

**Aliso Canyon Mitigation Program  
Quarter 4 - 2021 Report  
(October 2021 – December 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.<sup>1</sup> This report covers information identified in Section 8.c. Reporting for the period beginning from the Mitigation Fund’s formation on October 1, 2021, through December 31, 2021 (Q4 2021).

**i. The Funds Available in the Mitigation Fund.**

<b>Account</b>	<b>Amount</b>
Mitigation Account	\$1,721,581
Mitigation Reserve Subaccount <sup>2</sup>	\$7,600,007
Other Subaccounts <sup>3</sup>	\$146,568
<b>Total</b>	<b>\$9,486,156</b>

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

Please see section vi. below for this information.

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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 (Q4 2021)	Cumulative Loan Amount Issued this Calendar Year (2021)
1) CalBioKern LLC	\$-	\$11,743,703
2) CalBio West Visalia LLC	\$-	\$4,572,552
3) CalBio Hanford LLC	\$-	\$8,462,163
<b>Totals</b>	<b>\$-</b>	<b>\$24,778,418</b>

Withdraws from Receipts Subaccount <sup>4</sup>	Month Withdrew	Amount
1) Q4 2021 Trust Fee	Nov-2021	\$470
2) Financial Reporting Fee	Nov-2021	\$87
3) 2022 Insurance Renewal Premium	Dec-2021	\$146,468
<b>Total Withdraws</b>		<b>\$147,126</b>

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

Payments received from Projects	Principal	Interest	Fees	Total
1) CalBioGas Kern LLC	\$-	\$84,919.63	\$-	\$84,919.63
2) CalBioGas West Visalia LLC	\$-	\$29,022.95	\$-	\$29,022.95

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

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Payments received from Projects	Principal	Interest	Fees	Total
3) CalBioGas Hanford LLC	\$-	\$31,331.68	\$-	\$31,331.68
<b>Total Payments Received</b>	<b>\$-</b>	<b>\$145,274.26</b>	<b>\$-</b>	<b>\$145,274.26</b>

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

As of December 31, 2021, CARB approved 66,874 metric tons of Mitigation Fund Certified Reductions for the first seven Mitigation Projects constructed pursuant to the Mitigation agreement. The approved reduction represents 61.3% of the total Certified Reductions required to satisfy SoCalGas' Mitigation Obligation.

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

<b>Borrower:</b> CalBioGas Kern LLC includes the Kern cluster dairy entities Dairy 1, Dairy 2, Dairy 3, Dairy 4, Dairy 5, and Dairy 9	
<b>Entity Description:</b> 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	
<b>Project Construction Status:</b> Dairy Projects 1, 2, 3, 4, 5, and 9 are complete.	
<b>Date:</b> 2/28/2022	<b>Reporting for the period of:</b> 12/31/21

**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)	\$1,614,170	\$1,889,923	\$1,650,180	\$2,300,786	\$1,999,439	\$2,289,206	\$11,743,703
a) Digester Costs	\$718,710	\$1,016,277	\$767,740	\$967,788	\$1,106,939	\$1,478,071	\$6,055,525

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<b>Itemized Expenditures Paid for by Mitigation Fund</b>	<b>Dairy 1</b>	<b>Dairy 2</b>	<b>Dairy 3</b>	<b>Dairy 4</b>	<b>Dairy 5</b>	<b>Dairy 9</b>	<b>Total</b>
<i>b) BioGas Treatment</i>	\$425,315	\$413,806	\$413,866	\$625,951	\$419,101	\$ -	\$2,298,038
<i>c) Common Facilities(Upgrader, Collection Lines, Interconnect)</i>	\$470,145	\$459,839	\$468,574	\$707,047	\$473,399	\$811,136	\$3,390,139
2) Interest During Construction (Paid in kind/capitalized) <sup>5</sup>	\$65,865	\$78,449	\$67,516	\$73,047	\$78,786	\$43,847	\$407,511
<b>Total Expenditures Paid for by Mitigation Fund</b>	<b>\$1,680,035</b>	<b>\$1,968,372</b>	<b>\$1,717,696</b>	<b>\$2,373,832</b>	<b>\$2,078,225</b>	<b>\$2,333,054</b>	<b>\$12,151,213</b>

<b>Fund received from Public Programs</b>	<b>Dairy 1</b>	<b>Dairy 2</b>	<b>Dairy 3</b>	<b>Dairy 4</b>	<b>Dairy 5</b>	<b>Dairy 9</b>	<b>Total</b>
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

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<sup>5</sup> 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.

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Fund received from Public Programs	Dairy 1	Dairy 2	Dairy 3	Dairy 4	Dairy 5	Dairy 9	Total
4) NRCS <sup>6</sup>	\$ -	\$ -	\$ -	\$254,488	\$450,000	\$450,000	\$1,154,488
<b>Total Funds from Public Programs received</b>	<b>\$3,605,846</b>	<b>\$4,005,846</b>	<b>\$3,255,846</b>	<b>\$3,009,930</b>	<b>\$4,276,608</b>	<b>\$3,373,945</b>	<b>\$21,528,018</b>

<b>Borrower:</b> CalBioGas West Visalia LLC includes West Visalia cluster dairy entities Dairy 6, Dairy 7, and Dairy 8	
<b>Entity Description:</b> 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	
<b>Project Construction Status:</b> The Dairy projects and the conditioning plant are completed.	
<b>Date:</b> 11/30/2021	<b>Reporting for the period of:</b> 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

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Itemized Expenditures Paid for by Mitigation Fund	Dairy 6	Dairy 7	Dairy 8	Total
2) Interest During Construction (Paid in kind/capitalized) <sup>5</sup>	\$46,910	\$40,921	\$47,015	\$134,846
<b>Total Expenditures Paid for by Mitigation Fund</b>	<b>\$1,634,837</b>	<b>\$1,434,203</b>	<b>\$1,638,358</b>	<b>\$4,707,398</b>

Fund received from Public Programs	Dairy 6	Dairy 7	Dairy 8	Amount
1) CDFA 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 <sup>6</sup>	\$333,456	\$286,763	\$450,000	\$1,070,219
<b>Total Funds from Public Programs received</b>	<b>\$3,183,456</b>	<b>\$3,036,763</b>	<b>\$3,700,000</b>	<b>\$9,920,219</b>

<b>Borrower:</b> CalBioGas Hanford LLC includes West Visalia cluster dairy entities Dairy 10, Dairy 11, and Dairy 12	
<b>Entity Description:</b> 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	
<b>Project Construction Status:</b> Substantial portions of Dairies 10, 11, and 12 are complete.	
<b>Date:</b> 11/31/2021	<b>Reporting for the period of:</b> 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) Digester Costs	\$1,157,572	\$968,068	\$1,340,396	\$3,466,036

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<b>Itemized Expenditures Paid for by Mitigation Fund</b>	<b>Dairy 10</b>	<b>Dairy 11</b>	<b>Dairy 12</b>	<b>Total</b>
<i>b) BioGas Treatment</i>	\$389,121	\$411,966	\$371,878	\$1,172,965
<i>c) 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) <sup>5</sup>	\$46,809	\$47,037	\$48,413	\$142,258
<b>Total Expenditures Paid for by Mitigation Fund</b>	<b>\$2,808,805</b>	<b>\$2,848,884</b>	<b>\$2,946,733</b>	<b>\$8,604,421</b>

<b>Fund received from Public Programs</b>	<b>Dairy 10</b>	<b>Dairy 11</b>	<b>Dairy 12</b>	<b>Amount</b>
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 <sup>6</sup>	\$450,000	\$372,519	\$447,020	\$1,269,539
<b>Total Funds from Public Programs received</b>	<b>\$4,450,000</b>	<b>\$2,872,519</b>	<b>\$4,447,020</b>	<b>\$11,769,539</b>