CalBio & Dairy Farmers Partner with Chevron on Dairy Biomethane Fuel Projects

SAN RAMON, Calif./VISALIA, Calif., June 18, 2019 – Chevron U.S.A. Inc. and California Bioenergy LLC (“CalBio”) today announced a joint investment in a holding company with California dairy farmers to produce and market dairy biomethane as a vehicle fuel in the state. The holding company, CalBioGas LLC, secured funding from Chevron to build infrastructure for dairy biomethane projects in California’s San Joaquin Valley, adding to the investment from dozens of dairy farmers. Chevron will also provide services to bring this product into the California vehicle fuels market. This combination of Chevron, CalBio and California dairy farmers working together to produce and market dairy biomethane demonstrates Chevron’s commitment to find creative, cost-effective solutions to achieve compliance with California’s Low Carbon Fuel Standard (LCFS).

Manure storage on dairy farms results in the release of methane, a highly potent greenhouse gas. CalBio brings technology, operational experience and capital to help dairy farmers build digesters and methane capture projects to convert this methane to a beneficial use as renewable natural gas (RNG). Chevron has signed an agreement to provide funding for as many as 18 digesters across three geographic “clusters” in Kern, Tulare and Kings counties. Once complete, these projects will significantly mitigate the dairies’ methane emissions and help make them among the most environmentally efficient and sustainable in the world.

The clusters of digesters have been awarded California Department of Food and Agriculture grants, which must be augmented with additional capital to complete the projects. Chevron is excited about the RNG opportunity and pleased to be actively investing along with farmers through CalBioGas.

The dairy biomethane projects are designed to send dairy biogas to a centralized processing facility where it will be upgraded to RNG and injected into the local gas utility’s pipeline. The RNG is then marketed as an alternative fuel for heavy-duty trucks, buses, and eventually off-road and farm equipment.

“CalBio is honored to be supported by some of California’s leading dairy farmers and to have Chevron, California’s largest energy company, helping us expand the development of clean, renewable compressed natural gas (R-CNG) production across the state,” said N. Ross Buckenham, CalBio’s chief executive officer. “These projects bring so many win-wins that would not be possible without our farmers’ and Chevron’s support. While helping the environment by reducing greenhouse gases, these projects also help create local jobs and improve local air quality by producing ultra-clean fuel for new R-CNG engines.”

Chevron is investing in opportunities to address GHG emissions challenges and progress lower-carbon technologies, and RNG is a component of its renewable strategies.

“CalBioGas represents exactly the sort of targeted investment we will make to achieve LCFS compliance and also to test the viability of alternate fuel sources,” said Mike Vomund, vice president for Chevron Americas Products - West. “As a proud California company, we are pleased that local communities in the state will benefit from this investment and we look forward to the opportunities ahead with CalBioGas.”
About California Bioenergy

CalBio is the leading developer of dairy digesters generating renewable electricity and vehicle fuel in California. Founded in 2006, CalBio has worked closely with the dairy industry and state agencies to develop programs to help the state achieve its methane reduction goals while delivering a new revenue source to California dairies. For more information, visit: www.calbioenergy.com

About Chevron

Chevron U.S.A. Inc. is a subsidiary of Chevron Corporation, one of the world’s leading integrated energy companies. Through its subsidiaries that conduct business worldwide, Chevron Corp is involved in virtually every facet of the energy industry. Chevron explores for, produces and transports crude oil and natural gas; refines, markets and distributes transportation fuels and lubricants; manufactures and sells petrochemicals and additives; generates power; and develops and deploys technologies that enhance business value in every aspect of the company’s operations. Chevron is based in San Ramon, Calif. More information about Chevron is available at www.chevron.com.

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