



STATE OF CALIFORNIA

GRANT REQUEST FORM (GRF)

CEC-270 (Revised 12/2019)

CALIFORNIA ENERGY COMMISSION

A) New Agreement # ARV-21-048 (to be completed by CGL office)

B) Division	Agreement Manager:	MS-	Phone
600 Fuels and Transportation Division	Hieu Nguyen	27	916-273-2554

C) Recipient's Legal Name	Federal ID #
Merced Pipeline LLC	37-1895477

D) Title of Project
Merced Pipeline Dairy Digester Cluster Expansion Project

E) Term and Amount

Start Date	End Date	Amount
03/09/2022	07 / 30 / 2025	\$ 1,500,000

F) Business Meeting Information

☐ ARFVTP agreements \$75K and under delegated to Executive Director

Proposed Business Meeting Date 03/09/2022 ☐ Consent ☒ Discussion

Business Meeting Presenter Hieu Nguyen Time Needed: 5 minutes

Please select one list serve. Altfuels (AB118- ARFVTP)

Agenda Item Subject and Description:

Merced Pipeline LLC. Proposed resolution adopting California Environmental Quality Act Findings for Merced Pipeline LLC's (Merced) Merced Pipeline Dairy Cluster Expansion Project and approving grant agreement ARV-21-048 with Merced. (ARFVTF funding) Contact: Hieu Nguyen. (Staff presentation: 5 minutes)

I. CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS. Findings that, based on the lead agency Merced County's (County) Initial Study and Mitigated Negative Declaration (MND), and the County's Conditional Use Permit No. CUP19-003 approving and adopting the MND, which was approved by the County's Planning Commission through Resolution No. 20-001 on January 22, 2020, the work under the proposed project presents no new significant or substantially more severe environmental impacts beyond those already considered and mitigated.

II. MERCED'S PIPELINE CLUSTER DAIRY BIOGAS CONDITIONING SYSTEM EXPANSION PROJECT. Proposed resolution approving Agreement ARV-21-048 with Merced Pipeline LLC for a \$1,500,000 grant. The goal of this agreement is to construct a new expansion to the existing centralized gas clean-up and upgrading facility in Merced County to process the dairy biogas from seven additional participating digesters. The resulting project will produce 1,761,000 diesel gallon equivalents (DGE) per year of renewable compressed natural gas with a negative carbon intensity score of approximately -375 g CO₂e/MJ while simultaneously reducing greenhouse gas emissions by about 113,000 MTCO₂e per year.

G) California Environmental Quality Act (CEQA) Compliance

1. Is Agreement considered a "Project" under CEQA?

☒ Yes (skip to question 2) ☐ No (complete the following (PRC 21065 and 14 CCR 15378)):

**GRANT REQUEST FORM (GRF)**

Explain why Agreement is not considered a "Project":

Agreement will not cause direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment because

2. If Agreement is considered a "Project" under CEQA:

- a) ☐ Agreement **IS** exempt.
- ☐ Statutory Exemption. List PRC and/or CCR section number: 14 CCR section 15262 – Feasibility and Planning Studies
- ☐ Categorical Exemption. List CCR section number: 14 CCR section 15306 – Information Collection
- ☐ Common Sense Exemption. 14 CCR 15061 (b) (3) Explain reason why Agreement is exempt under the above section:

- b) ☒ Agreement **IS NOT** exempt. (consult with the legal office to determine next steps)

Check all that apply

- ☒ Initial Study
- ☐ Negative Declaration
- ☒ Mitigated Negative Declaration
- ☐ Environmental Impact Report
- ☐ Statement of Overriding Considerations

H) List all subcontractors (major and minor) and equipment vendors: (attach additional sheets as necessary)

Legal Company Name:	Budget
Air Liquide Advanced Technologies U.S. LLC	\$ 500,000.00 (CEC), \$382,000 (Match)
Vilter Manufacturing LLC	\$ 1,000,000.00 (CEC), \$447,368 (Match)
Maas Energy Works, Inc.	\$145,000 (Match)
Biogas Engineering	\$280,000 (Match)
TNT Industrial Contractors, Inc.	\$800,000 (Match)
G & D Chillers, Inc.	\$67,620 (Match)
Electric Innovations Inc.	\$123,000 (Match)

I) List all key partners: (attach additional sheets as necessary)

Legal Company Name:
Please see attachment for list of key partners.
Maas Energy Works, Inc.

J) Budget Information



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CALIFORNIA ENERGY COMMISSION

Funding Source	Funding Year of Appropriation	Budget List Number	Amount
ARFVTF	FY 18/19	601.118K	\$ 1,500,000
Funding Source			\$
Funding Source			\$
Funding Source			\$
Funding Source			\$

R&D Program Area: Select Program Area TOTAL: \$

Explanation for "Other" selection

Reimbursement Contract #:

Federal Agreement #:

K) Recipient's Contact Information**1. Recipient's Administrator/Officer**

Name: Stephen Hatley

Address: 3701 Meadow View Dr.

City, State, Zip: Redding, CA 96002

Phone: (512) 618-2987

E-Mail: stephen@maasenergy.com**2. Recipient's Project Manager**

Name: Daryl Maas

Address: 3701 Meadow View Dr.

City, State, Zip: Redding, CA 96002

Phone: (210) 527-7631

E-Mail: daryl@maasenergy.com**L) Selection Process Used**☒ Competitive Solicitation Solicitation #: GFO-20-608☐ First Come First Served Solicitation Solicitation #: - -**M) The following items should be attached to this GRF**

1. Exhibit A, Scope of Work

2. Exhibit B, Budget Detail

3. CEC 105, Questionnaire for Identifying Conflicts

4. Recipient Resolution

5. CEQA Documentation

☒ N/A☐ N/A☒ Attached☒ Attached☒ Attached☐ Attached☒ Attached_____
Agreement Manager_____
Date_____
Office Manager_____
Date_____
Deputy Director_____
Date

Attachment 2 Exhibit A SCOPE OF WORK

TECHNICAL TASK LIST

Task #	CPR	Task Name
1		Administration
2	X	Design & Engineering
3		Construct Biogas Conditioning Facility Expansion
4	X	System Commissioning & Startup
5		Data Collection and Analysis
6		Project Fact Sheet

KEY NAME LIST

Task #	Key Personnel	Key Subcontractor(s)	Key Partner(s)
1	Daryl Maas	Maas Energy Works, Inc.	
2	Guatam Arora	Biogas Engineering	
3	Ryan Connell (Director, RNG System Sales) Matthew Frazee (Project Manager)	Air Liquide Advanced Technologies U.S. LLC	
4	Shawn Goggins (Sales Manager) Matthew Gordon (Lead Project Engineer)	Vilter Manufacturing LLC	
5	Daryl Maas	Maas Energy Works, Inc.	
6	Daryl Maas	Maas Energy Works, Inc.	

GLOSSARY

Specific terms and acronyms used throughout this scope of work are defined as follows:

Term/ Acronym	Definition
CAM	Commission Agreement Manager
CAO	Commission Agreement Officer
CEC	California Energy Commission
CTP	Clean Transportation Program
CNG	Compressed Natural Gas

CO2	Carbon Dioxide
CPR	Critical Project Review
DGE	Diesel Gallon Equivalents
FTD	Fuels and Transportation Division
gCO ₂ e/MJ	Grams of Carbon Dioxide Equivalent per Megajoule
MMBTU	Million British Thermal Units
MTCO ₂ e	Metric Ton of Carbon Dioxide Equivalent
PG&E	Pacific Gas & Electric
RCNG	Renewable Compressed Natural Gas
Recipient	Merced Pipeline LLC
SCFM	Standard Cubic Feet Per Minute

Background

Assembly Bill (AB) 118 (Núñez, Chapter 750, Statutes of 2007), created the Clean Transportation Program. The statute authorizes the California Energy Commission (CEC) to develop and deploy alternative and renewable fuels and advanced transportation technologies to help attain the state's climate change, clean air, and alternative energy policies. AB 8 (Perea, Chapter 401, Statutes of 2013) re-authorizes the Clean Transportation Program through January 1, 2024. The Clean Transportation Program has an annual budget of approximately \$100 million and provides financial support for projects that:

- Reduce California's use and dependence on petroleum transportation fuels and increase the use of alternative and renewable fuels and advanced vehicle technologies.
- Produce sustainable alternative and renewable low-carbon fuels in California.
- Expand alternative fueling infrastructure and fueling stations.
- Improve the efficiency, performance and market viability of alternative light-, medium-, and heavy-duty vehicle technologies.
- Retrofit medium- and heavy-duty on-road and non-road vehicle fleets to alternative technologies or fuel use.
- Expand the alternative fueling infrastructure available to existing fleets, public transit, and transportation corridors.
- Establish workforce training programs and conduct public outreach on the benefits of alternative transportation fuels and vehicle technologies.

On April 12, 2021, the CEC released Grant Funding Opportunity, entitled "Ultra-Low-Carbon Fuel: Commercial-Scale Production Facilities & Blending Infrastructure." This competitive grant solicitation was to fund ultra-low-carbon transportation fuel in two funding categories: commercial-scale production facilities and blending infrastructure at new and existing advanced fuel production or fuel blending facilities. In response to GFO-20-608, the Recipient submitted Proposal #4, which was proposed for funding in the CEC's Notice of Proposed Awards on November 5, 2021. GFO-20-608 and Recipient's application are hereby incorporated by reference into this Agreement in their entirety.

In the event of any conflict or inconsistency between the terms of the Solicitation and the terms of the Recipient's Application, the Solicitation shall control. In the event of any conflict or inconsistency between the Recipient's Application and the terms of CEC's Award, CEC's Award shall control. Similarly, in the event of any conflict or inconsistency between the terms of this Agreement and the Recipient's Application, the terms of this Agreement shall control.

Problem Statement:

Dairy biogas represents both a major environmental challenge and a significant biofuels opportunity. The dairy methane emissions that currently escape into the atmosphere could provide carbon-negative fuels if several barriers were overcome. For years, dairy farmers have been storing their cows' manure in anaerobic lagoons that produce methane, carbon dioxide, hydrogen sulfide, and additional volatile organic compounds. Covered lagoon digester technology provides an economical, reliable system for capturing the gas for a variety of uses. However, almost none of the captured biomethane is currently used for biofuels and is burned to generate electricity instead—producing new air pollutants. The California Air Resources Board, California Public Utilities Commission, California Department of Food and Agriculture, and other state agencies and legislators have been working together to find a solution that would continue to capture these dairy greenhouse gas emissions without increasing other criteria pollutants. The solution is to convert the biogas into pure biomethane for use in compressed natural gas (CNG) vehicles. However, the cost of developing and operating biomethane upgrading equipment dwarfs the financial and operational resources of any single dairy.

The Merced Pipeline, which was funded by the Low Carbon Fuel Production Program (Agreement# LCF-19-002), overcame the financial, operational, and technological barriers by combining multiple dairies to build a "cluster" of dairy digesters. When the biogas from these dairies is combined at a central hub, using proven technology in biomethane conditioning, the resultant economies of scale resolve the technological, financial, and operational barriers of dairy methane-to-biomethane projects. The project will capture emissions from numerous dairies while building only one conditioning facility, overcoming technological limits to building multiple standalone projects. The resultant biomethane will be delivered as renewable compressed natural gas (RCNG) to CNG fueling stations in California, providing a large supply of new renewable ultra-low carbon negative vehicle fuel.

There is an opportunity to expand the operations of the existing Merced Pipeline - Conditioning Facility (HUB) to further connect additional dairy biogas from additional dairies which are planned to join the Merced "cluster" of dairy digesters. The project team plans to add additional CO2 removal equipment from Air Liquide, and two feed compressors from Vilter Manufacturing LLC.

Goals of the Agreement:

The goal of the agreement is to expand the biogas conditioning facility in Merced County to process dairy biogas from additional local dairy digesters. The resulting facility will produce pure renewable biomethane for delivery into the Pacific Gas and Electric (PG&E) utility pipeline for transport to new and existing CNG stations in the California Central Valley. The new, carbon negative vehicle fuel will lead to significant greenhouse gas (GHG) emissions reductions in California and will encourage conversion of new vehicles from diesel to CNG.

Objectives of the Agreement:

The objectives of this Agreement are to:

- Upgrade the biogas cleanup/upgrading facility to increase capacity from 2,000 standard cubic feet per minute (SCFM) to 3,000 SCFM so the facility can receive and condition the biogas from an additional 7 participating dairy facilities in the cluster containing more than 30,000 total animals.
- Cleanup the dairy biogas to create 236,683 MMBTUs of pipeline quality renewable biomethane per year.
- Deliver the product biomethane to CNG stations throughout the California Central Valley to increase production capacity at the existing gas clean-up and upgrading facility by an estimated 1,761,458 diesel gallons equivalent of vehicle fuel with a negative carbon intensity of approximately -375.88 g CO₂e/MJ or better.
- Reduce GHG emissions by 113,195 MTCO₂e annually.

TASK 1 ADMINISTRATION

Task 1.1 Attend Kick-off Meeting

The goal of this task is to establish the lines of communication and procedures for implementing this Agreement. The Commission Agreement Manager (CAM) shall designate the date and location of this meeting and provide an agenda to the Recipient prior to the meeting.

The Recipient shall:

- Attend a “Kick-Off” meeting with the CAM, the Commission Agreement Officer (CAO), and a representative of the California Energy Commission (CEC) Accounting Office. The Recipient shall bring their Project Manager, Agreement Administrator, Accounting Officer, and any others determined necessary by the Recipient or specifically requested by the CAM to this meeting.
- Provide a written statement of project activities that have occurred after the notice of proposed awards but prior to the execution of the agreement using match funds. If none, provide a statement that no work has been completed using match funds prior to the execution of the agreement. All pre-execution match expenditures must conform to the requirements in the Terms and Conditions of this Agreement.
- Discuss the following administrative and technical aspects of this Agreement:
 - Agreement Terms and Conditions

- Critical Project Review (Task 1.2)
- Match fund documentation (Task 1.7) No reimbursable work may be done until this documentation is in place.
- Permit documentation (Task 1.8)
- Subcontracts needed to carry out project (Task 1.9)
- The CAM's expectations for accomplishing tasks described in the Scope of Work
- An updated Schedule of Products and Due Dates
- Monthly Calls (Task 1.4)
- Quarterly Progress Reports (Task 1.5)
- Technical Products (Product Guidelines located in Section 5 of the Terms and Conditions)
- Final Report (Task 1.6)

Recipient Products:

- Updated Schedule of Products
- Updated List of Match Funds
- Updated List of Permits
- Written Statement of Match Share Activities

Commission Agreement Manager Product:

- Kick-Off Meeting Agenda

Task 1.2 Critical Project Review (CPR) Meetings

CPRs provide the opportunity for frank discussions between the CEC and the Recipient. The goal of this task is to determine if the project should continue to receive Energy Commission funding to complete this Agreement and to identify any needed modifications to the tasks, products, schedule or budget.

The CAM may schedule CPR meetings as necessary, and meeting costs will be borne by the Recipient.

Meeting participants include the CAM and the Recipient and may include the CAO, the Fuels and Transportation Division (FTD) program lead, other CEC staff and Management as well as other individuals selected by the CAM to provide support to the CEC.

The CAM shall:

- Determine the location, date, and time of each CPR meeting with the Recipient. These meetings generally take place at the CEC, but they may take place at another location or remotely.
- Send the Recipient the agenda and a list of expected participants in advance of each CPR. If applicable, the agenda shall include a discussion on both match funding and permits.

- Conduct and make a record of each CPR meeting. Prepare a schedule for providing the written determination described below.
- Determine whether to continue the project, and if continuing, whether or not modifications are needed to the tasks, schedule, products, and/or budget for the remainder of the Agreement. Modifications to the Agreement may require a formal amendment (please see section 8 of the Terms and Conditions). If the CAM concludes that satisfactory progress is not being made, this conclusion will be referred to the Lead Commissioner for Transportation for his or her concurrence.
- Provide the Recipient with a written determination in accordance with the schedule. The written response may include a requirement for the Recipient to revise one or more product(s) that were included in the CPR.

The Recipient shall:

- Prepare a CPR Report for each CPR that discusses the progress of the Agreement toward achieving its goals and objectives. This report shall include recommendations and conclusions regarding continued work of the projects. This report shall be submitted along with any other products identified in this scope of work. The Recipient shall submit these documents to the CAM and any other designated reviewers at least 15 working days in advance of each CPR meeting.
- Present the required information at each CPR meeting and participate in a discussion about the Agreement.

CAM Products:

- Agenda and a list of expected participants
- Schedule for written determination
- Written determination

Recipient Product:

- CPR Report(s)

Task 1.3 Final Meeting

The goal of this task is to closeout this Agreement.

The Recipient shall:

- Meet with CEC staff to present the findings, conclusions, and recommendations. The final meeting must be completed during the closeout of this Agreement.

This meeting will be attended by, at a minimum, the Recipient and the CAM. The technical and administrative aspects of Agreement closeout will be discussed at the meeting, which may be two separate meetings at the discretion of the CAM.

The technical portion of the meeting shall present an assessment of the degree to which project and task goals and objectives were achieved, findings, conclusions, recommended next steps (if any) for the Agreement, and recommendations for improvements. The CAM will determine the appropriate meeting participants.

The administrative portion of the meeting shall be a discussion with the CAM about the following Agreement closeout items:

- What to do with any equipment purchased with CEC funds (Options)
- CEC request for specific “generated” data (not already provided in Agreement products)
- Need to document Recipient’s disclosure of “subject inventions” developed under the Agreement
- “Surviving” Agreement provisions
- Final invoicing and release of retention
- Prepare a schedule for completing the closeout activities for this Agreement.

Products:

- Written documentation of meeting agreements
- Schedule for completing closeout activities

Task 1.4 Monthly Calls

The goal of this task is to have calls at least monthly between CAM and Recipient to verify that satisfactory and continued progress is made towards achieving the objectives of this Agreement on time and within budget.

The objectives of this task are to verbally summarize activities performed during the reporting period, to identify activities planned for the next reporting period, to identify issues that may affect performance and expenditures, to verify match funds are being proportionally spent concurrently or in advance of CEC funds or are being spent in accordance with an approved Match Funding Spending Plan, to form the basis for determining whether invoices are consistent with work performed, and to answer any other questions from the CAM. Monthly calls might not be held on those months when a quarterly progress report is submitted, or the CAM determines that a monthly call is unnecessary.

The CAM shall:

- Schedule monthly calls.
- Provide questions to the Recipient prior to the monthly call.
- Provide call summary notes to Recipient of items discussed during call.

The Recipient shall:

- Review the questions provided by CAM prior to the monthly call
- Provide verbal answers to the CAM during the call.

Product:

- Email to CAM concurring with call summary notes.

Task 1.5 Quarterly Progress Reports

The goal of this task is to periodically verify that satisfactory and continued progress is made towards achieving the objectives of this Agreement on time and within budget.

The objectives of this task are to summarize activities performed during the reporting period, to identify activities planned for the next reporting period, to identify issues that may affect performance and expenditures, and to form the basis for determining whether invoices are consistent with work performed.

The Recipient shall:

- Prepare a Quarterly Progress Report which summarizes all Agreement activities conducted by the Recipient for the reporting period, including an assessment of the ability to complete the Agreement within the current budget and any anticipated cost overruns. Progress reports are due to the CAM the 10th day of each January, April, July, and October. The Quarterly Progress Report template can be found on the ECAMS Resources webpage available at <https://www.energy.ca.gov/media/4691>.

Product:

- Quarterly Progress Reports

Task 1.6 Final Report

The goal of the Final Report is to assess the project's success in achieving the Agreement's goals and objectives, advancing science and technology, and providing energy-related and other benefits to California.

The objectives of the Final Report are to clearly and completely describe the project's purpose, approach, activities performed, results, and advancements in science and technology; to present a public assessment of the success of the project as measured by the degree to which goals and objectives were achieved; to make insightful observations based on results obtained; to draw conclusions; and to make recommendations for further projects and improvements to the FTD project management processes.

The Final Report shall be a public document. If the Recipient has obtained confidential status from the CEC and will be preparing a confidential version of the Final Report as well, the Recipient shall perform the following activities for both the public and confidential versions of the Final Report.

The Recipient shall:

- Prepare an Outline of the Final Report, if requested by the CAM.
- Prepare a Final Report following the latest version of the Final Report guidelines which will be provided by the CAM. The CAM shall provide written comments on the Draft Final Report within fifteen (15) working days of receipt. The Final Report must be completed at least 60 days before the end of the Agreement Term.
- Submit one bound copy of the Final Report with the final invoice.

Products:

- Outline of the Final Report, if requested
- Draft Final Report
- Final Report

Task 1.7 Identify and Obtain Matching Funds

The goal of this task is to ensure that the match funds planned for this Agreement are obtained for and applied to this Agreement during the term of this Agreement.

The costs to obtain and document match fund commitments are not reimbursable through this Agreement. Although the CEC budget for this task will be zero dollars, the Recipient may utilize match funds for this task. Match funds must be identified in writing and the associated commitments obtained before the Recipient can incur any costs for which the Recipient will request reimbursement.

The Recipient shall:

- Prepare a letter documenting the match funding committed to this Agreement and submit it to the CAM at least 2 working days prior to the kick-off meeting. If no match funds were part of the proposal that led to the CEC awarding this Agreement and none have been identified at the time this Agreement starts, then state such in the letter. If match funds were a part of the proposal that led to the CEC awarding this Agreement, then provide in the letter a list of the match funds that identifies the:
 - Amount of each cash match fund, its source, including a contact name, address and telephone number and the task(s) to which the match funds will be applied.
 - Amount of each in-kind contribution, a description, documented market or book value, and its source, including a contact name, address and telephone number and the task(s) to which the match funds will be applied. If the in-kind contribution is equipment or other tangible or real property, the Recipient shall identify its owner and provide a contact name, address and telephone number, and the address where the property is located.
- Provide a copy of the letter of commitment from an authorized representative of each source of cash match funding or in-kind contributions that these funds or contributions have been secured. For match funds provided by a grant a copy of the executed grant shall be submitted in place of a letter of commitment.
- Discuss match funds and the implications to the Agreement if they are reduced or not obtained as committed, at the kick-off meeting. If applicable, match funds will be included as a line item in the progress reports and will be a topic at CPR meetings.
- Provide the appropriate information to the CAM if during the course of the Agreement additional match funds are received.
- Notify the CAM within 10 days if during the course of the Agreement existing match funds are reduced. Reduction in match funds must be approved through a formal amendment to the Agreement and may trigger an additional CPR meeting.

Products:

- A letter regarding match funds or stating that no match funds are provided
- Copy(ies) of each match fund commitment letter(s) (if applicable)
- Letter(s) for new match funds (if applicable)

- Letter that match funds were reduced (if applicable)

Task 1.8 Identify and Obtain Required Permits

The goal of this task is to obtain all permits required for work completed under this Agreement in advance of the date they are needed to keep the Agreement schedule on track.

Permit costs and the expenses associated with obtaining permits are not reimbursable under this Agreement. Although the CEC budget for this task will be zero dollars, the Recipient may budget match funds for any expected expenditures associated with obtaining permits. Permits must be identified in writing and obtained before the Recipient can make any expenditure for which a permit is required.

The Recipient shall:

- Prepare a letter documenting the permits required to conduct this Agreement and submit it to the CAM at least 2 working days prior to the kick-off meeting. If there are no permits required at the start of this Agreement, then state such in the letter. If it is known at the beginning of the Agreement that permits will be required during the course of the Agreement, provide in the letter:
 - A list of the permits that identifies the:
 - Type of permit
 - Name, address and telephone number of the permitting jurisdictions or lead agencies
 - The schedule the Recipient will follow in applying for and obtaining these permits.
- Discuss the list of permits and the schedule for obtaining them at the kick-off meeting and develop a timetable for submitting the updated list, schedule and the copies of the permits. The implications to the Agreement if the permits are not obtained in a timely fashion or are denied will also be discussed. If applicable, permits will be included as a line item in the Progress Reports and will be a topic at CPR meetings.
- If during the course of the Agreement additional permits become necessary, provide the appropriate information on each permit and an updated schedule to the CAM.
- As permits are obtained, send a copy of each approved permit to the CAM.
- If during the course of the Agreement permits are not obtained on time or are denied, notify the CAM within 5 working days. Either of these events may trigger an additional CPR.

Products:

- Letter documenting the permits or stating that no permits are required
- A copy of each approved permit (if applicable)
- Updated list of permits as they change during the term of the Agreement (if applicable)

- Updated schedule for acquiring permits as changes occur during the term of the Agreement (if applicable)
- A copy of each final approved permit (if applicable)

Task 1.9 Obtain and Execute Subawards

The goal of this task is to ensure quality products and to procure subrecipients required to carry out the tasks under this Agreement consistent with the Agreement Terms and Conditions and the Recipient's own procurement policies and procedures.

The Recipient shall:

- Manage and coordinate subrecipient activities.
- If requested by the CAM, submit a draft of each subaward required to conduct the work under this Agreement to the CAM for review.
- If requested by the CAM, submit a final copy of the executed subaward.
- If Recipient intends to add new subrecipients or change subrecipients, then the Recipient shall notify the CAM.

Products:

- Letter describing the subawards needed, or stating that no subawards are required
- Draft subcontracts (if requested)
- Final subcontracts (if requested)

TECHNICAL TASKS

TASK 2 DESIGN AND ENGINEERING

The goal of this task is to design and engineer the additional equipment needed to expand and upgrade the existing conditioning facility's biogas capacity.

The Recipient shall:

- Provide design criteria to Biogas Engineering.
- Review and approve project designs.
- Coordinate with Biogas Engineering to keep project schedule.
- Prepare and provide to the CAM a *Written Notification of Design Completion*. The document shall include information regarding:
 - Design clarifications (if applicable)
 - Final Design from Biogas Engineering and any other project design documentation or drawings

Products:

- Written Notification of Design Completion

[CPR WILL OCCUR DURING THIS TASK. See Task 1.2 for details.]

TASK 3 CONSTRUCT BIOGAS CONDITIONING FACILITY EXPANSION

The goal of this task is to procure and install equipment to expand the biogas conditioning facility.

The Recipient shall:

- Prepare and provide a *Procurement Plan* for the facility that will detail the process for procurement of equipment, materials, and services. The *Procurement Plan* will include, but is not limited to:
 - A list of equipment to be purchased
 - A description of the bid packages to be assembled
 - A methodology for receiving and evaluating responses
- Execute the *Procurement Plan*. Procure equipment for the construction of the biogas conditioning production facility.
- Prepare and provide a *Construction Plan* for the facility that will outline the budget and schedule for the completion of all construction and installation activities. The *Construction Plan* will include, but is not limited to:
 - An updated list of construction and installation milestones
 - Detailed Project Schedule
- Prepare and provide a *Written Notification of Site Preparation* for the facility that will notify the CAM that the site has been prepared to initiate construction related activities.
- Implement the *Construction Plan*.
- Provide photographs of completed construction of the facility and installation of the equipment to the CAM.

Products:

- Procurement Plan
- Construction Plan
- Written Notification of Site Preparation
- Photographs of Completed Construction of Facility and Equipment

TASK 4 SYSTEM COMMISSIONING AND STARTUP

The goal of this task is to startup and commission the additional equipment at the biogas conditioning facility to receive the additional biogas and produce biomethane at PG&E pipeline injection specifications.

The Recipient shall:

- Prepare and provide a *Testing and Commissioning Plan* for the facility that will

detail the process, deliverables, and milestones associated with the testing and commissioning of the facility. The *Testing and Commissioning Plan* will include, but is not limited to:

- A description of the equipment to be tested
- A description of the methodology to test the identified equipment
- A list of goals and objectives for the test
- A description of the quality control and quality assurance practices for the test methodology
- Implement the *Testing and Commissioning Plan*.
- Prepare and provide a *Testing and Commissioning Report* for the facility that will notify the CAM that commissioning activities have been completed and that the plan is ready to commence commercial operations. Coordinate with equipment vendors as needed to meet output specifications.
- Complete a *Lab Test – Natural Gas Assurance Report*, a utility required lab test confirming that the equipment is operating as designed and provide to the CAM.
- Coordinate receipt of biogas from participating dairies via pipeline.
- Confirm quality of biomethane meets utility requirements. Provide a *Letter from PG&E Confirming Biomethane Meets the Biomethane Quality Standard Requirement under Rule 21* to the CAM.
- Prepare and provide *Startup Report* for the facility that will notify the CAM that commissioning activities have been completed and that the plan is ready to commence commercial operations.
- Coordinate delivery of RCNG to Waste Management and/or Clean Energy for dispensing at California CNG stations. Provide a *Sale of Fuel Receipt of Biomethane to CNG Station* to the CAM.

Products:

- Testing and Commissioning Plan
- Testing and Commissioning Report
- Lab Test – Natural Gas Quality Assurance
- Letter from PG&E Confirming Biomethane Meets the Biomethane Quality Standard Requirement under Rule 21
- Startup Report
- Sale of Fuel Receipt of Biomethane to CNG Station

[CPR WILL OCCUR DURING THIS TASK. See Task 1.2 for details.]

Task 5 DATA COLLECTION AND ANALYSIS

The goal of this task is to collect operational data from the project, to analyze that data for economic and environmental impacts, and to include the data and analysis in the Final Report.

The Recipient shall:

- Develop a data collection plan.
- Troubleshoot any issues identified.
- Collect at least six months of data, including:
 - Throughput, usage, and operations data
 - Normal operating hours, up time, down time, and explanations of variations
 - Feedstock supply summary
 - Maximum capacity of the new fuel production system in diesel gallon equivalents (DGE) and ordinary units
 - Gallons of gasoline and/or diesel fuel displaced (with associated mileage information), along with value converted into DGE
 - Record of wastes from production processes (waste water, solid waste, criteria emissions, etc.)
 - Expected air emissions reduction, for example:
 - Non-methane hydrocarbons
 - Oxides of nitrogen
 - Non-methane hydrocarbons plus oxides of nitrogen
 - Particulate Matter
 - Formaldehyde
 - Duty cycle of the current fleet and the expected duty cycle of future vehicle acquisitions, if applicable
 - Specific jobs and economic development resulting from this project
 - Levelized cost of fuel and finished fuel price
 - Analysis of total facility costs, operation and maintenance costs, marginal abatement costs
- Comply with the Petroleum Industry Information Reporting Act (PIIRA) and complete CEC Form M810E and CEC Form M13 on a monthly basis for submission to the Energy Commission's PIIRA Data Collection Unit, if applicable.
- Provide a written record of registering with the Low Carbon Fuel Standard and Renewable Fuel Standard programs, if applicable.
- Identify any current and planned use of renewable energy at the facility.
- Describe any energy efficiency measures used in the facility that may exceed Title 24 standards in Part 6 of the California Code Regulations.
- Provide data on potential job creation, economic development, and increased state revenue as a result of expected future expansion.
- Provide a quantified estimate of the project's carbon intensity values or provide an Air Resources Board approved pathway carbon intensity.

- Estimate annual life-cycle GHG emissions reductions.
- Compare any project performance and expectations provided in the proposal to the Energy Commission with actual project performance and accomplishments.
- Collect data, information, and analysis described above and include in the Final Report.

Products:

- Data collection information and analysis will be included in the Final Report

TASK 6 PROJECT FACT SHEET

The goal of this task is to develop an initial and final project fact sheet that describes the CEC-funded project and the benefits resulting from the project for the public and key decision makers.

The Recipient shall:

- Prepare an Initial Project Fact Sheet at start of the project that describes the project and the expected benefits. Use the format provided by the CAM.
- Prepare a Final Project Fact Sheet at the project's conclusion that describes the project, the actual benefits resulting from the project, and lessons learned from implementing the project. Use the format provided by the CAM.
- Provide at least (6) six High Quality Digital Photographs (minimum resolution of 1300x500 pixels in landscape ratio) of pre and post technology installation at the project sites or related project photographs.

Products:

- Initial Project Fact Sheet
- Final Project Fact Sheet
- High Quality Digital Photographs

M e m o r a n d u m

To: ARV-21-048, Merced Pipeline LLC – Merced Pipeline Dairy Digester Cluster Expansion Project, CEQA Analysis

Date: 1/14/2022

From: **Hieu Nguyen**
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Telephone: 916-237-2554

Subject: California Environmental Quality Act Analysis for ARV-21-048

I am an Energy Commission Specialist in the Fuels and Transportation Division of the California Energy Commission and am the Commission's Agreement Manager for proposed grant Agreement ARV-21-048, titled "Merced Pipeline Dairy Digester Cluster Expansion Project" (MPDDCEP, or Agreement) with Merced Pipeline, LLC (Awardee).

This memo analyzes the environmental impacts of the proposed grant Agreement, which is part of a separate, but overlapping Project considered and approved by the Merced County Planning Commission (County). The County evaluated Conditional Use Permit Application No. 19-003, Merced Pipeline Project (Project) which is described the County's California Environmental Quality Act (CEQA) documentation as follows:

The expansion Project proposes to add to the current facility a third feed compressor, chilling system, a second product compressor and an additional carbon dioxide membrane to the Air Liquide carbon dioxide membrane system. The initial project allowed the construction and operation of a biogas upgrade facility and up to 34 miles of associated pipeline. The pipeline will transport biogas to a single biogas upgrading facility from a cluster of individual dairy digesters in the surrounding area. The upgraded biomethane will be piped to an injection point with a PG&E gas transmission pipeline or a private pipeline utility. The proposed project considers two alternate locations for the biogas upgrading and metering equipment.

The Project is located on the north side of Rahilly Road, approximately 0.5 miles west of highway 59 in the Merced area, identified as APN 065-110-007.

The County considered and adopted the Initial Study/Mitigated Negative Declaration (IS/MND) and Mitigation Monitoring and Reporting Program (MMRP) for the Conditional Use Permit

Application No. 19-003 on November 20, 2019. The County concurred with the conclusions of the Staff Report and Recommendations and made the project findings recommended in the Staff Report. The actions of the County are reflected in the minutes of the November 20, 2019, Planning Commission meeting. The Staff Report contains, among other items, the IS/MND and the MMRP. The County filed a Notice of Determination with the County Clerk (County of Merced) on November 20, 2019.

Pursuant to my work in developing the Agreement, including the Scope of Work for the Agreement, I have reviewed the October 2019 IS/MND (IS/MND) for the Project, the September 2019 Merced Biogas Upgrade and Pipeline Project Air Emissions Report (Air Emissions), May 2019 Biological Survey Report, and the November 2019 MMRP. In the IS/MND, County identified and analyzed 84 environmental factors from the environmental checklist for potential impacts, identifying 69 with “No Impact” or “Less than Significant Impact.” Those 69 areas are in the following general categories: Aesthetics, Agriculture and Forestry, Air Quality, Biological Resources, Energy, Geology & Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology/Water Quality, Land Use and Planning, Mineral Resources, Noise, Population and Housing, Public Services, Recreation, Transportation/Traffic, Tribal Cultural Resources, Utilities/Service Systems, Wildfire and Mandatory Findings of Significance. The County specified mitigation strategies, set forth in the IS/MND and MMRP, for the 15 checklist areas having at least one potential impact that is “Less than Significant with Mitigation.” Those areas are in the following categories: Air Quality, Biological Resources, Cultural Resources, Hazard and Hazardous Materials, Hydrology/Water Quality, Transportation and Mandatory Findings of Significance. The County concluded that the applied mitigation strategies would reduce these impacts to “Less than Significant with Mitigation”. (IS/MND, pages 32-35, 42-60, 63-64, 79-80, 82, 84, 86-87, 100-101 and 108-121. MMRP, pages 2-1 to 2-14.)

Based on my review and consideration of the above documents, it is my independent and professional opinion that, since the above CEQA documents have been finalized, there have been no new project changes, and no new, additional, or increased significant environmental impacts have occurred. Furthermore, I have not identified any new information which would change the conclusions of the County CEQA documents or render those conclusions inadequate. It is also my independent and professional opinion that the work to be performed under the proposed Agreement falls within the scope of the IS/MND, and that the Agreement will not result in any new significant environmental impacts. Finally, I have not identified any new mitigation measures, within the Commission’s authority, that would lessen or further mitigate the impacts of the MPDDCEP.

The reasons for my conclusions are as follows:

Under the Agreement, the Awardee will upgrade the biogas cleanup/upgrading facility (facility) to allow the receiving and conditioning of biogas from an additional 7 participating dairy facility, which would create an additional 1,760,000-diesel gallon equivalent per year of biomethane. County of Merced Planner representative has confirmed that the addition of the equipment listed above, without increasing the footprint or the facility or the capacity/volume of

production would only require a building permit. There would be excavation, gas-pipeline installation, vegetation clearing, and cut-and-fill would be balanced onsite. Facility monitoring would be performed 24 hours a day, 7 days a week remotely. Operation of this facility will require less than 2.6 round trips per day by service and delivery vehicles. 1 to 2 employees are expected to be on site during normal operations of this facility. The addition of 2 delivery trucks containing oil, spare parts, etc. per week. Disposal trucks containing biogas condensate and waste compressor oil would make approximately one trip per month. Also, a disposal truck would pick up the spent sulfur media from the individual dairies, which would result in an average of approximately 2 trips per week. All trips for maintenance of the digesters and related facilities will not conflict with any circulation plans or contribute to existing congestion of nearby County streets. There are no plans, policies, or programs that relate to public transit, bicycle, or pedestrian facilities in this area. The surrounding development consists of large agriculture parcels, which have been planted with row crops or support dairies similar to the project site.

The environmental factors and mitigation measures identified for the Project by the Lead Agency's CEQA IS/MND and MMRP for the 15 environmental factors requiring mitigation measures are listed below:

Air Quality:

The Project may result in impacts to Air Quality at or near the proposed MPDDCEP site. Prior to and during construction, the Awardee will implement *Mitigation Measure AQ-1* and *AQ-2* of the MMRP, which San Joaquin Valley Air Pollution Control District (SJVAPCD) recommends providing a receipt of an approved Dust Control Plan or Construction Notification form in compliance with Regulations VIII – Fugitive Dust PM10 Prohibits and compliance with all applicable SJVAPCD regulation. Therefore, with mitigation, the impacts on Air Quality will be reduced to less than significant levels.

Biological Resources:

The Project may result in impacts to special-status plant species, vernal pool branchiopods (fairy shrimp and tadpole shrimp and habitat), valley elderberry longhorn beetle, California tiger salamander, western spadefoot, giant garter snake, western pond turtle, nesting birds, tricolored blackbird, Swainson's Hawk, Northern harrier, Bats (Pallid bats or any other CSC-listed bat species), San Joaquin kit fox, and American badgers species at or near the propose MPDDCEP site. Prior to and during construction, the Awardee will implement *Mitigation Measures BIO-1 – BIO-12* of the MMRP, which California Department of Fish and Wildlife (CDFW) or U.S. Fish and Wildlife Services (USFWS) recommends conducting pre-activity clearance surveys to avoid nesting/burrow/den/wetlands sites. Pipeline installation in or around the areas of special-status plant and animal species, the Applicant must consult with USFWS prior to implementation of the project to obtain required permits and authorizations for potential indirect impact to listed species. The applicant shall conduct a jurisdictional delineation of the project site to confirm the limits of jurisdictional areas and potential project

impacts to state or federal projected wetlands. Therefore, with mitigation, the environmental impacts on Biological Resources will be reduced to less than significant levels.

Cultural Resources/Tribal Cultural Resources:

The proposed Project will have less than significant impact with mitigation incorporated on Cultural Resources and will not change the impacts identified in IS and MMRP. There are no known cultural resources at any of the sites; however, *Mitigation Measure CUL-1 and CUL-2* of the MMRP are prescribed in the event historic and/or cultural resources are encountered during construction. If human remains are unearthed, no further disturbance is to occur until the Merced County Sheriff-Coroner has made the necessary findings as to origin and disposition. If such remains are determined to be Native American, the Sheriff-Coroner must notify the Native American Heritage Commission within 24 hours.

Hazard and Hazardous Materials:

The Project will have less than significant impact with mitigation on Hazard and Hazardous Materials and will not change the impacts identified in the IS and MMRP. While the subject parcel has no known existing hazardous materials/waste sites determined present on the project site or along the proposed pipeline route, however there is the potential for unknown environmental contamination to be encountered during construction. If soil, groundwater, or any other environmental medium with suspected contamination is encountered unexpectedly during construction activities, implementation of the *Mitigation Measure HAZ-1 and HAZ-2* of the MMRP would reduce potential impacts of hazardous materials to less than significant.

Hydrology and Water Quality

The Project will have less than significant impact with mitigation on Hydrology and Water Quality. The land at or near the proposed MPDDCEP site have been previously graded and leveled for agricultural use, and no major grading or earth-moving activities would occur. Before and during construction, the project would disturb more than one acre, the awardee will be required to obtain a General Construction Activity Storm Water Permit from the State Water Resources Control Board (SWRCB) for storm water discharges associated with construction activities. Applicant is required to execute a stormwater pollution prevention plan (SWPPP). Implementation of the *Mitigation Measure HYD-1* of the MMRP would reduce impacts of Water Quality to less than significant. The project site is located within a Flood Zone, following construction of the biogas upgrading facility but prior to plant operations, applicant will implement *Mitigation Measure HYD-2*, to reduce potential impacts of Hydrology to less than significant.

Transportation

The Project may result in impacts to emergency access at or near the propose MPDDCEP site. Prior to construction and installation of underground pipeline, the Awardee will implement

Mitigation Measure TR-1 of the MMRP, which recommends providing a Traffic Control Plan, to detail how the applicant will manage roadway access for both emergency and public use. Therefore, with mitigation, the impacts on Transportation will be reduced to less than significant levels.

Mandatory Findings of Significance:

As noted in the Air Quality, Biological Resources, Cultural Resources, Hazard and Hazardous Materials, Hydrology and Water Quality, and Transportation sections above, the Project may result in potentially significant impacts and degradation to the quality of the environment. However, adoption and implementation of the Mitigation Measures in the IS/MND and MMRP would reduce these individual impacts to less than significant levels.

Air Quality: The project will comply with all SJVAPCD Air Quality regulations. Implementing mitigation measures for Air Quality will lessen impacts to Air Quality to less than significant by implementing an approved SJVAPCD Dust Control Plan or Construction Notification form.

Biological Resources: The pipeline route will run through private agricultural land. The presence of special-status plant and animal species on this site prior to ground disturbance cannot be positively determined. Based on habitat conditions surrounding the site with assumption that the site contains similar habitat characteristics, it is possible that special-status species (vernal pool branchiopods (fairy shrimp and tadpole shrimp and habitat), valley elderberry longhorn beetle, California tiger salamander, western spadefoot, giant garter snake, western pond turtle, nesting birds, tricolored blackbird, Swainson's Hawk, Northern harrier, Bats (Pallid bats or any other CSC-listed bat species), San Joaquin kit fox, and American badgers species) may have been present prior to site disturbances. Mitigation measures for Biological Resources will be implemented to mitigate the potential to degrade the quality of the environment, reduce habitat for special-species, or cause special-species populations to drop below self-sustaining levels.

Cultural Resources: There may be undiscovered subsurface paleontological, cultural or tribal resources are present at the project site. Implementation of the mitigation measure for Cultural Resources, which proposes avoidance and reporting requirements should such resources be discovered during construction, will ensure that any impacts are less than significant.

Hazards and Hazardous Materials: There is the potential for unknown hazards and hazardous materials contamination to be encountered during the construction-phase of the Project. If contamination is encountered, all work shall not resume until all measures to protect human health and the environment by implementing mitigation measures will lessen the impacts to Hazard and Hazardous Materials.

Hydrology and Water Quality: In addition, before and during construction, the project may disturb more than one acre at or near the MPDDCEP site, which would impact Hydrology and

Water Quality. Mitigation measures for Hydrology and Water Quality, the Applicant shall implement the SWPPP and complete flood proofing will reduce impacts to hydrology.

Transportation: The Project may limit emergency access to areas at or near the Project site. Applicant will prepare a Traffic Control Plan to be approved by Merced County will minimize impacts to Transportation.

The County also evaluated the Project's potential impacts on the resource areas listed below. In each case, the County found that the Project would have less than significant impacts or no impact in each area. Based on my independent analysis, it is my professional opinion that the Agreement would not impact any of the following areas, and that no mitigation measures are warranted or needed:

Aesthetics

The Project is expected to have less than significant to no impacts on Aesthetics.

Agricultural and Forestry Resources

The Project is expected to have less than significant to no impacts on Agricultural and Forestry Resources.

Energy

The Project is expected to have less than significant impacts on Energy Resources.

Geology and Soils

The Project is expected to have less than significant to no impacts on Geology and Soils.

Greenhouse Gas Emissions

The Project is expected to have less than significant impacts on Greenhouse Gas Emissions.

Land Use and Planning

The Project is expected to have less than significant to no impacts on Land Use and Planning.

Mineral Resources

The Project is expected to have no impacts on Mineral Resources.

Noise

The Project is expected to have less than significant to no impacts on Noise.

Population and Housing

The Project is expected to have less than significant to no impacts on Population and Housing.

Public Services

The Project is expected to have less than significant impacts on Public Services.

Recreation

The Project is expected to have no impacts on Recreation.

Utilities and Service System

The Project is expected to have less than significant impacts on Utilities and Service System.

Wildfire

The Project is expected to have no impacts on Wildfire.

California Environmental Quality Act

**Initial Study/Mitigated Negative Declaration, Mitigation Monitoring and Reporting Program, and
County of Merced Resolutions**

Merced Pipeline Dairy Digester Cluster Expansion Project

Follow the link below to view the documents listed above

https://www.dropbox.com/sh/w5aosxqokpb9f02/AADIZhVOflA7Lw3Sgvv_WviHa?dl=0

STATE OF CALIFORNIA
STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION - RE: Merced Pipeline LLC - Merced Pipeline Dairy Digester Cluster Expansion Project

WHEREAS, Merced County is the Lead Agency for “Merced Pipeline Dairy Digester Cluster Expansion Project” (hereinafter, “Project”), a proposed project to construct a new expansion to the existing centralized gas clean-up and upgrading facility in Merced County to process the dairy biogas from seven additional participating digesters, which is within the scope of the Merced Biogas Upgrade Facility and Pipeline Project and Conditional Use Permit (CUP) 19-003; and

WHEREAS, Merced County prepared an Initial Study for CUP 19-003 in October of 2019, and a Mitigated Negative Declaration for the Project to evaluate the potential environmental impacts of implementing the Project, copies of which are on file with the California Energy Commission; and

WHEREAS, the Merced County Planning Commission on November 20, 2019, findings required by the California Environmental Quality Act (“CEQA”), approved and adopted the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan for CUP 19-003, thereby imposing mitigation measures upon the Project; and

WHEREAS, Merced County provided standard conditions of approval through Resolution No. 20-001, a copy of which Resolution is on file with the Energy Commission; and

WHEREAS, the Energy Commission is considering proposed Agreement ARV-21-048, “Merced Pipeline Dairy Digester Cluster Expansion Project” (hereafter, “ARV-21-048”), a grant to construct a new expansion to the existing centralized gas clean-up and upgrading facility in Merced County to process the dairy biogas from seven additional participating digesters; and

Prior to acting on the Agreement ARV-21-048, the Energy Commission desires to make certain findings pursuant to the CEQA Guidelines, title 14, section 15096;

NOW THEREFORE, BE IT RESOLVED:

1. The Energy Commission has reviewed the information contained in the Mitigated Negative Declaration, Mitigation Monitoring and Reporting Plan, and CUP 19-003 that is relevant to its approval of ARV-21-048, and has reviewed the CEQA findings contained in the Santa Margarita Water District’s Final Initial

Study, Mitigated Negative Declaration, Mitigation Monitoring and Reporting Plan, and CUP 19-003 which are adopted to the extent that they are relevant to the Energy Commission's decision to approve ARV-21-048.

2. Merced County has already adopted the mitigation measures recommended in the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan and has authority to implement the mitigation measures or to seek any required approvals for the mitigation measures for CUP 19-003, and the Energy Commission has no direct authority to implement the mitigation measures.

3. The Energy Commission has reviewed and considered the Final Initial Study, Mitigated Negative Declaration, Mitigation Monitoring and Reporting Plan, and CUP 19-003, and finds that these documents are adequate for its use as the decision-making body for its consideration of ARV-21-048.

4. Approval of ARV-21-048 (Demonstration of Advanced Primary and Secondary Wastewater Treatment Technology) is within the scope of the Merced Biogas Upgrade Facility and Pipeline Project and Conditional Use Permit (CUP) 19-003, and the activities evaluated in the Initial Study, Mitigated Negative Declaration, Mitigation Monitoring and Reporting Plan, Merced Biogas Upgrade Facility and Pipeline Project and CUP 19-003.

5. Since the Mitigated Negative Declaration and CUP 19-003 were finalized, and adopted on November 20, 2019, there have been no substantial project changes and no substantial changes in the project circumstances that would require major revisions to the Mitigated Negative Declaration, due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusion set forth in the Mitigated Negative Declaration or CUP 19-003 .

6. The Energy Commission has not identified any feasible alternative or additional feasible mitigation measures within its power that would substantially lessen or avoid any significant effect the Merced Pipeline Dairy Digester Cluster Expansion Project would have on the environment and determined that following Merced County's adoption of the Mitigated Negative Declaration and CUP, none of the circumstances within California Environmental Quality Act section 15162 are present.

THEREFORE BE IT RESOLVED, that the Energy Commission finds, on the basis of the entire record before it, that the mitigation measures incorporated in the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan will prevent ARV-21-048 from having any significant environmental impacts; and

BE IT FURTHER RESOLVED, that the Energy Commission approves Agreement ARV-21-048 with Merced Pipeline LLC, for \$ 1,500,000; and

BE IT FURTHER RESOLVED, that this document authorizes the Executive Director or his or her designee to execute the same on behalf of the Energy Commission.

CERTIFICATION

The undersigned Secretariat to the Commission does hereby certify that the foregoing is a full, true, and correct copy of a RESOLUTION duly and regularly adopted at a meeting of the California Energy Commission held on March 9, 2022.

AYE: [*List Commissioners*]

NAY: [*List Commissioners*]

ABSENT: [*List Commissioners*]

ABSTAIN: [*List Commissioners*]

Liza Lopez,
Secretariat