

## TITLE IX—ENERGY

Sec. 9001. Energy.

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- “Sec. 9001. Definitions.
- “Sec. 9002. Biobased markets program.
- “Sec. 9003. Biodiesel fuel education.
- “Sec. 9004. Biomass crop transition.
- “Sec. 9005. Biorefinery and repowering assistance.
- “Sec. 9006. Bioenergy program for advanced biofuels.
- “Sec. 9007. Rural Energy for America Program.
- “Sec. 9008. Biomass Research and Development Act of 2000.
- “Sec. 9009. Sun grant program.
- “Sec. 9010. Regional biomass crop experiments.
- “Sec. 9011. Biochar research, development, and demonstration.
- “Sec. 9012. Renewable woody biomass for energy.
- “Sec. 9013. Community wood energy program.
- “Sec. 9014. Rural energy systems renewal.
- “Sec. 9015. Voluntary renewable biomass certification program.
- “Sec. 9016. Administration.
- “Sec. 9017. Biofuels infrastructure study.
- “Sec. 9018. Rural nitrogen fertilizer study.
- “Sec. 9019. Study of life-cycle analysis of biofuels.

Sec. 9002. Conforming amendments.

1                   **TITLE IX—ENERGY**

2   **SEC. 9001. ENERGY.**

3           Title IX of the Farm Security and Rural Investment  
 4 Act of 2002 (7 U.S.C. 8101 et seq.) is amended to read  
 5 as follows:

6                   **“TITLE IX—ENERGY**

7   **“SEC. 9001. DEFINITIONS.**

8           “Except as otherwise provided, in this title:

9                   “(1) ADMINISTRATOR.—The term ‘Adminis-  
 10 trator’ means the Administrator of the Environ-  
 11 mental Protection Agency.

1           “(2) ADVISORY COMMITTEE.—The term ‘Advi-  
2           sory Committee’ means the Biomass Research and  
3           Development Technical Advisory Committee estab-  
4           lished by section 9008(d)(1).

5           “(3) ADVANCED BIOFUEL.—

6           “(A) IN GENERAL.—The term ‘advanced  
7           biofuel’ means fuel derived from renewable bio-  
8           mass other than corn starch.

9           “(B) INCLUSIONS.—The term ‘advanced  
10          biofuel’ includes—

11           “(i) biofuel derived from cellulose,  
12           hemicellulose, or lignin;

13           “(ii) biofuel derived from sugar and  
14           starch (other than ethanol derived from  
15           corn starch);

16           “(iii) biofuel derived from waste mate-  
17           rial, including crop residue, other vegeta-  
18           tive waste material, animal waste, food  
19           waste, and yard waste;

20           “(iv) diesel-equivalent fuel derived  
21           from renewable biomass, including vege-  
22           table oil and animal fat;

23           “(v) biogas (including landfill gas and  
24           sewage waste treatment gas) produced

1 through the conversion of organic matter  
2 from renewable biomass;

3 “(vi) butanol or other alcohols pro-  
4 duced through the conversion of organic  
5 matter from renewable biomass; and

6 “(vii) other fuel derived from cel-  
7 lulosic biomass.

8 “(4) BIOBASED PRODUCT.—The term ‘biobased  
9 product’ means a product determined by the Sec-  
10 retary to be a commercial or industrial product  
11 (other than food or feed) that is—

12 “(A) composed, in whole or in significant  
13 part, of biological products, including renewable  
14 domestic agricultural materials and forestry  
15 materials; or

16 “(B) an intermediate ingredient or feed-  
17 stock.

18 “(5) BIOFUEL.—The term ‘biofuel’ means a  
19 fuel derived from renewable biomass.

20 “(6) BIOMASS CONVERSION FACILITY.—The  
21 term ‘biomass conversion facility’ means a facility  
22 that converts or proposes to convert renewable bio-  
23 mass into—

24 “(A) heat;

25 “(B) power;

1 “(C) biobased products; or

2 “(D) advanced biofuels.

3 “(7) BIOREFINERY.—The term ‘biorefinery’  
4 means equipment and processes that—

5 “(A) convert renewable biomass into  
6 biofuels and biobased products; and

7 “(B) may produce electricity.

8 “(8) BOARD.—The term ‘Board’ means the  
9 Biomass Research and Development Board estab-  
10 lished by section 9008(c).

11 “(9) INDIAN TRIBE.—The term ‘Indian tribe’  
12 has the meaning given the term in section 4 of the  
13 Indian Self-Determination and Education Assistance  
14 Act (25 U.S.C. 450b).

15 “(10) INSTITUTION OF HIGHER EDUCATION.—  
16 The term ‘institution of higher education’ has the  
17 meaning given the term in section 102(a) of the  
18 Higher Education Act of 1965 (20 U.S.C. 1002(a)).

19 “(11) INTERMEDIATE INGREDIENT OR FEED-  
20 STOCK.—The term ‘intermediate ingredient or feed-  
21 stock’ means a material or compound made in whole  
22 or in significant part from biological products, in-  
23 cluding renewable agricultural materials (including  
24 plant, animal, and marine materials) or forestry ma-

1 materials, that are subsequently used to make a more  
2 complex compound or product.

3 “(12) RENEWABLE BIOMASS.—The term ‘re-  
4 newable biomass’ means—

5 “(A) materials, pre-commercial thinnings,  
6 or removed exotic species that—

7 “(i) are byproducts of preventive  
8 treatments (such as trees, wood, brush,  
9 thinnings, chips, and slash), that are re-  
10 moved—

11 “(I) to reduce hazardous fuels;

12 “(II) to reduce or contain disease  
13 or insect infestation; or

14 “(III) to restore ecosystem  
15 health;

16 “(ii) would not otherwise be used for  
17 higher-value products; and

18 “(iii) are harvested from National  
19 Forest System land or public lands (as de-  
20 fined in section 103 of the Federal Land  
21 Policy and Management Act of 1976 (43  
22 U.S.C. 1702)), in accordance with—

23 “(I) Federal and State law;

24 “(II) applicable land manage-  
25 ment plans; and

1                   “(III) the requirements for old-  
2                   growth maintenance, restoration, and  
3                   management direction of paragraphs  
4                   (2), (3), and (4) of subsection (e) of  
5                   section 102 of the Healthy Forests  
6                   Restoration Act of 2003 (16 U.S.C.  
7                   6512) and the requirements for large-  
8                   tree retention of subsection (f) of that  
9                   section; or

10                   “(B) any organic matter that is available  
11                   on a renewable or recurring basis from non-  
12                   Federal land or land belonging to an Indian or  
13                   Indian tribe that is held in trust by the United  
14                   States or subject to a restriction against alien-  
15                   ation imposed by the United States, including—

16                   “(i) renewable plant material, includ-  
17                   ing—

18                   “(I) feed grains;

19                   “(II) other agricultural commod-  
20                   ities;

21                   “(III) other plants and trees; and

22                   “(IV) algae; and

23                   “(ii) waste material, including—

24                   “(I) crop residue;

1                   “(II) other vegetative waste ma-  
2                   terial (including wood waste and wood  
3                   residues);

4                   “(III) animal waste and byprod-  
5                   ucts (including fats, oils, greases, and  
6                   manure);

7                   “(IV) construction waste; and

8                   “(V) food waste and yard waste.

9                   “(13) RENEWABLE ENERGY.—The term ‘renew-  
10                  able energy’ means energy derived from—

11                  “(A) a wind, solar, renewable biomass,  
12                  ocean (including tidal, wave, current, and ther-  
13                  mal), geothermal, or hydroelectric source; or

14                  “(B) hydrogen derived from renewable bio-  
15                  mass or water using an energy source described  
16                  in subparagraph (A).

17                  “(14) RURAL AREA.—Except as otherwise pro-  
18                  vided in this title, the term ‘rural area’ has the  
19                  meaning given the term in section 343(a)(13)(A) of  
20                  the Consolidated Farm and Rural Development Act  
21                  (7 U.S.C. 1991(a)(13)(A)).

22                  “(15) SECRETARY.—The term ‘Secretary’  
23                  means the Secretary of Agriculture.

1 **“SEC. 9002. BIOBASED MARKETS PROGRAM.**

2 “(a) FEDERAL PROCUREMENT OF BIOBASED PROD-  
3 UCTS.—

4 “(1) DEFINITION OF PROCURING AGENCY.—In  
5 this subsection, the term ‘procuring agency’  
6 means—

7 “(A) any Federal agency that is using  
8 Federal funds for procurement; or

9 “(B) a person that is a party to a contract  
10 with any Federal agency, with respect to work  
11 performed under such a contract.

12 “(2) APPLICATION OF SECTION.—Except as  
13 provided in paragraph (3), each procuring agency  
14 shall comply with this subsection (including any reg-  
15 ulations issued under this subsection), with respect  
16 to any purchase or acquisition of a procurement  
17 item for which—

18 “(A) the purchase price of the item ex-  
19 ceeds \$10,000; or

20 “(B) the quantity of the items or of func-  
21 tionally-equivalent items purchased or acquired  
22 during the preceding fiscal year was at least  
23 \$10,000.

24 “(3) PROCUREMENT PREFERENCE.—

25 “(A) IN GENERAL.—Except as provided in  
26 subparagraph (B), after the date specified in



1 applicable guidelines prepared pursuant to  
2 paragraph (5), each procuring agency that pro-  
3 cures any items designated in the guidelines  
4 and items containing designated biobased inter-  
5 mediate ingredients and feedstocks shall, in  
6 making procurement decisions (consistent with  
7 maintaining a satisfactory level of competition,  
8 considering the guidelines), give preference to  
9 items that—

10 “(i) are composed of the highest per-  
11 centage of biobased products practicable;

12 “(ii) are composed of at least 5 per-  
13 cent of intermediate ingredients and feed-  
14 stocks (or a lesser percentage that the Sec-  
15 retary determines to be appropriate) as  
16 designated by the Secretary; or

17 “(iii) comply with the regulations  
18 issued under section 103 of Public Law  
19 100–556 (42 U.S.C. 6914b–1).

20 “(B) FLEXIBILITY.—Notwithstanding sub-  
21 paragraph (A), a procuring agency may decide  
22 not to procure items described in that subpara-  
23 graph if the procuring agency determines that  
24 the items—

1 “(i) are not reasonably available with-  
2 in a reasonable period of time;

3 “(ii) fail to meet—

4 “(I) the performance standards  
5 set forth in the applicable specifica-  
6 tions; or

7 “(II) the reasonable performance  
8 standards of the procuring agencies;  
9 or

10 “(iii) are available only at an unrea-  
11 sonable price.

12 “(C) CERTIFICATION.—After the date  
13 specified in any applicable guidelines prepared  
14 pursuant to paragraph (5), contracting offices  
15 shall require that, with respect to biobased  
16 products, vendors certify that the biobased  
17 products to be used in the performance of the  
18 contract will comply with the applicable speci-  
19 fications or other contractual requirements.

20 “(4) SPECIFICATIONS.—Each Federal agency  
21 that has the responsibility for drafting or reviewing  
22 procurement specifications shall, not later than 1  
23 year after the date of publication of applicable  
24 guidelines under paragraph (5), or as otherwise  
25 specified in the guidelines, ensure that the specifica-

1 tions require the use of biobased products consistent  
2 with this subsection.

3 “(5) GUIDELINES.—

4 “(A) IN GENERAL.—The Secretary, after  
5 consultation with the Administrator, the Ad-  
6 ministrator of General Services, and the Sec-  
7 retary of Commerce (acting through the Direc-  
8 tor of the National Institute of Standards and  
9 Technology), shall prepare, and from time to  
10 time revise, guidelines for the use of procuring  
11 agencies in complying with the requirements of  
12 this subsection.

13 “(B) REQUIREMENTS.—The guidelines  
14 under this paragraph shall—

15 “(i) designate those items that are or  
16 can be produced with biobased products  
17 (including biobased products for which  
18 there is only a single product or manufac-  
19 turer in the category) and the procurement  
20 of which by procuring agencies will carry  
21 out the objectives of this subsection;

22 “(ii) designate those intermediate in-  
23 gredients and feedstocks and finished prod-  
24 ucts that contain significant portions of  
25 biobased materials or components the pro-

1 curement of which by procuring agencies  
2 will carry out the objectives of this sub-  
3 section;

4 “(iii) set forth recommended practices  
5 with respect to the procurement of  
6 biobased products and items containing  
7 such materials and with respect to certifi-  
8 cation by vendors of the percentage of  
9 biobased products used;

10 “(iv) provide information as to the  
11 availability, relative price, performance,  
12 and environmental and public health bene-  
13 fits, of such materials and items; and

14 “(v) automatically designate those  
15 items that are composed of materials and  
16 items designated pursuant to paragraph  
17 (3), if the content of the final product ex-  
18 ceeds 50 percent (unless the Secretary de-  
19 termines a different composition percent-  
20 age).

21 “(C) INFORMATION PROVIDED.—Informa-  
22 tion provided pursuant to subparagraph (B)(iv)  
23 with respect to a material or item shall be con-  
24 sidered to be provided for another item made  
25 with the same material or item.

1           “(D) PROHIBITION.—Guidelines issued  
2 under this paragraph may not require a manu-  
3 facturer or vendor of biobased products, as a  
4 condition of the purchase of biobased products  
5 from the manufacturer or vendor, to provide to  
6 procuring agencies more data than would be re-  
7 quired to be provided by other manufacturers or  
8 vendors offering products for sale to a pro-  
9 curing agency, other than data confirming the  
10 biobased content of a product.

11           “(E) STATE PROCUREMENT.—Not later  
12 than 180 days after the date of enactment of  
13 this section, the Secretary shall offer procure-  
14 ment system models that States may use for  
15 the procurement of biobased products by the  
16 States.

17           “(6) ADMINISTRATION.—

18           “(A) OFFICE OF FEDERAL PROCUREMENT  
19 POLICY.—The Office of Federal Procurement  
20 Policy, in cooperation with the Secretary,  
21 shall—

22                   “(i) coordinate the implementation of  
23 this subsection with other policies for Fed-  
24 eral procurement;

1           “(ii) annually collect the information  
2           required to be reported under subpara-  
3           graph (B) and make the information pub-  
4           licly available;

5           “(iii) take a leading role in conducting  
6           proactive research to inform and promote  
7           the adoption of and compliance with pro-  
8           curement requirements for biobased prod-  
9           ucts by Federal agencies; and

10           “(iv) not less than once every 2 years,  
11           submit to Congress a report that—

12                   “(I) describes the progress made  
13                   in carrying out this subsection, includ-  
14                   ing agency compliance with paragraph  
15                   (4); and

16                   “(II) contains a summary of the  
17                   information reported pursuant to sub-  
18                   paragraph (B).

19           “(B) OTHER AGENCIES.—To assist the Of-  
20           fice of Federal Procurement Policy in carrying  
21           out subparagraph (A)—

22                   “(i) each procuring agency shall sub-  
23                   mit each year to the Office of Federal Pro-  
24                   curement Policy, to the maximum extent  
25                   practicable, information concerning—

1                   “(I) actions taken to implement  
2 paragraphs (3), (4), and (7);

3                   “(II) the results of the annual re-  
4 view and monitoring program estab-  
5 lished under paragraph (7)(B)(iii);

6                   “(III) the number and dollar  
7 value of contracts entered into during  
8 the year that include the direct pro-  
9 curement of biobased products;

10                  “(IV) the number of service and  
11 construction (including renovations  
12 and modernizations) contracts entered  
13 into during the year that include lan-  
14 guage on the use of biobased prod-  
15 ucts; and

16                  “(V) the types and dollar value  
17 of biobased products actually used by  
18 contractors in carrying out service  
19 and construction (including renova-  
20 tions and modernizations) contracts  
21 during the previous year; and

22                  “(ii) the General Services Administra-  
23 tion and the Defense Logistics Agency  
24 shall submit each year to the Office of  
25 Federal Procurement Policy, to the max-

1           imum extent practicable, information con-  
2           cerning the types and dollar value of  
3           biobased products purchased by procuring  
4           agencies through GSA Advantage!, the  
5           Federal Supply Schedule, and the Defense  
6           Logistic Agency (including the DoD  
7           EMall).

8           “(7) PROCUREMENT PROGRAM.—

9                   “(A) IN GENERAL.—Not later than 1 year  
10           after the date of publication of applicable guide-  
11           lines under paragraph (5), each Federal agency  
12           shall develop a procurement program that—

13                           “(i) will ensure that items composed  
14                           of biobased products will be purchased to  
15                           the maximum extent practicable; and

16                           “(ii) is consistent with applicable pro-  
17                           visions of Federal procurement law.

18                   “(B) MINIMUM REQUIREMENTS.—Each  
19           procurement program required under this para-  
20           graph shall, at a minimum, contain—

21                           “(i) a biobased products preference  
22                           program;

23                           “(ii) an agency promotion program to  
24                           promote the preference program adopted  
25                           under clause (i); and



1 “(iii) annual review and monitoring of  
2 the effectiveness of the procurement pro-  
3 gram of the agency.

4 “(C) CONSIDERATION.—

5 “(i) IN GENERAL.—In developing a  
6 preference program, an agency shall—

7 “(I) consider the options de-  
8 scribed in clauses (ii) and (iii); and

9 “(II) adopt 1 of the options, or a  
10 substantially equivalent alternative,  
11 for inclusion in the procurement pro-  
12 gram.

13 “(ii) CASE-BY-CASE POLICY DEVELOP-  
14 MENT.—

15 “(I) IN GENERAL.—Subject to  
16 paragraph (3)(B), except as provided  
17 in subclause (II), in developing a pref-  
18 erence program, an agency shall con-  
19 sider a policy of awarding contracts to  
20 the vendor offering an item composed  
21 of the highest percentage of biobased  
22 products practicable.

23 “(II) CERTAIN CONTRACTS AL-  
24 LOWED.—Subject to paragraph  
25 (3)(B), an agency may make an

1 award to a vendor offering items with  
2 less than the maximum biobased prod-  
3 ucts content.

4 “(iii) MINIMUM CONTENT STAND-  
5 ARDS.—In developing a preference pro-  
6 gram, an agency shall consider minimum  
7 biobased products content specifications  
8 that are established in a manner that en-  
9 sures that the biobased products content  
10 required is consistent with this subsection,  
11 without violating paragraph (3)(B).

12 “(b) LABELING.—

13 “(1) IN GENERAL.—The Secretary, in consulta-  
14 tion with the Administrator, shall establish a vol-  
15 untary program under which the Secretary author-  
16 izes producers of biobased products to use the label  
17 ‘USDA Certified Biobased Product’.

18 “(2) ELIGIBILITY CRITERIA.—

19 “(A) CRITERIA.—

20 “(i) IN GENERAL.—Not later than 90  
21 days after the date of the enactment of  
22 this section, except as provided in clause  
23 (ii), the Secretary, in consultation with the  
24 Administrator and representatives from  
25 small and large businesses, academia,

1 other Federal agencies, and such other  
2 persons as the Secretary considers appro-  
3 priate, shall issue criteria (as of the date  
4 of enactment of this section) for deter-  
5 mining which products may qualify to re-  
6 ceive the label under paragraph (1).

7 “(ii) EXCEPTION.—Clause (i) shall  
8 not apply to final criteria that have been  
9 issued (as of the date of enactment of this  
10 section) by the Secretary.

11 “(B) REQUIREMENTS.—Criteria issued  
12 under subparagraph (A)—

13 “(i) shall encourage the purchase of  
14 products with the maximum biobased con-  
15 tent;

16 “(ii) shall provide that the Secretary  
17 may designate as biobased for the purposes  
18 of the voluntary program established under  
19 this subsection finished products that con-  
20 tain significant portions of biobased mate-  
21 rials or components; and

22 “(iii) to the maximum extent prac-  
23 ticable, should be consistent with the  
24 guidelines issued under subsection (a)(5).

1           “(3) USE OF LABEL.—The Secretary shall en-  
2           sure that the label referred to in paragraph (1) is  
3           used only on products that meet the criteria issued  
4           pursuant to paragraph (2).

5           “(4) RECOGNITION.—The Secretary shall—

6                   “(A) establish a voluntary program to rec-  
7                   ognize Federal agencies and private entities  
8                   that use a substantial amount of biobased prod-  
9                   ucts; and

10                   “(B) encourage Federal agencies to estab-  
11                   lish incentives programs to recognize Federal  
12                   employees or contractors that make exceptional  
13                   contributions to the expanded use of biobased  
14                   products.

15           “(c) LIMITATION.—Nothing in this section (other  
16           than subsections (f), (g), and (h)) shall apply to the pro-  
17           curement of motor vehicle fuels, heating oil, or electricity.

18           “(d) INCLUSION.—

19                   “(1) IN GENERAL.—Not later than 90 days  
20                   after the date of enactment of the Food and Energy  
21                   Security Act of 2007, the Architect of the Capitol,  
22                   the Sergeant at Arms of the Senate, and the Chief  
23                   Administrative Officer of the House of Representa-  
24                   tives shall establish procedures that apply the re-

1 requirements of this section to procurement for the  
2 Capitol Complex.

3 “(2) ANNUAL SHOWCASE.—Beginning in cal-  
4 endar year 2008, the Secretary shall sponsor or oth-  
5 erwise support, consistent with applicable Federal  
6 laws (including regulations), an annual exposition at  
7 which entities may display and demonstrate biobased  
8 products.

9 “(e) TESTING OF BIOBASED PRODUCTS.—

10 “(1) IN GENERAL.—The Secretary may estab-  
11 lish 1 or more national testing centers for biobased  
12 products to verify performance standards, biobased  
13 contents, and other product characteristics.

14 “(2) REQUIREMENT.—In establishing 1 or more  
15 national testing centers under paragraph (1), the  
16 Secretary shall give preference to entities that have  
17 established capabilities and experience in the testing  
18 of biobased materials and products.

19 “(f) BIOENERGY AND OTHER BIOBASED PRODUCTS  
20 EDUCATION AND AWARENESS CAMPAIGN.—

21 “(1) IN GENERAL.—The Secretary in consulta-  
22 tion with the Secretary of Energy, shall establish a  
23 program to make competitive grants to eligible enti-  
24 ties to carry out broad-based education and public

1 awareness campaigns relating to bioenergy (exclud-  
2 ing biodiesel) and other biobased products.

3 “(2) ELIGIBLE ENTITIES.—An entity eligible to  
4 receive a grant described in paragraph (1) is an en-  
5 tity that has demonstrated a knowledge of bioenergy  
6 and other biobased products and is—

7 “(A) a State energy or agricultural office;

8 “(B) a regional, State-based, or tribal en-  
9 ergy organization;

10 “(C) a land-grant college or university (as  
11 defined in section 1404 of the National Agricul-  
12 tural Research, Extension, and Teaching Policy  
13 Act of 1977 (7 U.S.C. 3103)) or other institu-  
14 tion of higher education;

15 “(D) a rural electric cooperative or utility;

16 “(E) a nonprofit organization, including an  
17 agricultural trade association, resource con-  
18 servation and development district, and energy  
19 service provider;

20 “(F) a State environmental quality office;

21 or

22 “(G) any other similar entity, other than a  
23 Federal agency or for-profit entity, as deter-  
24 mined by the Secretary.

25 “(g) REPORTS.—

1           “(1) IN GENERAL.—Not later than 180 days  
2 after the date of enactment of this section and each  
3 year thereafter, the Secretary shall submit to Con-  
4 gress a report on the implementation of this section.

5           “(2) CONTENTS.—The report shall include—

6                   “(A) a comprehensive management plan  
7 that establishes tasks, milestones, and  
8 timelines, organizational roles and responsibil-  
9 ities, and funding allocations for fully imple-  
10 menting this section; and

11                   “(B) information on the status of imple-  
12 mentation of—

13                           “(i) item designations (including des-  
14 ignation of intermediate ingredients and  
15 feedstocks); and

16                           “(ii) the voluntary labeling program  
17 established under subsection (b).

18           “(h) FUNDING.—

19                   “(1) IN GENERAL.—Of the funds of the Com-  
20 modity Credit Corporation, the Secretary shall use,  
21 to the maximum extent practicable, \$3,000,000 for  
22 each of fiscal years 2008 through 2012—

23                           “(A) to continue mandatory funding for  
24 biobased products testing as required to carry  
25 out this section; and

1           “(B) to carry out the bioenergy education  
2           and awareness campaign under subsection (f).

3           “(2) AUTHORIZATION OF APPROPRIATIONS.—In  
4           addition to any other funds made available to carry  
5           out this section, there are authorized to be appro-  
6           priated to carry out this section such sums as are  
7           necessary for each of fiscal years 2008 through  
8           2012.

9           “(3) PRIORITY.—At the discretion of the Sec-  
10          retary, the Secretary may give priority to the testing  
11          of products for which private sector firms provide  
12          cost sharing for the testing.

13   **“SEC. 9003. BIODIESEL FUEL EDUCATION.**

14          “(a) PURPOSE.—The purpose of this section is to  
15          educate potential users about the proper use and benefits  
16          of biodiesel.

17          “(b) ESTABLISHMENT.—The Secretary shall, under  
18          such terms and conditions as are appropriate, make grants  
19          to eligible entities to educate governmental and private en-  
20          tities that operate vehicle fleets, oil refiners, automotive  
21          companies, owners and operators of watercraft fleets,  
22          other interested entities (as determined by the Secretary),  
23          and the public about the benefits of biodiesel fuel use.

24          “(c) ELIGIBLE ENTITIES.—To receive a grant under  
25          subsection (b), an entity shall—



1           “(1) be a nonprofit organization or institution  
2 of higher education (as defined in section 101 of the  
3 Higher Education Act of 1965 (20 U.S.C. 1001));

4           “(2) have demonstrated knowledge of biodiesel  
5 fuel production, use, or distribution; and

6           “(3) have demonstrated the ability to conduct  
7 educational and technical support programs.

8           “(d) CONSULTATION.—In carrying out this section,  
9 the Secretary shall consult with the Secretary of Energy.

10          “(e) FUNDING.—Of the funds of the Commodity  
11 Credit Corporation, the Secretary shall use to carry out  
12 this section, to the maximum extent practicable,  
13 \$2,000,000 for each of fiscal years 2008 through 2012.

14 **“SEC. 9004. BIOMASS CROP TRANSITION.**

15          “(a) DEFINITIONS.—In this section:

16           “(1) ELIGIBLE CROP.—The term ‘eligible crop’  
17 means a crop of renewable biomass.

18           “(2) ELIGIBLE PARTICIPANT.—The term ‘eligi-  
19 ble participant’ means an agricultural producer or  
20 forest land owner—

21           “(A) that is establishing 1 or more eligible  
22 crops on private land to be used in the produc-  
23 tion of advanced biofuels, other biobased prod-  
24 ucts, heat, or power from a biomass conversion  
25 facility;

1           “(B) that has a financial commitment  
2           from a biomass conversion facility, including a  
3           proposed biomass conversion facility that is eco-  
4           nomically viable, as determined by the Sec-  
5           retary, to purchase the eligible crops; and

6           “(C) the production operation of which is  
7           in such proximity to the biomass conversion fa-  
8           cility described in subparagraph (B) as to make  
9           delivery of the eligible crops to that location  
10          economically practicable.

11       “(b) BIOMASS CROP TRANSITION ASSISTANCE.—

12           “(1) ESTABLISHMENT OF PROGRAM.—The Sec-  
13          retary shall establish a program to provide transi-  
14          tional assistance for the establishment and produc-  
15          tion of eligible crops to be used in the production of  
16          advanced biofuels, other biobased products, heat, or  
17          power from a biomass conversion facility.

18           “(2) EXCLUSION.—An agricultural producer  
19          shall not be eligible for assistance under paragraph  
20          (1) for the establishment and production of—

21           “(A) any crop that is eligible for benefits  
22          under title I of the Food and Energy Security  
23          Act of 2007; or

24           “(B) an annual crop.

25       “(3) CONTRACTS.—

1           “(A) IN GENERAL.—The Secretary shall  
2 enter into contracts with eligible participants  
3 and entities described in subparagraph (B) to  
4 provide transitional assistance payments to eli-  
5 gible participants.

6           “(B) CONTRACTS WITH MEMBER ENTI-  
7 TIES.—The Secretary may enter into 1 or more  
8 contracts with farmer-owned cooperatives, agri-  
9 cultural trade associations, or other similar en-  
10 tities on behalf of producer members that meet  
11 the requirements of, and elect to be treated as,  
12 eligible participants if the contract would offer  
13 greater efficiency in administration of the pro-  
14 gram.

15           “(C) REQUIREMENTS.—Under a contract  
16 described in subparagraph (A), an eligible par-  
17 ticipant shall be required, as determined by the  
18 Secretary—

19                   “(i) to produce 1 or more eligible  
20 crops;

21                   “(ii) to develop and actively apply a  
22 conservation plan that meets the require-  
23 ments for highly erodible land conservation  
24 and wetlands conservation as established  
25 under subtitles B and C of title XII of the

1 Food Security Act of 1985 (16 U.S.C.  
2 3811 et seq.); and

3 “(iii) to use such conservation prac-  
4 tices as are necessary, where appropriate—

5 “(I) to advance the goals and ob-  
6 jectives of State, regional, and na-  
7 tional fish and wildlife conservation  
8 plans and initiatives; and

9 “(II) to comply with mandatory  
10 environmental requirements for a pro-  
11 ducer under Federal, State, and local  
12 law.

13 “(4) PAYMENTS.—

14 “(A) FIRST YEAR.—During the first year  
15 of the contract, the Secretary shall make a pay-  
16 ment to an eligible participant in an amount  
17 that covers the cost of establishing 1 or more  
18 eligible crops.

19 “(B) SUBSEQUENT YEARS.—During any  
20 subsequent year of the contract, the Secretary  
21 shall make incentive payments to an eligible  
22 participant in an amount determined by the  
23 Secretary to encourage the eligible participant  
24 to produce renewable biomass.

1           “(c) ASSISTANCE FOR PRODUCTION OF ANNUAL  
2 CROP OF RENEWABLE BIOMASS.—

3           “(1) IN GENERAL.—The Secretary may provide  
4 assistance to eligible participants to plant an annual  
5 crop of renewable biomass for use in a biomass con-  
6 version facility in the form of—

7                   “(A) technical assistance; and

8                   “(B) cost-share assistance for the cost of  
9 establishing an annual crop of renewable bio-  
10 mass.

11           “(2) EXCLUSION.—An agricultural producer  
12 shall not be eligible for assistance under paragraph  
13 (1) for the establishment of any crop that is eligible  
14 for benefits under title I of the Food and Energy Se-  
15 curity Act of 2007.

16           “(3) COMPLIANCE.—Eligible participants re-  
17 ceiving assistance under paragraph (1)(B) shall de-  
18 velop and actively apply a conservation plan that  
19 meets the requirements for highly erodible land con-  
20 servation and wetlands conservation as established  
21 under subtitles B and C of title XII of the Food Se-  
22 curity Act of 1985 (16 U.S.C. 3811 et seq.).

23           “(d) ASSISTANCE FOR COLLECTION, HARVEST,  
24 STORAGE, AND TRANSPORT OF RENEWABLE BIOMASS.—

1           “(1) ESTABLISHMENT OF PROGRAM.—The Sec-  
2           retary shall establish a program to provide assist-  
3           ance to eligible participants for collecting, har-  
4           vesting, storing, and transporting eligible crops to be  
5           used in the production of advanced biofuels,  
6           biobased products, heat, or power from a biomass  
7           conversion facility.

8           “(2) PAYMENTS.—

9           “(A) IN GENERAL.—An eligible participant  
10          shall receive payments under this subsection for  
11          each ton of eligible crop delivered to a biomass  
12          conversion facility, based on a fixed rate to be  
13          established by the Secretary in accordance with  
14          subparagraph (B).

15          “(B) FIXED RATE.—The Secretary shall  
16          establish a fixed payment rate for purposes of  
17          subparagraph (A) to reflect—

18                 “(i) the estimated cost of collecting,  
19                 harvesting, storing, and transporting the  
20                 applicable eligible crop; and

21                 “(ii) such other factors as the Sec-  
22                 retary determines to be appropriate.

23          “(e) BEST PRACTICES.—

24                 “(1) RECORDKEEPING.—Each eligible partici-  
25                 pant, and each biomass conversion facility con-

1       tracting with the eligible participant, shall maintain  
2       and make available to the Secretary, at such times  
3       as the Secretary may request, appropriate records of  
4       methods used for activities for which payment is re-  
5       ceived under this section.

6           “(2) INFORMATION SHARING.—From the  
7       records maintained under subparagraph (A), the  
8       Secretary shall maintain, and make available to the  
9       public, information regarding—

10           “(A) the production potential (including  
11       evaluation of the environmental benefits) of a  
12       variety of eligible crops; and

13           “(B) best practices for producing, col-  
14       lecting, harvesting, storing, and transporting el-  
15       igible crops to be used in the production of ad-  
16       vanced biofuels.

17       “(f) FUNDING.—

18           “(1) BIOMASS CROP TRANSITION ASSIST-  
19       ANCE.—Of the funds of the Commodity Credit Cor-  
20       poration, the Secretary shall use to carry out sub-  
21       sections (b) and (c) \$130,000,000 for fiscal year  
22       2008, to remain available until expended.

23           “(2) ASSISTANCE FOR COLLECTION, HARVEST,  
24       STORAGE, AND TRANSPORT OF RENEWABLE BIO-  
25       MASS.—Of the funds of the Commodity Credit Cor-

1           poration, the Secretary shall make available to carry  
2           out subsection (d) \$10,000,000 for each of fiscal  
3           years 2009 through 2011, to remain available until  
4           expended.

5   **“SEC. 9005. BIOREFINERY AND REPOWERING ASSISTANCE.**

6           “(a) PURPOSE.—The purpose of this section is to as-  
7           sist in the development of new or emerging technologies  
8           for the use of renewable biomass or other sources of re-  
9           newable energy—

10                   “(1) to develop advanced biofuels;

11                   “(2) to increase the energy independence of the  
12           United States by promoting the replacement of en-  
13           ergy generated from fossil fuels with energy gen-  
14           erated from a renewable energy source;

15                   “(3) to promote resource conservation, public  
16           health, and the environment;

17                   “(4) to diversify markets for raw agricultural  
18           and forestry products, and agriculture waste mate-  
19           rial; and

20                   “(5) to create jobs and enhance the economic  
21           development of the rural economy.

22           “(b) DEFINITION OF REPOWER.—In this section, the  
23           term ‘repower’ means to substitute the production of heat  
24           or power from a fossil fuel source with heat or power from  
25           sources of renewable energy.



1 “(c) ASSISTANCE.—

2 “(1) IN GENERAL.—The Secretary shall make  
3 available to eligible entities described in subsection  
4 (d)—

5 “(A) grants to assist in paying the costs  
6 of—

7 “(i) development and construction of  
8 pilot- and demonstration-scale biorefineries  
9 intended to demonstrate the commercial vi-  
10 ability of 1 or more processes for con-  
11 verting renewable biomass to advanced  
12 biofuels;

13 “(ii) repowering a biomass conversion  
14 facility, power plant, or manufacturing fa-  
15 cility, in whole or in part; or

16 “(iii) conducting a study to determine  
17 the feasibility of repowering a biomass con-  
18 version facility, power plant, or manufac-  
19 turing facility, in whole or in part; and

20 “(B) guarantees for loans made to fund—

21 “(i) the development and construction  
22 of commercial-scale biorefineries; or

23 “(ii) the repowering of a biomass con-  
24 version facility, power plant, or manufac-  
25 turing facility, in whole or in part.

1           “(2) PREFERENCE.—In selecting projects to re-  
2           ceive grants and loan guarantees under this section,  
3           the Secretary shall give preference to projects that  
4           receive or will receive financial support from the  
5           State in which the project is carried out.

6           “(d) ELIGIBLE ENTITIES.—An eligible entity under  
7           this section is—

8           “(1) an individual;

9           “(2) a corporation;

10          “(3) a farm cooperative;

11          “(4) a rural electric cooperative or public power  
12          entity;

13          “(5) an association of agricultural producers;

14          “(6) a State or local energy agency or office;

15          “(7) an Indian tribe;

16          “(8) a consortium comprised of any individuals  
17          or entities described in any of paragraphs (1)  
18          through (7); or

19          “(9) any other similar entity, as determined by  
20          the Secretary.

21          “(e) GRANTS.—

22          “(1) IN GENERAL.—The Secretary shall award  
23          grants under subsection (c)(1)(A) on a competitive  
24          basis.

25          “(2) SELECTION CRITERIA.—

1                   “(A) GRANTS FOR DEVELOPMENT AND  
2 CONSTRUCTION OF PILOT AND DEMONSTRATION  
3 SCALE BIOREFINERIES.—

4                   “(i) IN GENERAL.—In awarding  
5 grants for development and construction of  
6 pilot and demonstration scale biorefineries  
7 under subsection (c)(1)(A)(i), the Sec-  
8 retary shall select projects based on the  
9 likelihood that the projects will dem-  
10 onstrate the commercial viability of a new  
11 or emerging process for converting renew-  
12 able biomass into advanced biofuels.

13                   “(ii) FACTORS.—The factors to be  
14 considered under clause (i) may include—

15                   “(I) the potential market for 1 or  
16 more products;

17                   “(II) the level of financial partici-  
18 pation by the applicants;

19                   “(III) the availability of adequate  
20 funding from other sources;

21                   “(IV) the participation of pro-  
22 ducer associations and cooperatives;

23                   “(V) the beneficial impact on re-  
24 source conservation, public health,  
25 and the environment;

1 “(VI) the timeframe in which the  
2 project will be operational;

3 “(VII) the potential for rural eco-  
4 nomic development;

5 “(VIII) the participation of mul-  
6 tiple eligible entities; and

7 “(IX) the potential for developing  
8 advanced industrial biotechnology ap-  
9 proaches.

10 “(B) GRANTS FOR REPOWERING.—In se-  
11 lecting projects to receive grants for repowering  
12 under clauses (ii) and (iii) of subsection  
13 (c)(1)(A), the Secretary shall consider—

14 “(i) the change in energy efficiency  
15 that would result from the proposed  
16 repowering of the eligible entity;

17 “(ii) the reduction in fossil fuel use  
18 that would result from the proposed  
19 repowering; and

20 “(iii) the volume of renewable biomass  
21 located in such proximity to the eligible en-  
22 tity as to make local sourcing of feedstock  
23 economically practicable.

24 “(3) COST SHARING.—

25 “(A) LIMITS.—

1                   “(i) DEVELOPMENT AND CONSTRU-  
2                   TION OF PILOT AND DEMONSTRATION  
3                   SCALE BIOREFINERIES.—The amount of a  
4                   grant awarded for development and con-  
5                   struction of a biorefinery under subsection  
6                   (c)(1)(A)(i) shall not exceed 50 percent of  
7                   the cost of the project.

8                   “(ii) REPOWERING.—The amount of a  
9                   grant awarded for repowering under sub-  
10                  section (c)(1)(A)(ii) shall not exceed 20  
11                  percent of the cost of the project.

12                  “(iii) FEASIBILITY STUDY FOR  
13                  REPOWERING.—The amount of a grant  
14                  awarded for a feasibility study for  
15                  repowering under subsection (c)(1)(A)(iii)  
16                  shall not exceed an amount equal to the  
17                  lesser of—

18                               “(I) an amount equal to 50 per-  
19                               cent of the total cost of conducting  
20                               the feasibility study; and

21                               “(II) \$150,000.

22                  “(B) FORM OF GRANTEE SHARE.—

23                               “(i) IN GENERAL.—The grantee share  
24                               of the cost of a project may be made in the

1 form of cash or the provision of services,  
2 material, or other in-kind contributions.

3 “(ii) LIMITATION.—The amount of  
4 the grantee share of the cost of a project  
5 that is made in the form of the provision  
6 of services, material, or other in-kind con-  
7 tributions shall not exceed 15 percent of  
8 the amount of the grantee share deter-  
9 mined under subparagraph (A).

10 “(f) LOAN GUARANTEES.—

11 “(1) CONDITIONS.—As a condition of making a  
12 loan guarantee under subsection (c)(1)(B), the Sec-  
13 retary shall require—

14 “(A) demonstration of binding commit-  
15 ments to cover, from sources other than Fed-  
16 eral funds, at least 20 percent of the total cost  
17 of the project described in the application; and

18 “(B) in the case of a new or emerging  
19 technology, demonstration that the project de-  
20 sign has been validated through a technical re-  
21 view and subsequent operation of a pilot or  
22 demonstration scale facility that can be scaled  
23 up to commercial size.

1           “(2) LOCAL OWNERSHIP.—The Secretary shall  
2           give preference under subsection (c)(1)(B) to appli-  
3           cations for projects with significant local ownership.

4           “(3) APPROVAL.—Not later than 90 days after  
5           the Secretary receives an application for a loan  
6           guarantee under subsection (c)(1)(B), the Secretary  
7           shall approve or disapprove the application.

8           “(4) LIMITATIONS.—

9                   “(A) MAXIMUM AMOUNT OF LOAN GUAR-  
10                   ANTEED.—

11                           “(i) COMMERCIAL-SCALE BIOREFIN-  
12                           ERIES.—Subject to clause (iii), the prin-  
13                           cipal amount of a loan guaranteed under  
14                           subsection (c)(1)(B)(i) may not exceed  
15                           \$250,000,000.

16                           “(ii) REPOWERING.—Subject to clause  
17                           (iii), the principal amount of a loan guar-  
18                           anteed under subsection (c)(1)(B)(ii) may  
19                           not exceed \$70,000,000.

20                           “(iii) RELATIONSHIP TO OTHER FED-  
21                           ERAL FUNDING.—The amount of a loan  
22                           guaranteed under subsection (c)(1)(B)  
23                           shall be reduced by the amount of other  
24                           Federal funding that the entity receives for  
25                           the same project.

1           “(B) MAXIMUM PERCENTAGE OF LOAN  
2           GUARANTEED.—A loan guaranteed under sub-  
3           section (c)(1)(B) shall be in an amount not to  
4           exceed 80 percent of the project costs, as deter-  
5           mined by the Secretary.

6           “(C) AUTHORITY TO GUARANTEE ENTIRE  
7           AMOUNT OF THE LOAN.—The Secretary may  
8           guarantee up to 100 percent of the principal  
9           and interest due on a loan guaranteed under  
10          subsection (c)(1)(B).

11          “(g) CONSULTATION.—In carrying out this section,  
12          the Secretary shall consult with the Secretary of Energy.

13          “(h) FUNDING.—Of the funds of the Commodity  
14          Credit Corporation, the Secretary shall use for the cost  
15          of grants and loan guarantees to carry out this section  
16          \$300,000,000 for fiscal year 2008, to remain available  
17          until expended.

18         **“SEC. 9006. BIOENERGY PROGRAM FOR ADVANCED**  
19                                 **BIOFUELS.**

20          “(a) DEFINITION OF ELIGIBLE PRODUCER.—In this  
21          section, the term ‘eligible producer’ means a producer of  
22          advanced biofuels.

23          “(b) PAYMENTS.—The Secretary shall make pay-  
24          ments to eligible producers to encourage increased pur-  
25          chases of renewable biomass for the purpose of expanding



1 production of, and supporting new production capacity for,  
2 advanced biofuels.

3 “(c) **CONTRACTS.**—To receive a payment, an eligible  
4 producer shall—

5 “(1) enter into a contract with the Secretary to  
6 increase production of advanced biofuels for 1 or  
7 more fiscal years; and

8 “(2) submit to the Secretary such records as  
9 the Secretary may require as evidence of increased  
10 purchase and use of renewable biomass for the pro-  
11 duction of advanced biofuels.

12 “(d) **BASIS FOR PAYMENTS.**—The Secretary shall  
13 make payments under this section to eligible producers  
14 based on—

15 “(1) the level of production by the eligible pro-  
16 ducer of an advanced biofuel;

17 “(2) the price of each renewable biomass feed-  
18 stock used for production of the advanced biofuel;

19 “(3) the net nonrenewable energy content of the  
20 advanced biofuel, if sufficient data is available, as  
21 determined by the Secretary; and

22 “(4) other appropriate factors, as determined  
23 by the Secretary.

24 “(e) **OVERPAYMENTS.**—If the total amount of pay-  
25 ments that an eligible producer receives for a fiscal year

1 under this section exceeds the amount that the eligible  
2 producer should have received, the eligible producer shall  
3 repay the amount of the overpayment to the Secretary,  
4 with interest (as determined by the Secretary).

5 “(f) LIMITATIONS.—

6 “(1) EQUITABLE DISTRIBUTION.—The Sec-  
7 retary may limit the amount of payments that may  
8 be received by a single eligible producer under this  
9 section in order to distribute the total amount of  
10 funding available in an equitable manner.

11 “(2) INELIGIBILITY.—An eligible producer that  
12 claims a credit allowed under section 40(a)(3) or  
13 40A(a)(3) of the Internal Revenue Code of 1986  
14 shall not be eligible to receive payments under sub-  
15 section (d).

16 “(3) REFINING CAPACITY.—An eligible pro-  
17 ducer may not use any funds received under this  
18 section for an advanced biofuel production facility or  
19 other fuel refinery the total refining capacity of  
20 which is more than 150,000,000 gallons per year.

21 “(g) OTHER REQUIREMENTS.—To receive a payment  
22 under this section, an eligible producer shall meet any  
23 other requirements of Federal and State law (including  
24 regulations) applicable to the production of advanced  
25 biofuels.

1           “(h) FUNDING.—Of the funds of the Commodity  
2 Credit Corporation, the Secretary shall use to carry out  
3 this section \$245,000,000 for the period of fiscal years  
4 2008 through 2012, to remain available until expended.

5 **“SEC. 9007. RURAL ENERGY FOR AMERICA PROGRAM.**

6           “(a) ESTABLISHMENT.—The Secretary, in consulta-  
7 tion with the Secretary of Energy, shall establish a Rural  
8 Energy for America Program to promote energy efficiency  
9 and renewable energy development for agricultural pro-  
10 ducers, cooperatives, rural small businesses, and other  
11 similar entities through—

12                   “(1) grants for energy audits and renewable en-  
13                   ergy development assistance;

14                   “(2) financial assistance for energy efficiency  
15                   improvements and renewable energy systems; and

16                   “(3) financial assistance for facilities to convert  
17                   animal manure to energy.

18           “(b) ENERGY AUDITS AND RENEWABLE ENERGY  
19 DEVELOPMENT ASSISTANCE.—

20                   “(1) IN GENERAL.—The Secretary shall make  
21                   competitive grants to eligible entities to provide as-  
22                   sistance to agricultural producers and rural small  
23                   businesses—

24                           “(A) to become more energy efficient; and

1           “(B) to use renewable energy technology  
2           and resources.

3           “(2) **ELIGIBLE ENTITIES.**—An eligible entity  
4           under this subsection is—

5           “(A) a State agency;

6           “(B) a regional, State-based, or tribal en-  
7           ergy organization;

8           “(C) a land-grant college or university or  
9           other institution of higher education;

10          “(D) a rural electric cooperative or public  
11          power entity;

12          “(E) a nonprofit organization; and

13          “(F) any other similar entity, as deter-  
14          mined by the Secretary.

15          “(3) **MERIT REVIEW.**—

16          “(A) **MERIT REVIEW PROCESS.**—The Sec-  
17          retary shall establish a merit review process to  
18          review applications for grants under paragraph  
19          (1) that uses the expertise of other Federal  
20          agencies, industry, and nongovernmental orga-  
21          nizations.

22          “(B) **SELECTION CRITERIA.**—In reviewing  
23          applications of eligible entities to receive grants  
24          under paragraph (1), the Secretary shall con-  
25          sider—

1                   “(i) the ability and expertise of the el-  
2                   igible entity in providing professional en-  
3                   ergy audits and renewable energy assess-  
4                   ments;

5                   “(ii) the geographic scope of the pro-  
6                   gram proposed by the eligible entity in re-  
7                   lation to the identified need;

8                   “(iii) the number of agricultural pro-  
9                   ducers and rural small businesses to be as-  
10                  sisted by the program;

11                  “(iv) the potential for energy savings  
12                  and environmental and public health bene-  
13                  fits resulting from the program; and

14                  “(v) the plan of the eligible entity for  
15                  providing information to agricultural pro-  
16                  ducers and rural small businesses on the  
17                  benefits of energy efficiency and renewable  
18                  energy development.

19                  “(4) USE OF GRANT FUNDS.—

20                  “(A) REQUIRED USES.—A recipient of a  
21                  grant under paragraph (1) shall use the grant  
22                  funds to conduct and promote energy audits for  
23                  agricultural producers and rural small busi-  
24                  nesses to provide recommendations on how to

1 improve energy efficiency and use renewable en-  
2 ergy technology and resources.

3 “(B) PERMITTED USES.—In addition to  
4 the uses described in subparagraph (A), a re-  
5 cipient of a grant may use the grant funds to  
6 make agricultural producers and rural small  
7 businesses aware of—

8 “(i) financial assistance under sub-  
9 section (c); and

10 “(ii) other Federal, State, and local fi-  
11 nancial assistance programs for which the  
12 agricultural producers and rural small  
13 businesses may be eligible.

14 “(5) COST SHARING.—A recipient of a grant  
15 under paragraph (1) that conducts an energy audit  
16 for an agricultural producer or rural small business  
17 under paragraph (4)(A) shall require that, as a con-  
18 dition of the energy audit, the agricultural producer  
19 or rural small business pay at least 25 percent of  
20 the cost of the energy audit, which shall be retained  
21 by the eligible entity for the cost of the energy audit.

22 “(c) FINANCIAL ASSISTANCE FOR ENERGY EFFI-  
23 CIENCY IMPROVEMENTS AND RENEWABLE ENERGY SYS-  
24 TEMS.—

1           “(1) IN GENERAL.—In addition to any similar  
2 authority, the Secretary shall provide loan guaran-  
3 tees, grants, and production-based incentives to agri-  
4 cultural producers and rural small businesses—

5           “(A) to purchase renewable energy sys-  
6 tems, including systems that may be used to  
7 produce and sell electricity; and

8           “(B) to make energy efficiency improve-  
9 ments.

10          “(2) AWARD CONSIDERATIONS.—In determining  
11 the amount of a grant, loan guarantee, or produc-  
12 tion-based incentive provided under this section, the  
13 Secretary shall take into consideration, as applica-  
14 ble—

15          “(A) the type of renewable energy system  
16 to be purchased;

17          “(B) the estimated quantity of energy to  
18 be generated by the renewable energy system;

19          “(C) the expected environmental benefits  
20 of the renewable energy system;

21          “(D) the quantity of energy savings ex-  
22 pected to be derived from the activity, as dem-  
23 onstrated by an energy audit comparable to an  
24 energy audit under subsection (b);

1           “(E) the estimated period of time for the  
2 energy savings generated by the activity to  
3 equal the cost of the activity;

4           “(F) the expected energy efficiency of the  
5 renewable energy system; and

6           “(G) other appropriate factors.

7           “(3) FEASIBILITY STUDIES.—

8           “(A) IN GENERAL.—The Secretary may  
9 provide assistance in the form of grants to an  
10 agricultural producer or rural small business to  
11 conduct a feasibility study for a project for  
12 which assistance may be provided under this  
13 subsection.

14           “(B) LIMITATION.—The Secretary shall  
15 use not more than 10 percent of the funds  
16 made available to carry out this subsection to  
17 provide assistance described in subparagraph  
18 (A).

19           “(C) AVOIDANCE OF DUPLICATIVE ASSIST-  
20 ANCE.—An entity shall be ineligible to receive  
21 assistance to carry out a feasibility study for a  
22 project under this paragraph if the entity has  
23 received Federal or State assistance for a feasi-  
24 bility study for the project.

25           “(4) LIMITS.—



1           “(A) GRANTS.—The amount of a grant  
2 under this subsection shall not exceed 25 per-  
3 cent of the cost of the activity carried out using  
4 funds from the grant.

5           “(B) LOAN GUARANTEES.—

6                 “(i) MAXIMUM AMOUNT.—The  
7 amount of a loan guaranteed under this  
8 subsection shall not exceed \$25,000,000.

9                 “(ii) MAXIMUM PERCENTAGE.—A loan  
10 guaranteed under this subsection shall not  
11 exceed 75 percent of the cost of the activ-  
12 ity carried out using funds from the loan.

13           “(5) PRODUCTION-BASED INCENTIVE PAY-  
14 MENTS IN LIEU OF GRANTS.—

15                 “(A) IN GENERAL.—In addition to the au-  
16 thority under subsection (b), to encourage the  
17 production of electricity from renewable energy  
18 systems, the Secretary, on receipt of a request  
19 of an eligible applicant under this section, shall  
20 make production-based incentive payments to  
21 the applicant in lieu of a grant.

22                 “(B) CONTINGENCY.—A payment under  
23 subparagraph (A) shall be contingent on docu-  
24 mented energy production and sales by the re-

1 newable energy system of the eligible applicant  
2 to a third party.

3 “(C) LIMITATION.—The total net present  
4 value of a production-based incentive payment  
5 under this paragraph shall not exceed the lesser  
6 of—

7 “(i) an amount equal to 25 percent of  
8 the eligible project costs, as determined by  
9 the Secretary; and

10 “(ii) such other limit as the Secretary  
11 may establish, by rule or guidance.

12 “(d) FINANCIAL ASSISTANCE FOR FACILITIES TO  
13 CONVERT ANIMAL MANURE TO ENERGY.—

14 “(1) DEFINITION OF ANIMAL MANURE.—In this  
15 subsection, the term ‘animal manure’ means agricul-  
16 tural livestock excrement, including litter, wood  
17 shavings, straw, rice hulls, bedding material, and  
18 other materials incidentally collected with the ma-  
19 nure.

20 “(2) GRANTS AND LOAN GUARANTEES.—The  
21 Secretary shall make grants and loan guarantees to  
22 eligible entities on a competitive basis for the instal-  
23 lation, operation, and evaluation of facilities de-  
24 scribed in paragraph (4).

1           “(3) ELIGIBLE ENTITIES.—To be eligible to re-  
2           ceive a grant or loan guarantee under this sub-  
3           section, an entity shall be—

4                   “(A) an agricultural producer;

5                   “(B) a rural small business;

6                   “(C) a rural cooperative; or

7                   “(D) any other similar entity, as deter-  
8           mined by the Secretary.

9           “(4) ELIGIBLE FACILITIES.—

10                   “(A) IN GENERAL.—Subject to subpara-  
11           graphs (B) through (E), an eligible entity may  
12           receive a grant or loan guarantee under this  
13           subsection for the installation, first-year oper-  
14           ation, and evaluation of an on-farm or commu-  
15           nity facility (such as a digester or power gener-  
16           ator using manure for fuel) the primary func-  
17           tion of which is to convert animal manure into  
18           a useful form of energy (including gaseous or  
19           liquid fuel or electricity).

20                   “(B) SUBSYSTEMS INCLUDED.—Funds  
21           from a grant and loan guarantee under sub-  
22           paragraph (A) may be used for systems that  
23           support an on-farm or community facility de-  
24           scribed in that subparagraph, which may in-

1           clude feedstock gathering systems and gas pip-  
2           ing systems.

3           “(C) CONVERSION OF RENEWABLE BIO-  
4           MASS.—An eligible entity may use a grant or  
5           loan guarantee provided under this subsection  
6           to convert renewable biomass other than animal  
7           manure (such as waste materials from food  
8           processing facilities and other green wastes)  
9           into energy at a facility if the majority of mate-  
10          rials converted into energy at the facility is ani-  
11          mal manure.

12          “(D) DEVELOPMENT AND DEMONSTRA-  
13          TION OF NEW TECHNOLOGIES.—An eligible en-  
14          tity may use a grant or loan guarantee provided  
15          under this subsection for the installation, dem-  
16          onstration, and first 2 years of operation of an  
17          on-farm or community facility that uses ma-  
18          nure-to-energy technologies—

19                  “(i) that are not in commercial use, as  
20                  determined by the Secretary; and

21                  “(ii) for which sufficient research has  
22                  been conducted for the Secretary to deter-  
23                  mine that the technology is commercially  
24                  viable.

1           “(5) SELECTION OF ELIGIBLE ENTITIES.—In  
2           selecting applications for grants and loan guarantees  
3           under this subsection, the Secretary shall consider—

4                   “(A) the quality of energy produced; and

5                   “(B) the projected net energy conversion  
6           efficiency, which shall be equal to the quotient  
7           obtained by dividing—

8                   “(i) the energy output of the eligible  
9           facility; by

10                   “(ii) the sum of—

11                   “(I) the energy content of animal  
12           manure at the point of collection; and

13                   “(II) the energy consumed in fa-  
14           cility operations, including feedstock  
15           transportation;

16                   “(C) environmental issues, including poten-  
17           tial positive and negative impacts on water  
18           quality, air quality, odor emissions, pathogens,  
19           and soil quality resulting from—

20                   “(i) the use and conversion of animal  
21           manure into energy;

22                   “(ii) the installation and operation of  
23           the facility; and

24                   “(iii) the disposal of any waste prod-  
25           ucts (including effluent) from the facility;

1           “(D) the net impact of the facility and any  
2 waste from the facility on greenhouse gas emis-  
3 sions, based on the estimated emissions from  
4 manure storage systems in use before the in-  
5 stallation of the manure-to-energy facility;

6           “(E) diversity factors, including diversity  
7 of—

8                   “(i) sizes of projects supported; and

9                   “(ii) geographic locations; and

10           “(F) the proposed project costs and levels  
11 of grants or loan guarantees requested.

12           “(6) AMOUNT.—

13                   “(A) GRANTS.—

14                           “(i) SMALLER PROJECTS.—In the  
15 case of a project with a total eligible cost  
16 (as described in paragraph (4)) of not  
17 more than \$500,000, the amount of a  
18 grant made under this subsection shall not  
19 exceed 50 percent of the total eligible cost.

20                           “(ii) LARGER PROJECTS.—In the case  
21 of a project with a total eligible cost (as  
22 described in paragraph (4)) of more than  
23 \$500,000, the amount of a grant made  
24 under this subsection shall not exceed the  
25 greater of—

1 “(I) \$250,000; or

2 “(II) 25 percent of the total eligi-  
3 ble cost.

4 “(iii) MAXIMUM.—In no case shall the  
5 amount of a grant made under this section  
6 exceed \$2,000,000.

7 “(B) LOAN GUARANTEES.—The principal  
8 amount and interest of a loan guaranteed under  
9 this subsection may not exceed the lesser of—

10 “(i) 80 percent of the difference be-  
11 tween—

12 “(I) the total cost to install and  
13 operate the eligible facility for the  
14 first year, as determined by the Sec-  
15 retary; and

16 “(II) the amount of any Federal,  
17 State, and local funds received to sup-  
18 port the eligible facility; and

19 “(ii) \$25,000,000.

20 “(7) PROHIBITION.—A grant or loan guarantee  
21 may not be provided for a project under this sub-  
22 section that also receives assistance under subsection  
23 (b) or (c).

24 “(e) ROLE OF STATE RURAL DEVELOPMENT DIREC-  
25 TOR.—

1           “(1) OUTREACH AND AVAILABILITY OF INFOR-  
2           MATION.—

3           “(A) OUTREACH.—A State rural develop-  
4           ment director, acting through local rural devel-  
5           opment offices, shall provide outreach regarding  
6           the availability of financial assistance under  
7           this section.

8           “(B) AVAILABILITY OF INFORMATION.—A  
9           State rural development director shall make  
10          available information relating to the availability  
11          of financial assistance under this section at all  
12          local rural development, Farm Service Agency,  
13          and Natural Resources Conservation Service of-  
14          fices.

15          “(2) APPLICATION REVIEW.—Applications for  
16          assistance under this section shall be reviewed by the  
17          appropriate State rural development director.

18          “(f) SMALL PROJECTS.—

19                 “(1) APPLICATION AND REVIEW PROCESS.—  
20                 The Secretary shall develop a streamlined applica-  
21                 tion and expedited review process for project appli-  
22                 cants seeking less than \$20,000 under this section.

23                 “(2) PERCENTAGE OF FUNDS.—Not less than  
24                 20 percent of the funds made available under sub-  
25                 section (k)(1) shall be made available to make



1 grants under this section in an amount of less than  
2 \$20,000.

3 “(g) PREFERENCE.—In selecting projects to receive  
4 grants under this section, the Secretary shall give pref-  
5 erence to projects that receive or will receive financial sup-  
6 port from the State in which the project is carried out.

7 “(h) RURAL ENERGY STAR.—The Secretary, in co-  
8 ordination with the Administrator and the Secretary of  
9 Energy, shall extend the Energy Star program established  
10 by section 324A of the Energy Policy and Conservation  
11 Act (42 U.S.C. 6294a) to include a Rural Energy Star  
12 component to promote the development and use of energy-  
13 efficient equipment and facilities in the agricultural sector.

14 “(i) REPORTS.—Not later than 4 years after the date  
15 of enactment of the Food and Energy Security Act of  
16 2007, the Secretary shall submit to Congress a report on  
17 the implementation of this section, including the outcomes  
18 achieved by projects funded under this section.

19 “(j) FUNDING.—

20 “(1) COMMODITY CREDIT CORPORATION.—Of  
21 the funds of the Commodity Credit Corporation, the  
22 Secretary shall make available \$230,000,000 to  
23 carry out subsections (c) and (d) for fiscal year  
24 2008, to remain available until expended, of which

1 not less than 15 percent shall be used to carry out  
2 subsection (d).

3 “(2) AUTHORIZATION OF APPROPRIATIONS.—In  
4 addition to any other funds made available to carry  
5 out this section, there are authorized to be appro-  
6 priated such sums as are necessary to carry out this  
7 section for each of fiscal years 2008 through 2012.

8 **“SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT ACT**  
9 **OF 2000.**

10 “(a) DEFINITIONS.—In this section:

11 “(1) BIOBASED PRODUCT.—The term ‘biobased  
12 product’ means—

13 “(A) an industrial product (including  
14 chemicals, materials, and polymers) produced  
15 from biomass; and

16 “(B) a commercial or industrial product  
17 (including animal feed and electric power) de-  
18 rived in connection with the conversion of bio-  
19 mass to fuel.

20 “(2) DEMONSTRATION.—The term ‘demonstra-  
21 tion’ means demonstration of technology in a pilot  
22 plant or semi-works scale facility.

23 “(3) INITIATIVE.—The term ‘Initiative’ means  
24 the Biomass Research and Development Initiative  
25 established under subsection (e).

1           “(4) NATIONAL LABORATORY.—The term ‘Na-  
2           tional Laboratory’ has the meaning given that term  
3           in section 2 of the Energy Policy Act of 2005 (42  
4           U.S.C. 15801).

5           “(5) POINT OF CONTACT.—The term ‘point of  
6           contact’ means a point of contact designated under  
7           this section.

8           “(b) COOPERATION AND COORDINATION IN BIOMASS  
9           RESEARCH AND DEVELOPMENT.—

10           “(1) IN GENERAL.—The Secretary of Agri-  
11           culture and the Secretary of Energy shall cooperate  
12           with respect to, and coordinate, policies and proce-  
13           dures that promote research and development lead-  
14           ing to the production of biofuels and biobased prod-  
15           ucts.

16           “(2) POINTS OF CONTACT.—

17           “(A) IN GENERAL.—To coordinate re-  
18           search and development programs and activities  
19           relating to biofuels and biobased products that  
20           are carried out by their respective depart-  
21           ments—

22           “(i) the Secretary of Agriculture shall  
23           designate, as the point of contact for the  
24           Department of Agriculture, an officer of  
25           the Department of Agriculture appointed

1 by the President to a position in the De-  
2 partment before the date of the designa-  
3 tion, by and with the advice and consent of  
4 the Senate; and

5 “(ii) the Secretary of Energy shall  
6 designate, as the point of contact for the  
7 Department of Energy, an officer of the  
8 Department of Energy appointed by the  
9 President to a position in the Department  
10 before the date of the designation, by and  
11 with the advice and consent of the Senate.

12 “(B) DUTIES.—The points of contact shall  
13 jointly—

14 “(i) assist in arranging interlabora-  
15 tory and site-specific supplemental agree-  
16 ments for research and development  
17 projects relating to biofuels and biobased  
18 products;

19 “(ii) serve as cochairpersons of the  
20 Board;

21 “(iii) administer the Initiative; and

22 “(iv) respond in writing to each rec-  
23 ommendation of the Advisory Committee  
24 made under subsection (d).

1           “(c) BIOMASS RESEARCH AND DEVELOPMENT  
2 BOARD.—

3           “(1) ESTABLISHMENT.—There is established  
4 the Biomass Research and Development Board,  
5 which shall supersede the Interagency Council on  
6 Biobased Products and Bioenergy established by Ex-  
7 ecutive Order No. 13134 (7 U.S.C. 8101 note), to  
8 coordinate programs within and among departments  
9 and agencies of the Federal Government for the pur-  
10 pose of promoting the use of biofuels and biobased  
11 products by—

12                   “(A) maximizing the benefits deriving from  
13 Federal grants and assistance; and

14                   “(B) bringing coherence to Federal stra-  
15 tegic planning.

16           “(2) MEMBERSHIP.—The Board shall consist  
17 of—

18                   “(A) the point of contact of the Depart-  
19 ment of Energy designated under subsection  
20 (b)(2)(A)(ii), who shall serve as cochairperson  
21 of the Board;

22                   “(B) the point of contact of the Depart-  
23 ment of Agriculture designated under sub-  
24 section (b)(2)(A)(i), who shall serve as cochair-  
25 person of the Board;



1           “(B) provide recommendations to the  
2 points of contact concerning administration of  
3 this title;

4           “(C) ensure that—

5                 “(i) solicitations are open and com-  
6 petitive with awards made annually; and

7                 “(ii) objectives and evaluation criteria  
8 of the solicitations are clearly stated and  
9 minimally prescriptive, with no areas of  
10 special interest; and

11           “(D) ensure that the panel of scientific  
12 and technical peers assembled under subsection  
13 (e) to review proposals is composed predomi-  
14 nantly of independent experts selected from out-  
15 side the Departments of Agriculture and En-  
16 ergy.

17           “(4) FUNDING.—Each agency represented on  
18 the Board is encouraged to provide funds for any  
19 purpose under this section.

20           “(5) MEETINGS.—The Board shall meet at  
21 least quarterly to enable the Board to carry out the  
22 duties of the Board under paragraph (3).

23           “(d) BIOMASS RESEARCH AND DEVELOPMENT  
24 TECHNICAL ADVISORY COMMITTEE.—

1           “(1) ESTABLISHMENT.—There is established  
2           the Biomass Research and Development Technical  
3           Advisory Committee, which shall supersede the Advi-  
4           sory Committee on Biobased Products and Bio-  
5           energy established by Executive Order No. 13134 (7  
6           U.S.C. 8101 note)—

7                   “(A) to advise the Secretary of Energy, the  
8                   Secretary of Agriculture, and the points of con-  
9                   tact concerning—

10                           “(i) the distribution of funding;

11                           “(ii) the technical focus and direction  
12                           of requests for proposals issued under the  
13                           Initiative; and

14                           “(iii) procedures for reviewing and  
15                           evaluating the proposals;

16                   “(B) to facilitate consultations and part-  
17                   nerships among Federal and State agencies, ag-  
18                   ricultural producers, industry, consumers, the  
19                   research community, and other interested  
20                   groups to carry out program activities relating  
21                   to the Initiative; and

22                   “(C) to evaluate and perform strategic  
23                   planning on program activities relating to the  
24                   Initiative.

25           “(2) MEMBERSHIP.—



1                   “(A) IN GENERAL.—The Advisory Com-  
2                   mittee shall consist of—

3                   “(i) an individual affiliated with the  
4                   biofuels industry;

5                   “(ii) an individual affiliated with the  
6                   biobased industrial and commercial prod-  
7                   ucts industry;

8                   “(iii) an individual affiliated with an  
9                   institution of higher education who has ex-  
10                  pertise in biofuels and biobased products;

11                  “(iv) 2 prominent engineers or sci-  
12                  entists from government or academia who  
13                  have expertise in biofuels and biobased  
14                  products;

15                  “(v) an individual affiliated with a  
16                  commodity trade association;

17                  “(vi) 2 individuals affiliated with an  
18                  environmental or conservation organiza-  
19                  tion;

20                  “(vii) an individual associated with  
21                  State government who has expertise in  
22                  biofuels and biobased products;

23                  “(viii) an individual with expertise in  
24                  energy and environmental analysis;



1           “(ii) solicitations are open and com-  
2           petitive with awards made annually and  
3           that objectives and evaluation criteria of  
4           the solicitations are clearly stated and  
5           minimally prescriptive, with no areas of  
6           special interest;

7           “(iii) the points of contact are funding  
8           proposals under this title that are selected  
9           on the basis of merit, as determined by an  
10          independent panel of scientific and tech-  
11          nical peers predominantly from outside the  
12          Departments of Agriculture and Energy;  
13          and

14          “(iv) activities under this section are  
15          carried out in accordance with this section.

16          “(4) COORDINATION.—To avoid duplication of  
17          effort, the Advisory Committee shall coordinate the  
18          activities of the Advisory Committee with activities  
19          of other Federal advisory committees working in re-  
20          lated areas.

21          “(5) MEETINGS.—The Advisory Committee  
22          shall meet at least quarterly to enable the Advisory  
23          Committee to carry out the duties of the Advisory  
24          Committee.

1           “(6) TERMS.—Members of the Advisory Com-  
2           mittee shall be appointed for a term of 3 years.

3           “(e) BIOMASS RESEARCH AND DEVELOPMENT INI-  
4           TIATIVE.—

5           “(1) IN GENERAL.—The Secretary of Agri-  
6           culture and the Secretary of Energy, acting through  
7           their respective points of contact and in consultation  
8           with the Board, shall establish and carry out a Bio-  
9           mass Research and Development Initiative under  
10          which competitively awarded grants, contracts, and  
11          financial assistance are provided to, or entered into  
12          with, eligible entities to carry out research on, and  
13          development and demonstration of, biofuels and  
14          biobased products, and the methods, practices, and  
15          technologies, for the production of the fuels and  
16          product.

17          “(2) OBJECTIVES.—The objectives of the Initia-  
18          tive are to develop—

19                 “(A) technologies and processes necessary  
20                 for abundant commercial production of biofuels  
21                 at prices competitive with fossil fuels;

22                 “(B) high-value biobased products—

23                         “(i) to enhance the economic viability  
24                         of biofuels and bioenergy;

1                   “(ii) as substitutes for petroleum-  
2                   based feedstocks and products; and

3                   “(iii) to enhance the value of coprod-  
4                   ucts produced using the technologies and  
5                   processes; and

6                   “(C) a diversity of sustainable domestic  
7                   sources of renewable biomass for conversion to  
8                   biofuels, bioenergy, and biobased products.

9                   “(3) PURPOSES.—The purposes of the Initiative  
10                  are—

11                   “(A) to increase the energy security of the  
12                   United States;

13                   “(B) to create jobs and enhance the eco-  
14                   nomic development of the rural economy;

15                   “(C) to enhance the environment and pub-  
16                   lic health; and

17                   “(D) to diversify markets for raw agricul-  
18                   tural and forestry products.

19                   “(4) TECHNICAL AREAS.—To advance the ob-  
20                   jectives and purposes of the Initiative, the Secretary  
21                   of Agriculture and the Secretary of Energy, in con-  
22                   sultation with the Administrator of the Environ-  
23                   mental Protection Agency and heads of other appro-  
24                   priate departments and agencies (referred to in this

1 subsection as the ‘Secretaries’), shall direct research,  
2 development, and demonstration toward—

3 “(A) feedstocks and feedstock systems rel-  
4 evant to production of raw materials for conver-  
5 sion to biofuels and biobased products, includ-  
6 ing—

7 “(i) development of advanced and  
8 dedicated crops with desired features, in-  
9 cluding enhanced productivity, broader site  
10 range, low requirements for chemical in-  
11 puts, and enhanced processing;

12 “(ii) advanced crop production meth-  
13 ods to achieve the features described in  
14 clause (i) and suitable assay techniques for  
15 those features;

16 “(iii) feedstock harvest, handling,  
17 transport, and storage;

18 “(iv) strategies for integrating feed-  
19 stock production into existing managed  
20 land; and

21 “(v) improving the value and quality  
22 of coproducts, including material used for  
23 animal feeding;

24 “(B) development of cost-effective tech-  
25 nologies for the use of cellulosic biomass in the

1 production of biofuels and biobased products,  
2 including—

3 “(i) pretreatment in combination with  
4 enzymatic or microbial hydrolysis;

5 “(ii) thermochemical approaches, in-  
6 cluding gasification and pyrolysis; and

7 “(iii) self-processing crops that ex-  
8 press enzymes capable of degrading cel-  
9 lulosic biomass;

10 “(C) product diversification through tech-  
11 nologies relevant to production of a range of  
12 biobased products (including chemicals, animal  
13 feeds, and cogenerated power) that eventually  
14 can increase the feasibility of fuel production in  
15 a biorefinery, including—

16 “(i) catalytic processing, including  
17 thermochemical fuel production;

18 “(ii) metabolic engineering, enzyme  
19 engineering, and fermentation systems for  
20 biological production of desired products,  
21 coproducts, or cogeneration of power;

22 “(iii) product recovery;

23 “(iv) power production technologies;

24 “(v) integration into existing renew-  
25 able biomass processing facilities, including

1 starch ethanol plants, sugar processing or  
2 refining plants, paper mills, and power  
3 plants;

4 “(vi) enhancement of products and co-  
5 products, including dried distillers grains;  
6 and

7 “(vii) technologies that allow for cost-  
8 effective harvest, handling, transport, and  
9 storage; and

10 “(D) analysis that provides strategic guid-  
11 ance for the application of renewable biomass  
12 technologies in accordance with realization of  
13 improved sustainability and environmental qual-  
14 ity, cost effectiveness, security, and rural eco-  
15 nomic development, usually featuring system-  
16 wide approaches, including the harvest, han-  
17 dling, transport, and storage of renewable bio-  
18 mass.

19 “(5) **ADDITIONAL CONSIDERATIONS.**—Within  
20 the technical areas described in paragraph (4), and  
21 in addition to advancing the purposes described in  
22 paragraph (3) and the objectives described in pa-  
23 ragraph (2), the Secretaries shall support research and  
24 development—



1           “(A) to create continuously expanding op-  
2           portunities for participants in existing biofuels  
3           production by seeking synergies and continuity  
4           with current technologies and practices, such as  
5           improvements in dried distillers grains and  
6           other biofuel production coproducts for use as  
7           bridge feedstocks;

8           “(B) to maximize the environmental, eco-  
9           nomic, and social benefits of production of  
10          biofuels and biobased products on a large scale  
11          through life-cycle economic and environmental  
12          analysis and other means; and

13          “(C) to assess the potential of Federal  
14          land and land management programs as feed-  
15          stock resources for biofuels and biobased prod-  
16          ucts, consistent with the integrity of soil and  
17          water resources and with other environmental  
18          considerations.

19          “(6) ELIGIBLE ENTITIES.—To be eligible for a  
20          grant, contract, or assistance under this subsection,  
21          an applicant shall be—

22                  “(A) an institution of higher education;

23                  “(B) a National Laboratory;

24                  “(C) a Federal research agency;

25                  “(D) a State research agency;

1 “(E) a private sector entity;

2 “(F) a nonprofit organization; or

3 “(G) a consortium of 2 or more entities de-  
4 scribed in subparagraphs (A) through (F).

5 “(7) ADMINISTRATION.—

6 “(A) IN GENERAL.—After consultation  
7 with the Board, the points of contact shall—

8 “(i) publish annually 1 or more joint  
9 requests for proposals for grants, con-  
10 tracts, and assistance under this sub-  
11 section;

12 “(ii) require that grants, contracts,  
13 and assistance under this section be  
14 awarded competitively, on the basis of  
15 merit, after the establishment of proce-  
16 dures that provide for scientific peer review  
17 by an independent panel of scientific and  
18 technical peers;

19 “(iii) give partial preference to appli-  
20 cations that—

21 “(I) involve a consortia of experts  
22 from multiple institutions;

23 “(II) encourage the integration  
24 of disciplines and application of the  
25 best technical resources; and

1                   “(III) increase the geographic di-  
2                   versity of demonstration projects; and

3                   “(iv) require that not less than 15  
4                   percent of funds made available to carry  
5                   out this section is used for research and  
6                   development relating to each of the tech-  
7                   nical areas described in paragraph (4).

8                   “(B) MATCHING FUNDS.—

9                   “(i) IN GENERAL.—The non-Federal  
10                  share of the cost of a demonstration  
11                  project under this section shall be not less  
12                  than 20 percent.

13                  “(ii) COMMERCIAL APPLICATIONS.—  
14                  The non-Federal share of the cost of a  
15                  commercial application project under this  
16                  section shall be not less than 50 percent.

17                  “(C) TECHNOLOGY AND INFORMATION  
18                  TRANSFER TO AGRICULTURAL USERS.—The Ad-  
19                  ministrators of the National Institute of Food  
20                  and Agriculture and the Chief of the Natural  
21                  Resources Conservation Service shall ensure  
22                  that applicable research results and tech-  
23                  nologies from the Initiative are—

1                   “(i) adapted, made available, and dis-  
2                   seminated through those services, as ap-  
3                   propriate; and

4                   “(ii) included in the best practices  
5                   database established under section 220 of  
6                   the Department of Agriculture Reorganiza-  
7                   tion Act of 1994 (7 U.S.C. 6920).

8                   “(f) ADMINISTRATIVE SUPPORT AND FUNDS.—

9                   “(1) IN GENERAL.—To the extent administra-  
10                  tive support and funds are not provided by other  
11                  agencies under paragraph (2), the Secretary of En-  
12                  ergy and the Secretary of Agriculture may provide  
13                  such administrative support and funds of the De-  
14                  partment of Energy and the Department of Agri-  
15                  culture to the Board and the Advisory Committee as  
16                  are necessary to enable the Board and the Advisory  
17                  Committee to carry out their duties under this sec-  
18                  tion.

19                  “(2) OTHER AGENCIES.—The heads of the  
20                  agencies referred to in subsection (c)(2)(C), and the  
21                  other members of the Board appointed under sub-  
22                  section (c)(2)(D), may, and are encouraged to, pro-  
23                  vide administrative support and funds of their re-  
24                  spective agencies to the Board and the Advisory  
25                  Committee.

1           “(3) LIMITATION.—Not more than 4 percent of  
2           the amount made available for each fiscal year under  
3           subsection (h) may be used to pay the administrative  
4           costs of carrying out this section.

5           “(g) REPORTS.—

6           “(1) ANNUAL REPORTS.—For each fiscal year  
7           for which funds are made available to carry out this  
8           section, the Secretary of Energy and the Secretary  
9           of Agriculture shall jointly submit to Congress a de-  
10          tailed report on—

11                   “(A) the status and progress of the Initia-  
12                   tive, including a report from the Advisory Com-  
13                   mittee on whether funds appropriated for the  
14                   Initiative have been distributed and used in a  
15                   manner that—

16                           “(i) is consistent with the objectives,  
17                           purposes, and additional considerations de-  
18                           scribed in paragraphs (2) through (5) of  
19                           subsection (e);

20                                   “(ii) uses the set of criteria estab-  
21                                   lished in the initial report submitted under  
22                                   title III of the Agricultural Risk Protection  
23                                   Act of 2000 (7 U.S.C. 7624 note; Public  
24                                   Law 106–224); and

1                   “(iii) takes into account any rec-  
2                   ommendations that have been made by the  
3                   Advisory Committee;

4                   “(B) the general status of cooperation and  
5                   research and development efforts carried out at  
6                   each agency with respect to biofuels and  
7                   biobased products, including a report from the  
8                   Advisory Committee on whether the points of  
9                   contact are funding proposals that are selected  
10                  under subsection (d)(3)(B)(iii); and

11                  “(C) the plans of the Secretary of Energy  
12                  and the Secretary of Agriculture for addressing  
13                  concerns raised in the report, including con-  
14                  cerns raised by the Advisory Committee.

15                  “(2) UPDATES.—The Secretary of Agriculture  
16                  and the Secretary of Energy shall update the Vision  
17                  and Roadmap documents prepared for Federal bio-  
18                  mass research and development activities.

19                  “(h) FUNDING.—

20                  “(1) COMMODITY CREDIT CORPORATION  
21                  FUNDS.—Of the funds of the Commodity Credit  
22                  Corporation, the Secretary of Agriculture, to the  
23                  maximum extent practicable, shall use to carry out  
24                  this section, to remain available until expended—

25                  “(A) \$15,000,000 for fiscal year 2008;

1 “(B) \$25,000,000 for fiscal year 2009; and

2 “(C) \$35,000,000 for fiscal year 2010.

3 “(2) ADDITIONAL FUNDING.—In addition to  
4 amounts described in paragraph (1), there is author-  
5 ized to be appropriated to carry out this section  
6 \$85,000,000 for each of fiscal years 2008 through  
7 2012.

8 **“SEC. 9009. SUN GRANT PROGRAM.**

9 “(a) PURPOSES.—The purposes of the programs es-  
10 tablished under this section are—

11 “(1) to enhance national energy security  
12 through the development, distribution, and imple-  
13 mentation of biobased energy technologies;

14 “(2) to promote diversification in, and the envi-  
15 ronmental sustainability of, agricultural production  
16 in the United States through biobased energy and  
17 product technologies;

18 “(3) to promote economic diversification in  
19 rural areas of the United States through biobased  
20 energy and product technologies; and

21 “(4) to enhance the efficiency of bioenergy and  
22 biomass research and development programs  
23 through improved coordination and collaboration be-  
24 tween the Department of Agriculture, the Depart-

1       ment of Energy, and the land-grant colleges and  
2       universities.

3       “(b) DEFINITION OF LAND-GRANT COLLEGES AND  
4       UNIVERSITIES.—The term ‘land-grant colleges and uni-  
5       versities’ means—

6               “(1) 1862 Institutions (as defined in section 2  
7       of the Agricultural Research, Extension, and Edu-  
8       cation Reform Act of 1998 (7 U.S.C. 7601));

9               “(2) 1890 Institutions (as defined in section 2  
10       of that Act) and West Virginia State College; and

11               “(3) 1994 Institutions (as defined in section 2  
12       of that Act).

13       “(c) ESTABLISHMENT.—To carry out the purposes  
14       described in subsection (a), the Secretary shall provide  
15       grants to sun grant centers specified in subsection (d).

16       “(d) GRANTS TO CENTERS.—The Secretary shall use  
17       amounts made available for a fiscal year under subsection  
18       (j) to provide a grants in equal amounts to each of the  
19       following sun grant centers:

20               “(1) NORTH-CENTRAL CENTER.—A north-cen-  
21       tral sun grant center at South Dakota State Univer-  
22       sity for the region composed of the States of Illinois,  
23       Indiana, Iowa, Minnesota, Montana, Nebraska,  
24       North Dakota, South Dakota, Wisconsin, and Wyo-  
25       ming.



1           “(2) SOUTHEASTERN CENTER.—A southeastern  
2 sun grant center at the University of Tennessee at  
3 Knoxville for the region composed of—

4           “(A) the States of Alabama, Florida, Geor-  
5 gia, Kentucky, Mississippi, North Carolina,  
6 South Carolina, Tennessee, and Virginia;

7           “(B) the Commonwealth of Puerto Rico;  
8 and

9           “(C) the United States Virgin Islands.

10          “(3) SOUTH-CENTRAL CENTER.—A south-cen-  
11 tral sun grant center at Oklahoma State University  
12 for the region composed of the States of Arkansas,  
13 Colorado, Kansas, Louisiana, Missouri, New Mexico,  
14 Oklahoma, and Texas.

15          “(4) WESTERN CENTER.—A western sun grant  
16 center at Oregon State University for the region  
17 composed of—

18          “(A) the States of Alaska, Arizona, Cali-  
19 fornia, Hawaii, Idaho, Nevada, Oregon, Utah,  
20 and Washington; and

21          “(B) territories and possessions of the  
22 United States (other than the territories re-  
23 ferred to in subparagraphs (B) and (C) of para-  
24 graph (2)).

1           “(5) NORTHEASTERN CENTER.—A northeastern  
2           sun grant center at Cornell University for the region  
3           composed of the States of Connecticut, Delaware,  
4           Massachusetts, Maryland, Maine, Michigan, New  
5           Hampshire, New Jersey, New York, Ohio, Pennsyl-  
6           vania, Rhode Island, Vermont, and West Virginia.

7           “(6) WESTERN INSULAR PACIFIC SUB-  
8           CENTER.—A western insular Pacific subcenter at the  
9           University of Hawaii for the region composed of the  
10          State of Alaska, Guam, American Samoa, the Com-  
11          monwealth of the Northern Mariana Islands, the  
12          Federated States of Micronesia, the Republic of the  
13          Marshall Islands, and the Republic of Palau.

14          “(e) USE OF FUNDS.—

15                 “(1) CENTERS OF EXCELLENCE.—Of the  
16                 amount of funds that are made available for a fiscal  
17                 year to a sun grant center under subsection (d), the  
18                 center shall use not more than 25 percent of the  
19                 amount for administration to support excellence in  
20                 science, engineering, and economics at the center to  
21                 promote the purposes described in subsection (a)  
22                 through the State agricultural experiment station,  
23                 cooperative extension services, and relevant edu-  
24                 cational programs of the university.

1           “(2) GRANTS TO LAND-GRANT COLLEGES AND  
2           UNIVERSITIES.—

3           “(A) IN GENERAL.—The sun grant center  
4           established for a region shall use the funds that  
5           remain available for a fiscal year after expendi-  
6           tures made under paragraph (1) to provide  
7           competitive grants to land-grant colleges and  
8           universities in the region of the sun grant cen-  
9           ter to conduct, consistent with the purposes de-  
10          scribed in subsection (a), multi-institutional and  
11          multistate—

12                   “(i) research, extension, and edu-  
13                   cational programs on technology develop-  
14                   ment; and

15                   “(ii) integrated research, extension,  
16                   and educational programs on technology  
17                   implementation.

18          “(B) PROGRAMS.—Of the amount of funds  
19          that are used to provide grants for a fiscal year  
20          under subparagraph (A), the center shall use—

21                   “(i) not less than 30 percent of the  
22                   funds to carry out programs described in  
23                   subparagraph (A)(i); and

1                   “(ii) not less than 30 percent of the  
2                   funds to carry out programs described in  
3                   subparagraph (A)(ii).

4                   “(3) INDIRECT COSTS.—A sun grant center  
5                   may not recover the indirect costs of making grants  
6                   under paragraph (2) to other land-grant colleges and  
7                   universities.

8                   “(f) PLAN.—

9                   “(1) IN GENERAL.—Subject to the availability  
10                  of funds under subsection (j), in cooperation with  
11                  other land-grant colleges and universities and pri-  
12                  vate industry in accordance with paragraph (2), the  
13                  sun grant centers shall jointly develop and submit to  
14                  the Secretary, for approval, a plan for addressing at  
15                  the State and regional levels the bioenergy, biomass,  
16                  and gasification research priorities of the Depart-  
17                  ment of Agriculture and the Department of Energy  
18                  for the making of grants under paragraphs (1) and  
19                  (2) of subsection (e).

20                  “(2) GASIFICATION COORDINATION.—

21                  “(A) IN GENERAL.—In developing the plan  
22                  under paragraph (1) with respect to gasification  
23                  research, the sun grant centers identified in  
24                  paragraphs (1) and (2) of subsection (d) shall  
25                  coordinate with land grant colleges and univer-

1           sities in their respective regions that have ongo-  
2           ing research activities with respect to the re-  
3           search.

4           “(B) FUNDING.—Funds made available  
5           under subsection (d) to the sun grant center  
6           identified in subsection (e)(2) shall be available  
7           to carry out planning coordination under para-  
8           graph (1) of this subsection.

9           “(g) GRANTS TO OTHER LAND-GRANT COLLEGES  
10          AND UNIVERSITIES.—

11           “(1) PRIORITY FOR GRANTS.—In making  
12           grants under subsection (e)(2), a sun grant center  
13           shall give a higher priority to programs that are con-  
14           sistent with the plan approved by the Secretary  
15           under subsection (f).

16           “(2) TERM OF GRANTS.—The term of a grant  
17           provided by a sun grant center under subsection  
18           (e)(2) shall not exceed 5 years.

19           “(h) GRANT INFORMATION ANALYSIS CENTER.—The  
20           sun grant centers shall maintain a Sun Grant Information  
21           Analysis Center at the sun grant center specified in sub-  
22           section (d)(1) to provide sun grant centers analysis and  
23           data management support.

24           “(i) ANNUAL REPORTS.—Not later than 90 days  
25           after the end of a year for which a sun grant center re-

1 ceives a grant under subsection (d), the sun grant center  
2 shall submit to the Secretary a report that describes the  
3 policies, priorities, and operations of the program carried  
4 out by the center during the year, including a description  
5 of progress made in facilitating the priorities described in  
6 subsection (f).

7 “(j) FUNDING.—

8 “(1) COMMODITY CREDIT CORPORATION.—Of  
9 the funds of the Commodity Credit Corporation, the  
10 Secretary shall use to carry out this section, to re-  
11 main available until expended—

12 “(A) \$5,000,000 for fiscal year 2008;

13 “(B) \$10,000,000 for fiscal year 2009; and

14 “(C) \$10,000,000 for fiscal year 2010.

15 “(2) AUTHORIZATION OF APPROPRIATIONS.—

16 “(A) IN GENERAL.—In addition to any  
17 other funds made available to carry out this  
18 section, there is authorized to be appropriated  
19 to carry out this section \$70,000,000 for each  
20 of fiscal years 2008 through 2012.

21 “(B) GRANT INFORMATION ANALYSIS CEN-  
22 TER.—Of amounts made available under sub-  
23 paragraph (A), not more than \$4,000,000 for  
24 each fiscal year shall be made available to carry  
25 out subsection (h).

1 **“SEC. 9010. REGIONAL BIOMASS CROP EXPERIMENTS.**

2       “(a) PURPOSE.—The purpose of this section is to ini-  
3 tiate multi-region side-by-side crop experiments to provide  
4 a sound knowledge base on all aspects of the production  
5 of biomass energy crops, including crop species, nutrient  
6 requirements, management practices, environmental im-  
7 pacts, greenhouse gas implications, and economics.

8       “(b) CROP EXPERIMENTS.—

9           “(1) IN GENERAL.—The Secretary, in consulta-  
10 tion with the Board, based on the recommendations  
11 of the Advisory Committee, shall award 10 competi-  
12 tive grants to land-grant colleges and universities (as  
13 defined in section 1404 of the National Agricultural  
14 Research, Extension, and Teaching Policy Act of  
15 1977 (7 U.S.C. 3103)) to establish regional biomass  
16 crop research experiments (including experiments in-  
17 volving annuals, perennials, and woody biomass spe-  
18 cies).

19           “(2) SELECTION OF GRANT RECIPIENTS.—  
20 Grant recipients shall be selected on the basis of ap-  
21 plications submitted in accordance with guidelines  
22 issued by the Secretary.

23           “(3) SELECTION CRITERIA.—In selecting grant  
24 recipients, the Secretary shall consider—

1           “(A) the capabilities and experience of the  
2           applicant in conducting side-by-side crop experi-  
3           ments;

4           “(B) the range of species types and crop-  
5           ping practices proposed for study;

6           “(C) the quality of the proposed crop ex-  
7           periment plan;

8           “(D) the commitment of the applicant of  
9           adequate acreage and necessary resources for,  
10          and continued participation in, the crop experi-  
11          ments;

12          “(E) the need for regional diversity among  
13          the 10 institutions selected; and

14          “(F) such other factors as the Secretary  
15          may determine.

16          “(c) GRANTS.—The Secretary shall make a grant to  
17          each land-grant college or university selected under sub-  
18          section (b) in the amount of—

19                 “(1) \$1,000,000 for fiscal year 2008;

20                 “(2) \$2,000,000 for fiscal year 2009; and

21                 “(3) \$1,000,000 for fiscal year 2010.

22          “(d) COORDINATION.—The Secretary shall coordi-  
23          nate with participants under this section—

24                 “(1) to provide coordination regarding biomass  
25          crop research approaches; and



1           “(2) to ensure coordination between biomass  
2           crop research activities carried out by land-grant col-  
3           leges and universities under this section and by sun  
4           grant centers under section 9009.

5           “(e) FUNDING.—

6           “(1) COMMODITY CREDIT CORPORATION.—Of  
7           the funds of the Commodity Credit Corporation, the  
8           Secretary shall use to carry out this section, to re-  
9           main available until expended—

10                   “(A) \$10,000,000 for fiscal year 2008;

11                   “(B) \$20,000,000 for fiscal year 2009; and

12                   “(C) \$10,000,000 for fiscal year 2010.

13           “(2) AUTHORIZATION OF APPROPRIATIONS.—In  
14           addition to any other funds made available to carry  
15           out this section, there are authorized to be appro-  
16           priated such sums are necessary to carry out this  
17           section for each of fiscal years 2008 through 2012.

18           **“SEC. 9011. BIOCHAR RESEARCH, DEVELOPMENT, AND**

19                   **DEMONSTRATION.**

20           “(a) PURPOSE.—The purpose of this section is to  
21           support research, development, and demonstration of  
22           biochar as a coproduct of bioenergy production, as a soil  
23           enhancement practice, and as a carbon management strat-  
24           egy.

1           “(b) DEFINITION OF BIOCHAR.—In this section, the  
2 term ‘biochar’ means charcoal or biomass-derived black  
3 carbon that is added to soil to improve soil fertility, nutri-  
4 ent retention, and carbon content.

5           “(c) GRANTS.—The Secretary shall award competi-  
6 tive grants to eligible entities to support biochar research,  
7 development, and demonstration projects on multiple  
8 scales, including laboratory biochar research and field  
9 trials, and biochar systems on a single farm scale, local  
10 community scale, and agricultural cooperative scale.

11           “(d) ELIGIBLE ENTITIES.—To be eligible to receive  
12 a grant under this section, an entity shall be an eligible  
13 entity described in section 9005(d).

14           “(e) AREAS OF BIOCHAR RESEARCH, DEVELOP-  
15 MENT, AND DEMONSTRATION.—In carrying out this sec-  
16 tion, the Secretary shall solicit proposals for activities that  
17 include—

18                   “(1) the installation and use of biochar produc-  
19 tion systems, including pyrolysis and  
20 thermocombustion systems, and the integration of  
21 biochar production with bioenergy and bioproducts  
22 production;

23                   “(2) the study of agronomic effects of biochar  
24 usage in soils, including plant growth and yield ef-

1       fects for different application rates and soil types,  
2       and implications for water and fertilizer needs;

3           “(3) biochar characterization, including analysis  
4       of physical properties, chemical structure, product  
5       consistency and quality, and the impacts of those  
6       properties on the soil-conditioning effects of biochar  
7       in different soil types;

8           “(4) the study of effects of the use of biochar  
9       on the carbon content of soils, with an emphasis on  
10      the potential for biochar applications to sequester  
11      carbon;

12          “(5) the study of effects of biochar on green-  
13      house gas emissions relating to crop production, in-  
14      cluding nitrous oxide and carbon dioxide emissions  
15      from cropland;

16          “(6) the study of the integration of renewable  
17      energy and bioenergy production with biochar pro-  
18      duction;

19          “(7) the study of the economics of biochar pro-  
20      duction and use, including considerations of feed-  
21      stock competition, synergies of coproduction with  
22      bioenergy, the value of soil enhancements, and the  
23      value of soil carbon sequestration; and

24          “(8) such other topics as are identified by the  
25      Secretary.

1           “(f) FUNDING.—There is authorized to be appro-  
2    priated to carry out this section \$3,000,000 for each of  
3    fiscal years 2008 through 2012.

4    **“SEC. 9012. RENEWABLE WOODY BIOMASS FOR ENERGY.**

5           “(a) IN GENERAL.—The Secretary, acting through  
6    the Chief of the Forest Service (referred to in this section  
7    as the ‘Secretary’), shall conduct a competitive research,  
8    technology development, and technology application pro-  
9    gram to encourage the use of renewable woody biomass  
10   for energy.

11          “(b) ELIGIBLE ENTITIES.—Entities eligible to com-  
12   pete under the program shall include—

13               “(1) the Forest Service (through Research and  
14   Development);

15               “(2) other Federal agencies;

16               “(3) State and local governments;

17               “(4) federally recognized Indian tribes;

18               “(5) colleges and universities; and

19               “(6) private entities.

20          “(c) PRIORITY FOR PROJECT SELECTION.—The Sec-  
21   retary shall give priority under the program to projects  
22   that—

23               “(1) develop technology and techniques to use  
24   low-value woody biomass sources, such as byproducts

1 of forest health treatments and hazardous fuels re-  
2 duction, for the production of energy;

3 “(2) develop processes that integrate production  
4 of energy from woody biomass into biorefineries or  
5 other existing manufacturing streams;

6 “(3) develop new transportation fuels from  
7 woody biomass; and

8 “(4) improve the growth and yield of trees in-  
9 tended for renewable energy production.

10 “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
11 is authorized to be appropriated to carry out this section  
12 \$5,000,000 for each of fiscal years 2008 through 2012.

13 **“SEC. 9013. COMMUNITY WOOD ENERGY PROGRAM.**

14 “(a) DEFINITIONS.—In this section:

15 “(1) COMMUNITY WOOD ENERGY PLAN.—The  
16 term ‘community wood energy plan’ means a plan  
17 that identifies how local forests can be accessed in  
18 a sustainable manner to help meet the wood supply  
19 needs of a community wood energy system.

20 “(2) COMMUNITY WOOD ENERGY SYSTEM.—

21 “(A) IN GENERAL.—The term ‘community  
22 wood energy system’ means an energy system  
23 that—

24 “(i) services schools, town halls, li-  
25 braries, and other public buildings; and

1                   “(ii) uses woody biomass as the pri-  
2                   mary fuel.

3                   “(B) INCLUSIONS.—The term ‘community  
4                   wood energy system’ includes single facility cen-  
5                   tral heating, district heating, combined heat  
6                   and energy systems, and other related biomass  
7                   energy systems.

8                   “(b) GRANT PROGRAM.—

9                   “(1) IN GENERAL.—The Secretary, acting  
10                  through the Chief of the Forest Service, shall estab-  
11                  lish a program to be known as the ‘Community  
12                  Wood Energy Program’ to provide—

13                  “(A) grants of up to \$50,000 to State and  
14                  local governments (or designees)—

15                         “(i) to conduct feasibility studies re-  
16                         lated to community wood energy plans; and

17                         “(ii) to develop community wood en-  
18                         ergy plans; and

19                  “(B) competitive grants to State and local  
20                  governments—

21                         “(i) to acquire or upgrade community  
22                         wood energy systems for public buildings;  
23                         and

24                         “(ii) to implement a community wood  
25                         energy plan.

1           “(2) CONSIDERATIONS.—In selecting applicants  
2 for grants under paragraph (1)(B), the Secretary  
3 shall consider—

4                   “(A) the energy efficiency of the proposed  
5 system; and

6                   “(B) other conservation and environmental  
7 criteria that the Secretary considers appro-  
8 priate.

9           “(c) COMMUNITY WOOD ENERGY PLAN.—

10                   “(1) IN GENERAL.—A State or local govern-  
11 ment that receives a grant under subsection  
12 (b)(1)(A), shall use the grant, and the technical as-  
13 sistance of the State forester, to create a community  
14 wood energy plan to meet the wood supply needs of  
15 the community wood energy system, in a sustainable  
16 manner, that the State or local government proposes  
17 to purchase under this section.

18                   “(2) USE OF PLAN.—A State or local govern-  
19 ment applying to receive a competitive grant de-  
20 scribed in subsection (b)(1)(B) shall submit to the  
21 Secretary as part of the grant application the appli-  
22 cable community wood energy plan described in  
23 paragraph (1).

1           “(3) REQUIREMENT.—To be included in a com-  
2           munity wood energy plan, property shall be subject  
3           to a forest management plan.

4           “(d) USE IN PUBLIC BUILDINGS.—A State or local  
5           government that receives a grant under subsection  
6           (b)(1)(B) shall use a community wood energy system ac-  
7           quired, in whole or in part, with the use of the grant funds  
8           for primary use in a public facility owned by the State  
9           or local government.

10          “(e) LIMITATION.—A community wood energy system  
11          acquired with grant funds provided under subsection  
12          (b)(1)(B) shall not exceed an output of—

13                 “(1) 50,000,000 Btu per hour for heating; and

14                 “(2) 2 megawatts for electric power production.

15          “(f) MATCHING FUNDS.—A State or local govern-  
16          ment that receives a grant under subsection (b) shall con-  
17          tribute an amount of non-Federal funds towards the feasi-  
18          bility study, development of the community wood energy  
19          plan, or acquisition of the community wood energy sys-  
20          tems that is at least equal to the amount of grant funds  
21          received by the State or local government under that sub-  
22          section.

23          “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
24          is authorized to be appropriated to carry out this section  
25          \$5,000,000 for each of fiscal years 2008 through 2012.



1 **“SEC. 9014. RURAL ENERGY SYSTEMS RENEWAL.**

2 “(a) PURPOSE.—The purpose of this section is to es-  
3 tablish a Federal program—

4 “(1) to encourage communities in rural areas of  
5 the United States to establish energy systems re-  
6 newal strategies for their communities;

7 “(2) to provide the information, analysis assist-  
8 ance, and guidance that the communities need; and

9 “(3) to provide financial resources to partially  
10 fund the costs of carrying out community energy  
11 systems renewal projects.

12 “(b) PROGRAM AUTHORITY.—The Secretary shall es-  
13 tablish and carry out a program of competitive grants to  
14 support communities in rural areas in carrying out rural  
15 energy systems renewal projects.

16 “(c) USE OF GRANTS.—A community may use a  
17 grant provided under this section to carry out a project—

18 “(1) to conduct an energy assessment that as-  
19 sesses total energy usage by all members and activi-  
20 ties of the community, including an assessment of—

21 “(A) energy used in community facilities,  
22 including energy for heating, cooling, lighting,  
23 and all other building and facility uses;

24 “(B) energy used in transportation by  
25 community members;

1           “(C) current sources and types of energy  
2           used;

3           “(D) energy embedded in other materials  
4           and products;

5           “(E) the major impacts of the energy  
6           usage (including the impact on the quantity of  
7           oil imported, total costs, the environment, and  
8           greenhouse gas emissions); and

9           “(F) such other activities as are deter-  
10          mined appropriate by the community, consistent  
11          with the purposes described in subsection (a);

12          “(2) to formulate and analyze ideas for reduc-  
13          ing conventional energy usage and greenhouse gas  
14          emissions by the community, including reduction of  
15          energy usage through—

16               “(A) housing insulation, automatic controls  
17               on lighting and electronics, zone energy usage,  
18               and home energy conservation practices;

19               “(B) transportation alternatives, vehicle  
20               options, transit options, transportation con-  
21               servation, and walk- and bike-to-school pro-  
22               grams;

23               “(C) community configuration alternatives  
24               to provide pedestrian access to regular services;  
25               and

1           “(D) community options for alternative en-  
2           ergy systems (including alternative fuels, photo-  
3           voltaic electricity, wind energy, geothermal heat  
4           pump systems, and combined heat and power);

5           “(3) to formulate and implement community  
6           strategies for reducing conventional energy usage  
7           and greenhouse gas emissions by the community;

8           “(4) to conduct assessments and to track and  
9           record the results of energy system changes; and

10           “(5) to train rural community energy profes-  
11           sionals to provide expert support to community en-  
12           ergy systems renewal projects.

13           “(d) FEDERAL SHARE.—The Federal cost of car-  
14           rying out a project under this section shall be 50 percent  
15           of the total cost of the project.

16           “(e) ADMINISTRATION.—The Secretary shall—

17           “(1) issue, on an annual basis, requests for pro-  
18           posals from communities in rural areas for energy  
19           systems renewal projects; and

20           “(2) establish criteria for program participation  
21           and evaluation of projects carried out under this sec-  
22           tion, including criteria based on—

23           “(A) the quality of the renewal projects  
24           proposed;

1           “(B) the probability of success of the com-  
2           munity in meeting the energy systems renewal  
3           goals of the community;

4           “(C) the projected energy savings (includ-  
5           ing oil savings) resulting from the proposed  
6           projects; and

7           “(D) projected greenhouse gas emission re-  
8           ductions resulting from the proposed projects.

9           “(f) TECHNICAL ASSISTANCE.—The Secretary, in  
10          consultation with the Secretary of Energy, shall—

11           “(1) develop, and provide through the National  
12          Institute of Food and Agriculture or State Energy  
13          Offices, information and tools that communities in  
14          rural areas can use—

15           “(A) to assess the current energy systems  
16          of the communities, including sources, uses, and  
17          impacts;

18           “(B) to identify and evaluate options for  
19          changes;

20           “(C) to develop strategies and plans for  
21          changes; and

22           “(D) to implement changes and assess the  
23          impact of the changes; and

24           “(2) provide technical assistance and support to  
25          communities in rural areas that receive grants under

1 this section to assist the communities in carrying out  
2 projects under this section.

3 “(g) REPORT.—Not later than December 31, 2011,  
4 and biennially thereafter, the Secretary shall submit to the  
5 Committee on Agriculture of the House of Representatives  
6 and the Committee on Agriculture, Nutrition, and For-  
7 estry of the Senate a report that documents the best prac-  
8 tices and approaches used by communities in rural areas  
9 that receive funds under this section.

10 “(h) AUTHORIZATION OF APPROPRIATIONS.—There  
11 is authorized to be appropriated to the Secretary to make  
12 grants under this section \$5,000,000 for each of fiscal  
13 years 2008 through 2012.

14 **“SEC. 9015. VOLUNTARY RENEWABLE BIOMASS CERTIFI-**  
15 **CATION PROGRAM.**

16 “(a) ESTABLISHMENT.—The Secretary, in consulta-  
17 tion with Administrator, shall establish a voluntary pro-  
18 gram to certify renewable biomass that meets sustainable  
19 growing standards designed—

20 “(1) to reduce greenhouse gases and improve  
21 soil carbon content;

22 “(2) to protect wildlife habitat, and

23 “(3) to protect air, soil, and water quality.

24 “(b) VOLUNTARY CERTIFICATION REQUIREMENTS.—  
25 To qualify for certification under the program established

1 under subsection (a), a biomass crop shall be inspected  
2 and certified as meeting the standards adopted under sub-  
3 section (c) by an inspector designated under subsection  
4 (d).

5 “(c) PRODUCTION STANDARDS.—

6 “(1) IN GENERAL.—The Secretary shall adopt  
7 standards for the certification of renewable biomass  
8 under subsection (b) that will apply to those pro-  
9 ducers who elect to participate in the voluntary cer-  
10 tification program.

11 “(2) REQUIREMENT.—The standards under  
12 paragraph (1) shall provide measurement of a nu-  
13 merical reduction in greenhouse gases, improvement  
14 to soil carbon content, and reduction in soil and  
15 water pollutants, based on the recommendations of  
16 an advisory committee jointly established by the Sec-  
17 retary and the Administrator.

18 “(d) INSPECTORS.—The Secretary shall designate in-  
19 spectors that the Secretary determines are qualified to  
20 carry out inspections and certifications under subsection  
21 (b) in order to certify renewable biomass under this sec-  
22 tion.

23 “(e) DESIGNATION.—A product produced from re-  
24 newable biomass that is certified under this section may

1 be designated as having been produced from certified re-  
2 newable biomass if—

3           “(1) the producer of the product verifies that  
4           the product was produced from renewable biomass;  
5           and

6           “(2) the verification includes a copy of the cer-  
7           tification obtained in accordance with subsection (b).

8 **“SEC. 9016. ADMINISTRATION.**

9           “The Secretary shall designate an entity within the  
10 Department of Agriculture to—

11           “(1) provide oversight and coordination of all  
12           activities relating to renewable energy and biobased  
13           product development within the Department;

14           “(2) act as a liaison between the Department  
15           and other Federal, State, and local agencies to en-  
16           sure coordination among activities relating to renew-  
17           able energy and biobased product development;

18           “(3) assist agriculture researchers by evaluating  
19           the market potential of new biobased products in the  
20           initial phase of development;

21           “(4) collect and disseminate information relat-  
22           ing to renewable energy and biobased product devel-  
23           opment programs, including research, within the  
24           Federal Government; and

1           “(5) establish and maintain a public database  
2 of best practices to facilitate information sharing re-  
3 lating to—

4                   “(A) renewable energy and biobased prod-  
5 uct development from programs under this title  
6 and other programs; and

7                   “(B) best practices for producing, col-  
8 lecting, harvesting, storing, and transporting  
9 crops of renewable biomass, as described under  
10 section 9004(d)(3)(B) of the Farm Security  
11 and Rural Investment Act of 2002.

12 **“SEC. 9017. BIOFUELS INFRASTRUCTURE STUDY.**

13           “(a) IN GENERAL.—The Secretary, in collaboration  
14 with the Secretary of Energy, the Administrator, and the  
15 Secretary of Transportation, shall—

16                   “(1) conduct an assessment of the infrastruc-  
17 ture needs for expanding the domestic production,  
18 transport, and marketing of biofuels and bioenergy;

19                   “(2) formulate recommendations for infrastruc-  
20 ture development needs and approaches; and

21                   “(3) submit to the appropriate committees of  
22 Congress a report describing the assessment and  
23 recommendations.

24           “(b) INFRASTRUCTURE AREAS.—In carrying out sub-  
25 section (a), the Secretary shall consider—



1           “(1) biofuel transport and delivery infrastruc-  
2           ture issues, including shipment by rail or pipeline or  
3           barge;

4           “(2) biofuel storage needs;

5           “(3) biomass feedstock delivery needs, including  
6           adequacy of rural roads;

7           “(4) biomass feedstock storage needs;

8           “(5) water resource needs, including water re-  
9           quirements for biorefineries; and

10          “(6) such other infrastructure issues as the  
11          Secretary may determine.

12          “(c) CONSIDERATIONS.—In carrying out subsection  
13 (a), the Secretary shall consider—

14           “(1) estimated future biofuels production levels  
15           of—

16                   “(A) 20,000,000,000 gallons per year to  
17                   40,000,000,000 gallons per year by 2020; and

18                   “(B) 50,000,000,000 gallons per year to  
19                   75,000,000,000 gallons per year by 2030;

20           “(2) the feasibility of shipping biofuels through  
21           existing pipelines;

22           “(3) the development of new biofuels pipelines,  
23           including siting, financing, timing, and other eco-  
24           nomic issues;

1           “(4) the environmental implications of alter-  
2           native approaches to infrastructure development;  
3           and

4           “(5) the resource use and conservation charac-  
5           teristics of alternative approaches to infrastructure  
6           development.

7           “(d) IMPLEMENTATION.—In carrying out this sec-  
8           tion, the Secretary—

9           “(1) shall consult with individuals and entities  
10          with interest or expertise in the areas described in  
11          subsections (b) and (c); and

12          “(2) may issue a solicitation for a competition  
13          to select a contractor to support the Secretary.

14          “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
15          is authorized to be appropriated to carry out this section  
16          \$1,000,000 for each of fiscal years 2008 and 2009.

17       **“SEC. 9018. RURAL NITROGEN FERTILIZER STUDY.**

18          “(a) PURPOSES.—The purposes of this section are—

19               “(1) to assess the feasibility of producing nitro-  
20               gen fertilizer from renewable energy resources in  
21               rural areas; and

22               “(2) to formulate recommendations for a pro-  
23               gram to promote rural nitrogen fertilizer production  
24               from renewable energy resources in the future.

25          “(b) STUDY.—The Secretary shall—

1           “(1) conduct a study to assess and summarize  
2           the current state of knowledge regarding the poten-  
3           tial for the production of nitrogen fertilizer from re-  
4           newable energy sources in rural areas;

5           “(2) identify the critical challenges to commer-  
6           cialization of rural production of nitrogen fertilizer  
7           from renewables; and

8           “(3) not later than 270 days after the date of  
9           enactment of this section, submit to the Committee  
10          on Agriculture of the House of Representatives and  
11          the Committee on Agriculture, Nutrition, and For-  
12          estry of the Senate a report that summarizes the re-  
13          sults of the activities described in paragraphs (1)  
14          and (2).

15          “(c) NEEDS.—

16                 “(1) IN GENERAL.—Based on the results of the  
17                 study described in subsection (b), the Secretary shall  
18                 identify the critical needs to commercializing the  
19                 rural production of nitrogen fertilizer from renew-  
20                 ables, including—

21                         “(A) identifying alternative processes for  
22                         renewables-to-nitrogen fertilizer production;

23                         “(B) identifying efficiency improvements  
24                         that are necessary for each component of re-  
25                         newables-to-nitrogen fertilizer production proc-

1           esses to produce cost-competitive nitrogen fer-  
2           tilizer;

3           “(C) identifying research and technology  
4           priorities for the most promising technologies;

5           “(D) identifying economic analyses needed  
6           to better understand the commercial potential  
7           of rural nitrogen production from renewables;

8           “(E) identifying additional challenges im-  
9           peding commercialization, including—

10           “(i) cost competition from nitrogen  
11           fertilizer produced using natural gas and  
12           coal;

13           “(ii) modifications or expansion need-  
14           ed to the currently-installed nitrogen fer-  
15           tilizer (anhydrous ammonia) pipeline and  
16           storage tank system to enable interconnec-  
17           tion of on-farm or rural renewables-to-ni-  
18           trogen fertilizer systems;

19           “(iii) impact on nitrogen fertilizer (an-  
20           hydrous ammonia) transportation infra-  
21           structure and safety regulations;

22           “(iv) supply of competitively-priced re-  
23           newable electricity; and

24           “(v) impacts on domestic water sup-  
25           plies; and

1                   “(F) determining greenhouse gas reduction  
2                   benefits of producing nitrogen fertilizer from re-  
3                   newable energy.

4                   “(d) PROGRAM RECOMMENDATIONS.—As part of the  
5 report described in subsection (b)(3) and based on the  
6 needs identified in subsection (c), the Secretary shall pro-  
7 vide recommendations on—

8                   “(1) the establishment of a research, develop-  
9                   ment, and demonstration program to support com-  
10                  mercialization of rural nitrogen production using re-  
11                  newables;

12                  “(2) the appropriate contents of the program;

13                  “(3) the appropriate approach to implementing  
14                  the program, including participants and funding  
15                  plans; and

16                  “(4) legislation to support commercialization of  
17                  rural nitrogen production using renewables.

18                  “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
19 is authorized to be appropriated to carry out this section  
20 \$1,000,000 for fiscal year 2008.

21 **“SEC. 9019. STUDY OF LIFE-CYCLE ANALYSIS OF BIOFUELS.**

22                  “(a) IN GENERAL.—The Secretary, in consultation  
23 with the Secretary of Energy and the Administrator, shall  
24 conduct a study of—

1           “(1) published methods for evaluating the  
2           lifecycle greenhouse gas emissions of conventional  
3           fuels and biofuels; and

4           “(2) methods for performing simplified, stream-  
5           lined lifecycle analyses of the greenhouse gas emis-  
6           sions of conventional fuels and biofuels.

7           “(b) REPORT.—Not later than 1 year after the date  
8           of enactment of this section, the Secretary shall submit  
9           to the Committee on Agriculture of the House of Rep-  
10          resentatives and the Committee on Agriculture, Nutrition,  
11          and Forestry of the Senate a report that describes the re-  
12          sults of the study conducted under subsection (a), includ-  
13          ing recommendations for a method for performing a sim-  
14          plified, streamlined lifecycle analysis of the greenhouse gas  
15          emissions of biofuels and fossil fuels that includes—

16               “(1) greenhouse gas emissions relating to the  
17               production, extraction, transportation, storage, and  
18               waste disposal of the fuels and the feedstocks of the  
19               fuels, including the greenhouse gases associated with  
20               electrical and thermal energy inputs;

21               “(2) greenhouse gas emissions relating to the  
22               distribution, marketing, and use of the fuels; and

23               “(3) to the maximum extent practicable, direct  
24               and indirect greenhouse gas emissions from changes  
25               in land use and land cover that occur domestically

1 or internationally as a result of biofuel feedstock  
2 production.

3 “(c) UPDATE.—Not later than 2 years after the date  
4 on which the Secretary submits the report under sub-  
5 section (b), the Secretary shall submit to the Committee  
6 on Agriculture of the House of Representatives and the  
7 Committee on Agriculture, Nutrition, and Forestry of the  
8 Senate an update containing recommendations for an im-  
9 proved method for conducting lifecycle analysis of the  
10 greenhouse gas emissions of biofuels and fossil fuels that  
11 takes into account advances in the understanding of the  
12 emissions.”.

13 **SEC. 9002. CONFORMING AMENDMENTS.**

14 (a) BIOMASS RESEARCH AND DEVELOPMENT ACT OF  
15 2000.—Title III of the Agricultural Risk Protection Act  
16 of 2000 (7 U.S.C. 7624 note; Public Law 106–224) is re-  
17 pealed.

18 (b) MARKETING PROGRAM FOR BIOBASED PROD-  
19 UCTS.—

20 (1) IMPLEMENTATION.—

21 (A) IN GENERAL.—The Secretary shall  
22 continue to carry out the designation and label-  
23 ing of biobased products in accordance with sec-  
24 tion 9002 of the Farm Security and Rural In-  
25 vestment Act of 2002 (7 U.S.C. 8102) as in ef-

1           fect on the day before the date of enactment of  
2           this Act until the date on which the Secretary  
3           is able to begin carrying out section 9002(a) of  
4           that Act (as amended by section 9001), which  
5           shall begin not later than 90 days after the date  
6           of enactment of this Act.

7           (B) EXISTING LISTINGS.—Biobased prod-  
8           ucts designated and labeled under section 9002  
9           of the Farm Security and Rural Investment Act  
10          of 2002 (7 U.S.C. 8102) as in effect on the day  
11          before the date of enactment of this Act shall  
12          continue to be considered designated and la-  
13          beled biobased products after the date of enact-  
14          ment of this Act.

15          (C) PROPOSED ITEM DESIGNATIONS.—  
16          Notwithstanding any other provision of this Act  
17          or an amendment made by this Act, the Sec-  
18          retary shall have the authority to finalize the  
19          listings of any item proposed (prior to the date  
20          of enactment of this Act) to be designated in  
21          accordance with section 9002 of the Farm Se-  
22          curity and Rural Investment Act of 2002 (7  
23          U.S.C. 8102) as in effect on the day before the  
24          date of enactment of this Act.



1           (2) BIOENERGY EDUCATION AND AWARENESS  
2           CAMPAIGN.—Section 947 of the Energy Policy Act  
3           of 2005 (42 U.S.C. 16256) is repealed.