

**Opportunities/Barriers/Recommendations to Significantly Expand the Number of Dairy Digesters in CA**

<b>Dairy Digester Development</b>				
	<b>Pipeline Interconnection Option</b>	<b>Onsite Generation Option</b>	<b>Transportation Fuel</b>	<b>Applicable to All Options</b>
<b>Barriers</b>	<p>1) Interconnection Process and Agreements - unfamiliarity of working with natural gas utilities and the process/requirements/ agreements to interconnect are complex</p> <p>2) Lack of long term agreement for RNG at prices to support dairy digester project development</p>	<p>1) For PG&amp;E territory, there is the potential to soon reach the BioMAT allocation for dairies. Does SB 1122 allow state agencies to reallocate MW's?</p> <p>2) BioMAT is only available to new projects. Some existing onsite generation projects have off-take agreements coming to an end and looking for new contract opportunities</p>	<p>1) Lack of sufficient numbers of CNG vehicles, which could be partly remedied by sufficient CNG vehicle incentives</p> <p>2) Uncertainty of LCFS program and pricing makes financing transportation projects difficult</p> <p>3) Uncertainty of RFS program and pricing makes financing transportation projects difficult</p>	<p>1) The timelines in grants (e.g - CDFA) to have facilities in operation is too short (one proposal to address barrier is to revise grant structure similar to SGIP - receive 50% when operational and the rest performance based).</p> <p>2) Having to double line digesters is expensive.</p> <p>3) Grant and incentive proposals are not well coordinated. Putting together numerous proposals for the same project is labor intensive. Is there a way to better coordinate all grants/incentives and streamline the process?</p>
<b>Opportunities</b>	<p>1) SB 1383 Dairy Pilot Projects to develop infrastructure models</p> <p>2) Develop Renewable Gas Standard, which would provide long term off-take agreements for projects</p>		<p>1) Development of the ARB Pilot Financial Mechanism</p> <p>2) Strong LCFS target to keep values/revenues high and counteract low cost imports</p> <p>3) Combination of fuel distribution models depending on the project/location including pipeline, tube truck, and onsite/local dispensing</p>	<p>1) Proposed Agricultural Environmental Stewardship Act (S.988 and HR 2853) - would provide 30% tax credit for qualified biogas property</p> <p>2) Single entity can negotiate pricing for high volume material to lower project costs (e.g. - volume pricing for lagoon digester covers, liners, etc)</p>
<b>Recommendations</b>	TBD	TBD	TBD	TBD