

Aliso Canyon Mitigation Program
Quarter 3 - 2024 Report
(July 2024 – September 2024)

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, 2024, through September 30, 2024 (Q3 2024).

i. The Funds Available in the Mitigation Fund

Account	Amount
Mitigation Account	\$697,138
Mitigation Reserve Subaccount ²	\$7,600,007
Other Subaccounts ³	\$8,850,926
Total	\$17,148,071

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 principal and 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 2024)	Cumulative Loan Amount Issued (2024)
1) CalBio Kern LLC	\$0	\$11,916,633
2) CalBio West Visalia LLC	\$0	\$5,193,700
3) CalBio Hanford LLC	\$0	\$8,692,531
Totals	\$0	\$25,802,864

Withdrawals from Receipts Subaccount ⁴	Month Withdrew	Amount
1) Q3 2024 Trust Fee	Sep-2024	\$38,750
2) Q2 2024 Administrator Fee	Sep-2024	\$12,500
3) Financial Reporting Fee	Sep-2024	\$4,050
5) Tax Reporting Fee	Sep-2024	\$9,975
Total Withdraws		\$65,275

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

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	\$256,356	\$152,069	\$0	\$408,424
2) CalBioGas West Visalia LLC	\$111,729	\$66,277	\$0	\$178,006
3) CalBioGas Hanford LLC	\$186,997	\$110,926	\$0	\$297,923
Total Payments Received	\$555,082	\$329,271	\$0	\$884,353

v. The Total Mitigation Fund Certified Reductions Quantified to Date

As of May 10, 2022, CARB approved a total of 113,327 metric tons (MT) of Mitigation Fund Certified Reductions to count towards SoCalGas's Mitigation Obligation of mitigating at least 109,000 MT of methane. The approved reduction represents 104% of the total Certified Reductions required to satisfy SoCalGas' Mitigation Obligation. On June 24, 2022, the California Attorney General Office, on behalf of CARB, filed the Mitigation Certification with the Los Angeles Superior Court providing notice that SoCalGas has satisfied its Mitigation Obligation under the Consent Decree dated February 25, 2019. The table below reflects the estimated emissions reductions submitted by SoCalGas and confirmed by CARB staff for all twelve dairies throughout the mitigating funds' project life. No additional updates are expected to the estimated emissions reductions.

Project Dairy	SoCalGas-Reported Annual CH ₄ Reductions (MT)	SoCalGas-Reported Annual CH ₄ Reductions (MTCO ₂ e)	CARB Staff-Confirmed Annual CH ₄ Reductions (MT)	CARB-Staff Confirmed 10-Year CH ₄ 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

Project Dairy	SoCalGas- Reported Annual CH ₄ Reductions (MT)	SoCalGas- Reported Annual CH ₄ Reductions (MTCO ₂ e)	CARB Staff- Confirmed Annual CH ₄ Reductions (MT)	CARB-Staff Confirmed 10- Year CH ₄ Reductions (MT)	% of 109,000 MT Reduction Target Reached
Dairy 2	1,244	31,103	1,244	12,441	11.4
Dairy 3	770	19,246	770	7,699	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
Sub-total for dairies above	6,686	167,183	6,686	66,874	61.3
Mitigation Projects - Approved Mitigation Fund Certified Reductions May 10, 2022					
Project Dairy	SoCalGas- Reported Annual CH ₄ Reductions (MT)	SoCalGas- Reported Annual CH ₄ Reductions (MTCO ₂ e)	CARB Staff- Confirmed Annual CH ₄ Reductions (MT)	CARB-Staff Confirmed 10- Year CH ₄ Reductions (MT)	% of 109,000 MT Reduction Target Reached
Dairy 4	825	20,625	822	8,224	7.5
Dairy 9	823	20,575	820	8,201	7.5
Dairy 10	1,330	33,250	1,295	12,948	11.9
Dairy 11	654	16,350	641	6,414	5.9
Dairy 12	1,208	30,200	1,067	10,666	9.8
Sub-total for dairies above	4,840	121,000	4,645	46,453	42.6
Total	11,526	288,183	11,331	113,327	104%

vi. Descriptions of Each Mitigation Project:

These projects are in the payment phase and are not borrowing any additional funds; therefore, the values in the tables below are not expected to change as of June 2022.

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: Dairy Projects 1, 2, 3, 4, 5, and 9 are complete.	
Report submission date: 11/15/2024	Reporting for the period of: 9/30/2024

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	\$2,162,228	\$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	\$65,865	\$78,449	\$67,516	\$73,047	\$78,786	\$43,847	\$407,510

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	\$1,895,985	\$2,240,677	\$1,940,998	\$2,373,833	\$2,298,558	\$1,574,092	\$12,324,143

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	\$2,285,076
3) Utility: Gas Rule 39	\$625,000	\$625,000	\$625,000	\$625,000	\$625,000	\$625,000	\$3,750,000
4) NRCS ⁶	\$0	\$0	\$0	\$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	\$21,528,021

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.	
Report submission date: 11/15/2024	Reporting for the period of: 9/30/2024

West Visalia

Itemized Expenditures Paid for by Mitigation Fund	Dairy 6	Dairy 7	Dairy 8	Total
1) Mitigation Fund Direct Borrowing (a+b+c)	\$1,794,976	\$1,600,331	\$1,798,392	\$5,193,699
a) Digester Costs	\$714,925	\$531,920	\$732,805	\$1,979,650
b) BioGas Treatment	\$470,929	\$446,086	\$457,723	\$1,374,738
c) Common Facilities (Upgrader, Collection Lines, Interconnect)	\$609,122	\$622,325	\$607,864	\$1,839,311
2) Interest During Construction (Paid in kind/capitalized) ⁵	\$48,447	\$42,270	\$48,556	\$139,273
Total Expenditures Paid for by Mitigation Fund	\$1,843,423	\$1,642,601	\$1,846,948	\$5,332,973

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	\$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 Hanford 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.	
Report submission date: 11/15/2024	Reporting for the period of: 9/30/2024

Hanford

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

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	\$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