

**Aliso Canyon Mitigation Program
Quarter 3 - 2020 Report
(July 2020 – September 2020)**

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 July 1, 2020, through September 30, 2020 (Q3 2020).

i. The Funds Available in the Mitigation Fund.

Account	Amount
Mitigation Account	\$19,695,914
Mitigation Reserve Subaccount ²	\$7,600,000
Other Subaccounts ³	\$405
Total	\$27,296,319

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

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 achieving full mitigation should the first set of projects not reduce emissions as expected.

3 These accounts include any interest earned on the monies in the Mitigation 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 Funding Paid from the Mitigation Account and all Sub-Accounts to any Recipient

Recipient	Cumulative Loan Amount Issued this Quarter (Q3 2020)	Cumulative Loan Amount Issued this Calendar Year (2020)
CalBio Kern LLC	\$6,804,086	\$6,804,086
Totals	\$6,804,086	\$6,804,086

Withdraws from Receipts Subaccount ⁴	Month Withdrew	Amount
1) Q1 2020 Trust Fee	Apr-2020	\$90,000
2) Q2 2020 Trust Fee	Sep-2020	\$42,869
Total Withdraws		\$132,869

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.

v. The Total Mitigation Fund Certified Reductions Quantified to Date

There are no Mitigation Fund Certified Reductions quantified to date.

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

vi. Descriptions of Each Mitigation Project

Borrower: CalBioGas Kern LLC is a Borrower under the Loan Agreement. CalBioGas Kern LLC includes the Kern cluster dairy entities Dairy 1, Dairy 2, Dairy 3, Dairy 4, and Dairy 5.
Entity Description: CalBioGas Kern LLC is solely owned by CalBioGas LLC. During Q3, CalBio LLC designed and constructed the Mitigation Project digesters at Dairy 1, Dairy 2, Dairy 3, Dairy 4, and Dairy 5 to augment waste handling operations, save costs, and assist in the nutrient management process at the project sites that ultimately will result in operations that reduce methane emissions from the sites.
Project Construction Status: The Dairy digester projects and conditioning plant are in various stages of finalizing completion prior to operation.
Date: 3/1/21 Reporting for the period of: 9/30/20

Kern						
Itemized Expenditures Paid for by Mitigation Fund	Dairy 1	Dairy 2	Dairy 3	Dairy 4	Dairy 5	Total
1) Mitigation Fund Direct Borrowing (a+b+c)	\$1,311,069	\$1,586,823	\$1,347,080	\$1,126,908	\$1,432,206	\$6,804,086
a) Digester Costs	\$584,395	\$854,071	\$627,394	\$474,564	\$797,499	\$3,337,922
b) BioGas Treatment	\$345,830	\$347,759	\$338,209	\$306,940	\$298,642	\$1,637,380
c) Common Facilities(Upgrader, Collection Lines, Interconnect)	\$380,845	\$384,993	\$381,477	\$345,404	\$336,065	\$1,828,784

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Itemized Expenditures Paid for by Mitigation Fund	Dairy 1	Dairy 2	Dairy 3	Dairy 4	Dairy 5	Total
2) Interest During Construction (Paid in kind/capitalized) ⁵	\$575	\$696	\$591	\$494	\$628	\$2,984
Total Expenditures Paid for by Mitigation Fund	\$1,311,644	\$1,587,519	\$1,347,671	\$1,127,402	\$1,432,834	\$6,807,070

Fund received from Public Programs	Dairy 1	Dairy 2	Dairy 3	Dairy 4	Dairy 5	Total
1) CDFA Grants	\$2,340,000	\$2,700,000	\$2,025,000	\$1,574,636	\$1,797,856	\$10,437,492
2) CEC Awards	\$328,834	\$328,834	\$328,834	\$328,834	\$328,834	\$1,644,170
3) NRCS ⁶	\$ -	\$ -	\$ -	\$254,488	\$ -	\$254,488
Total Funds from Public Programs received	\$2,668,834	\$3,028,834	\$2,353,834	\$2,157,958	\$2,126,690	\$12,336,150

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