

**Aliso Canyon Mitigation Program
Quarter 3 - 2021 Report
(July 2021 – September 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 July 1, 2021, through September 30, 2021 (Q3 2021).

i. The Funds Available in the Mitigation Fund.

Account	Amount
Mitigation Account	\$1,721,581
Mitigation Reserve Subaccount ²	\$7,600,007
Other Subaccounts ³	\$374
Total	\$9,321,962

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 (Q3 2021)	Cumulative Loan Amount Issued this Calendar Year (2021)
1) CalBioKern LLC	\$230,231	\$11,743,703
2) CalBio West Visalia LLC	\$42,837	\$4,572,552
3) CalBio Hanford LLC	\$988,967	\$8,462,163
Totals	\$1,262,035	\$24,778,418

Withdraws from Receipts Subaccount⁴	Month Withdrew	Amount
1) Q3 2021 Trust Fee	July-2021	\$559
2) Trust Counsel & Financial Reporting Fee	July-2021	\$208
Total Withdraws		\$767

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 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 9 digester and the conditioning facility are in construction; Dairy Projects 1, 2, 3, 4, and 5 are complete.
Date: 11/30/21 Reporting for the period of: 9/30/21

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)	\$1,614,170	\$1,889,922	\$1,650,180	\$2,300,785	\$1,999,439	\$2,289,207	\$11,743,703
a) Digester Costs	\$719,676	\$1,017,418	\$768,746	\$969,160	\$1,108,148	\$1,489,840	\$6,072,988
b) BioGas Treatment	\$425,887	\$414,270	\$414,408	\$626,838	\$419,559	\$ -	\$2,300,962
c) Common Facilities(Upgrader, Collection Lines, Interconnect)	\$468,607	\$458,234	\$467,026	\$704,787	\$471,732	\$799,367	\$3,369,753
2) Interest During Construction	\$64,286	\$76,599	\$65,902	\$70,815	\$76,833	\$41,654	\$396,089

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Itemized Expenditures Paid for by Mitigation Fund	Dairy 1	Dairy 2	Dairy 3	Dairy 4	Dairy 5	Dairy 9	Total
(Paid in kind/capitalized) ⁵							
Total Expenditures Paid for by Mitigation Fund	\$1,678,456	\$1,966,521	\$1,716,082	\$2,371,600	\$2,076,272	\$2,330,861	\$12,139,792

Fund received from Public Programs	Dairy 1	Dairy 2	Dairy 3	Dairy 4	Dairy 5	Dairy 9	Total
1) CDFA Grants	\$2,600,000	\$3,000,000	\$2,250,000	\$1,749,596	\$2,820,762	\$1,918,099	\$14,338,457
2) CEC Awards	\$380,846	\$380,846	\$380,846	\$380,846	\$380,846	\$380,846	\$2,285,073
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	\$450,000	\$1,154,488
Total Funds from Public Programs received	\$3,605,846	\$4,005,846	\$3,255,846	\$3,009,930	\$4,276,608	\$3,373,945	\$21,528,018

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 completed.	
Date: 11/30/2021	Reporting for the period of: 9/30/2021

West Visalia

Itemized Expenditures Paid for by Mitigation Fund	Dairy 6	Dairy 7	Dairy 8	Total
1) Mitigation Fund Direct Borrowing (a+b+c)	\$1,587,927	\$1,393,282	\$1,591,343	\$4,572,552
a) Digester Costs	\$632,693	\$463,298	\$648,676	\$1,744,667
b) BioGas Treatment	\$416,763	\$388,537	\$405,176	\$1,210,476
c) Common Facilities (Upgrader, Collection Lines, Interconnect)	\$538,471	\$541,447	\$537,491	\$1,617,409
2) Interest During Construction (Paid in kind/capitalized) ⁵	\$46,910	\$40,921	\$47,015	\$134,846
Total Expenditures Paid for by Mitigation Fund	\$1,634,837	\$1,434,203	\$1,638,358	\$4,707,398

Fund received from Public Programs	Dairy 6	Dairy 7	Dairy 8	Amount
1) CDFR Grants	\$1,600,000	\$1,500,000	\$2,000,000	\$5,100,000
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	\$3,183,456	\$3,036,763	\$3,700,000	\$9,920,219

Borrower: CalBioGas Hanford LLC includes West Visalia cluster dairy entities Dairy 10, Dairy 11, and Dairy 12	
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: Substantial portions of Dairies 10, 11, and 12 are complete.	
Date: 11/31/2021	Reporting for the period of: 9/30/2021

Hanford

Itemized Expenditures Paid for by Mitigation Fund	Dairy 10	Dairy 11	Dairy 12	Total
1) Mitigation Fund Direct Borrowing (a+b+c)	\$2,761,996	\$2,801,847	\$2,898,320	\$8,462,163
a) <i>Digester Costs</i>	\$1,157,572	\$968,068	\$1,340,396	\$3,466,036
b) <i>BioGas Treatment</i>	\$389,121	\$411,966	\$371,878	\$1,172,965
c) <i>Common Facilities (Upgrader, Collection Lines, Interconnect)</i>	\$1,215,303	\$1,421,813	\$1,186,046	\$3,823,162
2) Interest During Construction (Paid in kind/capitalized) ⁵	\$46,809	\$47,037	\$48,413	\$142,258
Total Expenditures Paid for by Mitigation Fund	\$2,808,805	\$2,848,884	\$2,946,733	\$8,604,421

Fund received from Public Programs	Dairy 10	Dairy 11	Dairy 12	Amount
1) CDFA Grants	\$3,000,000	\$1,500,000	\$3,000,000	\$7,500,000
2) Utility: Gas Rule 39	\$1,000,000	\$1,000,000	\$1,000,000	\$3,000,000
3) NRCS ⁶	\$450,000	\$372,519	\$447,020	\$1,269,539
Total Funds from Public Programs received	\$4,450,000	\$2,872,519	\$4,447,020	\$11,769,539