund received from Public Programs	Dairy 6	Dairy 7	Dairy 8	Amount
1) CDFA Grants	\$1,440,000	\$1,350,000	\$1,800,000	\$4,590,000
2) Utility: Gas Rule 39	\$1,250,000	\$1,250,000	\$ 1,250,000	\$ 3,750,000
3) NRCS ⁶	\$333,456	\$286,763	\$450,000	\$1,070,219
Total Funds from Public Programs received	\$3,023,456	\$2,886,763	\$3,500,000	\$9,410,219