

Biomass Research & Development Initiative

Technical Advisory Committee

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Committed to the future of rural communities.





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- *Increasing economic opportunity in rural America*
- *Improving the quality of life of all rural Americans*



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Biofuels Interagency Working Group

On May 5, 2009, President Obama signed the directive establishing a new working group to be chaired by the Secretaries of Energy and Agriculture and the Administrator of the EPA.

The group will work with the National Biomass Research and Development Board on:

- Creating a *biofuel market development program* to boost next-generation biofuels, increase use of flex-fuel vehicles, and assist retail market development
- Coordinating infrastructure policies

2008 Farm Bill – Title IX

Renewable energy programs administered by
USDA Rural Development

- **Biorefinery Assistance Program**
- **Repowering Assistance Program**
- **Bioenergy Program for Advanced Biofuels**
- **Rural Energy for America Program (REAP)**
- **Rural Energy Self-Sufficiency Initiative**



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2008 Farm Bill

Section 9003 - Biorefinery Assistance Program

- Provides grants for demonstration scale and loan guarantees for commercial scale biorefineries that produce advanced biofuels
- Guaranteed Loan Limitations:
 - Up to \$250 Million for Biorefineries
- Grant Limitations: Pilot/Demonstration Scale –
 - Up to 50% of project costs
- **Mandatory Funding:**
 - FY 2009 - \$75 Million
 - FY 2010 - \$245 Million available until expended

Section 9003 Biorefinery Assistance

2009 Summary details

- **1 Approved**
 - Range Fuels Inc., Soperton, Georgia for \$80 million, 1/16/09
- **17 applications received (5 in Round 1, 12 in Round 2)**
- **Technologies:**
 - Cellulosic ethanol (4)
 - Biodiesel (6)
 - Green diesel from pulpwood (paper mill)
 - Algae to biodiesel refinery
 - Anaerobic digesters (3)
 - Other (4)
 - Anhydrous ammonia

Range Fuels, Inc.

Cellulosic Ethanol Plant
Soperton, Georgia

- First Guaranteed Loan for Commercial Scale Plant
- USDA Awarded \$80 Million
- Produce Cellulosic Ethanol from Wood Chips
- Expected to create 63 jobs and produce 20 million gallons of Cellulosic Ethanol per year.



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Section 9003 Biorefinery Assistance

2009 applications by amount requested

Requested Amount	Number of applications	Average	Total
< \$50M	8	\$ 18,312,500	\$ 146,500,000
\$50-\$100M	4	\$ 62,959,902	\$ 251,839,609
> \$100M	5	\$ 130,626,701	\$ 653,133,507
All	17	\$ 61,851,360	\$ 1,051,473,116

Section 9003 Biorefinery Assistance

Applications returned as incomplete, by round and total amount

	Amount requested	Application status
Round one	\$76,500,000	Incomplete - No Lender (3)
Round two	\$665,473,116	Incomplete - No Lender (7)
All	\$741,973,116	Incomplete - No Lender (10)

Section 9003 Biorefinery Assistance

Obligation and applications under review

Applications	State	Requested Amount	Status
Round One (12/31/2008)			
Range Fuels, Inc.	Georgia	\$80,000,000	Obligated
	Minnesota	\$25,000,000	Under Review
		<u>\$105,000,000</u>	
Round Two (4/30/2009)			
	Iowa	\$15,000,000	Under Review
	New Mexico	\$60,000,000	Under Review
	Massachusetts	\$5,000,000	Under Review
	Wisconsin	\$124,500,000	Under Review
	Michigan	\$10,675,000	Under Review
		<u>\$215,175,000</u>	

Section 9004 - Repowering Assistance Program

- Provides payments to biorefineries (in existence when Farm Bill was passed) to replace fossil fuels used to produce heat or power in biorefineries with renewable biomass
- Provides \$35 million for FY 2009 that will remain available until the funds are exhausted
- Authorizes additional funding of \$15 million per year, from FY 2009 through 2012
- Notice of Solicitation of Applications (NOSA) to be published early June 2009

Section 9005 -- Bioenergy Program for Advanced Biofuels

- Payments to eligible producers to support and ensure expanded production of advanced biofuels
- Existing production vs. new production
- **Mandatory Funding:**
 - \$55,000,000 FY 2009
 - \$55,000,000 FY 2010
 - \$85,000,000 FY 2011
 - \$105,000,000 FY 2012
- Discretionary Funding of up to \$25 million each FY 2009-2012
- Notice of Contract Proposals (NOCP) to be published early June 2009



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Section 9007 -- Rural Energy for America Program (REAP)

- Formerly Section 9006 – Renewable Energy Systems and Energy Efficiency Improvements Program
- Establishes a grant and loan guarantee program to assist agriculture producers and rural small businesses in purchasing renewable energy systems and making energy efficiency improvements
- Establishes a grant program for energy audits, technical assistance and feasibility studies

Section 9007 -- Rural Energy for America Program (REAP)

Continued

- Loan Guarantee Limits:
 - \$25 Million Cap
 - Cap Federal share at 75% of project costs
- **Mandatory Funding:**
 - FY 09 - \$55 Million
 - FY 10 - \$60 Million
 - FY 11 - \$70 Million
 - FY 12 - \$70 Million
- Discretionary funding of up to \$25 million each fiscal year, 2009 -12
- Notice of Solicitation of Applications published May 26, 2009!

Section 9006 Funding Activity FY 2003 - 08

Renewable Energy/Energy Efficiency

<u>Technology</u>	<u>Number of Projects</u>	<u>Combos Amount</u>	<u>Amount Leveraged</u>
		<i>Dollars</i>	<i>Dollars</i>
Biomass	271	65,188,772	321,322,470
Wind	245	48,008,511	582,427,329
Solar	108	4,683,405	11,207,057
Geothermal	52	1,969,517	4,576,639
Hybrid	18	2,620,736	85,968,197
Subtotal	694	122,470,941	1,105,501,692
Energy Efficiency	1,329	34,456,722	76,743,867
Subtotal	2,023	156,927,663	1,182,245,559
Guaranteed Loans	153	91,529,855	181,321,296
Grand Total	2,176	248,457,518	1,363,566,855

Section 9009 -- Rural Energy Self-Sufficiency Initiative

- Provides grants for the purpose of enabling eligible rural communities to substantially increase their energy self-sufficiency.
- Authorizes funds of \$5 million per year, beginning in FY 2009 and continuing through FY 2012.
- Policy discussion is in progress to identify program requirements

Thank you!



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