

**Aliso Canyon Mitigation Program  
Quarter 1 - 2022 Report  
(January 2022 – March 2022)**

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 January 1, 2022, through March 31, 2022 (Q1 2022).

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

<b>Account</b>	<b>Amount</b>
Mitigation Account	\$697,138
Mitigation Reserve Subaccount <sup>2</sup>	\$7,600,007
Other Subaccounts <sup>3</sup>	\$207,309
<b>Total</b>	<b>\$8,504,454</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**

<b>Recipient</b>	<b>Cumulative Loan Amount Issued this Quarter (Q1 2022)</b>	<b>Cumulative Loan Amount Issued (2022)</b>
1) CalBioKern LLC	\$172,928	\$11,916,633
2) CalBio West Visalia LLC	\$621,147	\$5,193,700
3) CalBio Hanford LLC	\$230,368	\$8,692,531
<b>Totals</b>	<b>\$1,024,443</b>	<b>\$25,802,864</b>

<b>Withdraws from Receipts Subaccount<sup>4</sup></b>	<b>Month Withdrew<sup>5</sup></b>	<b>Amount</b>
1) Q1 2022 Trust Fee	Feb-2022	\$38,750
2) Sub-Administrator Fee	Feb-2022	\$12,500
3) Audit Professional Fee	Mar-2022	\$11,600
4) Financial Reporting Fee	Mar-2022	\$3,958
5) Trust Counsel Fee	Mar-2022	\$0
<b>Total Withdraws</b>		<b>\$66,808</b>

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

5 No amount was withdrawn from the Receipts Subaccount in the month of January.

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	\$0	\$127,261.02	\$0	\$127,261.02
2) CalBioGas West Visalia LLC	\$0	\$55,069.11	\$0	\$55,069.11
3) CalBioGas Hanford LLC	\$0	\$91,313.01	\$0	\$91,313.01
<b>Total Payments Received</b>	<b>\$0</b>	<b>\$273,643.14</b>	<b>\$0</b>	<b>\$273,643.14</b>

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

As of March 31, 2022, CARB approved 66,874 metric tons (MT) 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.

Project Dairy	SoCalGas-Reported Annual CH <sub>4</sub> Reductions (MT)	SoCalGas-Reported Annual CH <sub>4</sub> Reductions (MTCO <sub>2e</sub> )	CARB Staff-Confirmed Annual CH <sub>4</sub> Reductions (MT)	CARB-Staff Confirmed 10-Year CH <sub>4</sub> Reductions (MT)	% of 109,000 MT Reduction Target Reached
Mitigation Projects with Approved Mitigation Fund Certified Reductions on July 30, 2021					
Dairy 1	1,157	28,927	1,157	11,571	10.6
Dairy 2	1,244	31,103	1,244	12,441	11.4
Dairy 3	770	19,246	770	7,669	7.1
Dairy 5	1,417	35,432	1,417	14,173	13.0
Dairy 6	655	16,382	655	6,553	6.0
Dairy 7	593	14,834	593	5,934	5.4
Dairy 8	850	21,259	850	8,503	7.8
<b>Total</b>	<b>6,687</b>	<b>167,183</b>	<b>6,687</b>	<b>66,874</b>	<b>61.3</b>

vi. Descriptions of Each Mitigation Project:

<b>Borrower: CalBioGas Kern LLC</b> 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>Report submission date:</b> 5/31/2022	<b>Reporting for the period of:</b> 3/31/2022

**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)	\$1,830,120	\$2,162,226	\$1,873,482	\$2,300,786	\$2,219,772	\$1,530,245	\$11,916,633
a) Digester Costs	\$814,861	\$1,162,705	\$871,630	\$967,788	\$1,228,921	\$988,032	\$6,033,938
b) BioGas Treatment	\$482,216	\$473,428	\$469,870	\$625,950	\$465,285	\$0	\$2,516,749
c) Common Facilities(Upgrader, Collection Lines)	\$533,043	\$526,095	\$531,982	\$707,047	\$525,566	\$542,213	\$3,365,946
2) Interest During Construction (Paid in kind/capitalized) <sup>6</sup>	\$65,865	\$78,449	\$67,516	\$73,047	\$78,786	\$43,847	\$407,510
<b>Total Expenditures Paid for by Mitigation Fund</b>	<b>\$1,895,985</b>	<b>\$2,240,677</b>	<b>\$1,940,998</b>	<b>\$2,373,832</b>	<b>\$2,298,558</b>	<b>\$1,574,093</b>	<b>\$12,324,143</b>

<sup>6</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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<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
4) NRCS <sup>7</sup>	\$0	\$0	\$0	\$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>

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7 Natural Resources Conservation Service

<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>Report submission date:</b> 5/31/2022	<b>Reporting for the period of:</b> 3/31/2022

**West Visalia**

<b>Itemized Expenditures Paid for by Mitigation Fund</b>	<b>Dairy 6</b>	<b>Dairy 7</b>	<b>Dairy 8</b>	<b>Total</b>
1) Mitigation Fund Direct Borrowing (a+b+c)	\$1,794,976	\$1,600,332	\$1,798,392	\$5,193,699
a) <i>Digester Costs</i>	\$714,925	\$531,920	\$732,805	\$1,979,650
b) <i>BioGas Treatment</i>	\$470,929	\$446,086	\$457,723	\$1,374,738
c) <i>Common Facilities (Upgrader, Collection Lines, Interconnect)</i>	\$609,122	\$622,325	\$607,864	\$1,839,311
2) Interest During Construction (Paid in kind/capitalized) <sup>5</sup>	\$48,447	\$42,270	\$48,556	\$139,273
<b>Total Expenditures Paid for by Mitigation Fund</b>	<b>\$1,843,423</b>	<b>\$1,642,601</b>	<b>\$1,846,948</b>	<b>\$5,332,973</b>

<b>Fund received from Public Programs</b>	<b>Dairy 6</b>	<b>Dairy 7</b>	<b>Dairy 8</b>	<b>Amount</b>
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>Report submission date:</b> 5/31/2022	<b>Reporting for the period of:</b> 3/31/2022

**Hanford**

<b>Itemized Expenditures Paid for by Mitigation Fund</b>	<b>Dairy 10</b>	<b>Dairy 11</b>	<b>Dairy 12</b>	<b>Total</b>
1) Mitigation Fund Direct Borrowing (a+b+c)	\$2,877,137	\$2,801,847	\$3,013,547	\$8,692,531
a) <i>Digester Costs</i>	\$1,205,578	\$967,836	\$1,393,416	\$3,566,830
b) <i>BioGas Treatment</i>	\$405,259	\$411,867	\$386,588	\$1,203,714
c) <i>Common Facilities (Upgrader, Collection Lines)</i>	\$1,266,300	\$1,422,144	\$1,233,543	\$3,921,987
2) Interest During Construction (Paid in kind/capitalized) <sup>5</sup>	\$49,452	\$49,717	\$51,185	\$150,354
<b>Total Expenditures Paid for by Mitigation Fund</b>	<b>\$2,926,589</b>	<b>\$2,851,564</b>	<b>\$3,064,732</b>	<b>\$8,842,885</b>

<b>Fund received from Public Programs</b>	<b>Dairy 10</b>	<b>Dairy 11</b>	<b>Dairy 12</b>	<b>Amount</b>
1) CDFR 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>