



USDA

Rural Development

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**Biomass *R&D* Technical Advisory
Committee Meeting
Washington, D.C.
November 27, 2007**

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Deputy Administrator, Business Programs
USDA Rural Development**



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Biomass Initiative Update

- *Update on FY 2007 Solicitation*
- *Status of Farm Bill*



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Section 9008 - 2007 Solicitation Status

- Notice published June 11, 2007
 - **30 day pre-application window**
 - **45 day full-application window**
- \$18 million available (\$14 USDA, \$4 DOE)
- Pre-Application Merit Review - Completed
 - **Washington, D.C., August 6 to 10, 2007**



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Section 9008 - 2007 Solicitation Status (con't)

- Selection Officer Approval and Debrief Letters sent (for pre-apps)
 - **Completed November 3, 2007**
- Approximate submission deadline for full applications
 - **November 16, 2007**
- Full Application Merit Review
 - **January 8, 2008**
 - **Golden, Colorado**
- FY 2007 Awards made
 - **February 8, 2008**



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Funding Distribution/Applications

Invited – Section 9008

<u>Distribution</u>	<u>Invited Applications</u>
• Feedstock Production – 20%	35/\$29M
• Overcoming Recalcitrance – 45%	39/\$32M
• Product Diversification – 30%	49/\$28M
• Analysis for Strategic Guidance – 5%	18/\$9M

FARM BILL - House

- **Biorefineries/Biofuel Production Plants**

- Not exceed 90% loan guarantee

- Funding Authority

- +\$1 billion - loans \leq \$100 Million

- +\$1 billion – loans $>$ \$100 Million \leq \$250 Million

- Mandatory Funding

- + \$75 Million – FY 08

- + \$100 Million – FY 09

- + \$125 Million – FY 10

- + \$200 Million – FY 11

- + \$300 Million – FY 12



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FARM BILL – House Continuation

- **Rural Energy for America Programs**
 - Amend current Section 9006, Renewable Energy System and Energy Efficiency Improvement Programs
 - Maximum loan guarantee cap of \$25 Million
 - Adds “Other Agriculture Producers”
 - Adds “production and selling of electricity” as eligible purposes
 - Mandatory Funding
 - + \$50 Million – FY 08
 - + \$75 Million – FY 09
 - + \$100 Million – FY 10
 - + \$125 Million – FY 11
 - + \$150 Million – FY 12



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FARM BILL – House Continuation

- **Biomass Research and Development Act of 2000**
 - Repeals TITLE III of Agriculture Risk Protection Act of 2000 (P.L. 106-224)
 - Place Statutory Language Under Farm Bill
 - Distribution of Funding By Technical Area-Remains same
 - Mandatory Funding
 - + \$35 Million – FY 08
 - + \$60 Million – FY 09
 - + \$75 Million – FY 10
 - + \$100 Million – FY 11
 - + \$150 Million – FY 12
 - Additional Funding Authorization
 - +\$200 Million each of FY 08 – FY 15



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FARM BILL – House Continuation

- **Adjustments to Bioenergy Programs**
 - Amended definition of bioenergy
 - +heat and power at biofuel plant
 - +biomass gasification
 - +hydrogen derived from cellulosic commodities
 - +renewable diesel
 - Changes “Eligible Commodity” to “Eligible Feedstocks” and excludes “corn starch” as eligible feedstock
 - Mandatory Funding
 - + \$225 Million – FY 08
 - + \$250 Million – FY 09
 - + \$275 Million – FY 10
 - + \$300 Million – FY 11
 - + \$350 Million – FY 12



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FARM BILL – House Continuation

- Biodiesel Fuel Education Program
 - Provides mandatory funding of \$2 Million per year for FY 08 – FY 12
- Biomass Energy Reserve
 - Provides financial/technical assistance for dedicate crops grown for biofuels, chemical, or energy products
 - Provides payment – collecting, harvesting, storing, and transporting biomass

FARM BILL – House Continuation

- Forest Biomass for Energy
 - Competitive R&D programs to encourage user of forest biomass from energy
 - Mandatory Funding of \$15 Million per year for FY 08 – FY 12
- Energy Council of USDA
 - Authorizes creation of Energy Council
 - Names Chief Economist and RD USEC as co-chairs

FARM BILL – House Continuation

- Rural Energy Self-Sufficiency Initiative
 - Rural communities (25,000 or less) similar opportunity that farmers, ranchers, and rural small businesses have under Section 9006
 - Provide funding authorization - \$5 Million annually FY 08 – FY 12
- Dedicated Ethanol Pipeline Feasibility Study
 - Joint USDA/DOE/DOT Study
 - \$1 Million Funding



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FARM BILL – Senate

- Renewable Energy definition amended to include energy derived:
 - Ocean (including tidal, wave, current, and thermo)
 - Hydro Electric
- Biodiesel Fuel Education Program
 - Reauthorized
 - \$2 Million/yr (2008-2012) Mandatory Funds
- Biomass Crop Transition
 - Competitive program to stimulate production of perennial bioenergy crops
 - Competition grant program – development and demonstration of harvesting, transportation, preprocessing, and storage for biomass feedstock.

FARM BILL – Senate Continuation

- Biorefinery and Repowering Assistance
 - Competitive grants
 - +pilot and demonstration scale biorefineries
 - +repowering power and manufacturing plants with biomass conversion facilities
 - +feasibility studies for above
 - Loan guarantees
 - +commercial scale biorefineries
 - +repowering power and manufacturing plants with biomass conversion facilities
 - Limitations
 - +Grants - $\leq 20\%$ cost for repowering
 $\leq 50\%$ cost for pilot/demo scale biorefineries
 - +Loan Guarantees - $\leq 80\%$ of project cost
 $< 100\%$ of loan guaranteed portion



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FARM BILL – Senate Continuation

- Rural Energy for America Program
-Provides:
 - +Grants for energy audits
 - + Financial assistance-Energy Efficiency/Renewable Energy System
 - +Financial assistance for facilities converting amount maximum to energy
- Continues and expands the current Section 9006 program and adds “production-based incentive program” in lieu of grants

FARM BILL – Senate Continuation

- Biomass R&D Act of 2000
 - Moves statutory authority to Farm Bill
 - Eliminates statutory provisions that restricted distribution of funds among four technical area (maximum of 15% to end area)
 - Mandatory Funding
 - +\$15 Million - FY 08
 - +\$25 Million - FY 09
 - +\$35 Million - FY 10
 - Authority for additional \$85 Million per year for FY 08 - FY 12

FARM BILL – Senate Continuation

- Renewable Woody Biomass for Energy
 - Competitive research, technology development, and technology application program – use of renewable woody biomass for energy
- Community-Based Energy Program
 - Competitive cost sharing grant for community to convert public buildings, to be processed by wood from the local area.

QUESTIONS



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