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## 2008 Farm Bill, Title IX (Energy Title) -- Summary Sheet

USDA, Rural Development - Idaho Business Programs

208-378-5623

[www.rurdev.usda.gov/id](http://www.rurdev.usda.gov/id)

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### **Food, Conservation, and Energy Act of 2008**

The following information is a brief summary of the Title IX-Energy Programs to be administered by USDA, Rural Development

#### **SECTION 9003: BIOREFINERY ASSISTANCE**

Provides loan guarantees for commercial scale and grants for demonstration scale Biorefineries that produce advanced Biofuel (i.e., any fuel that is not corn-based).

##### Loan Guarantees:

- Up to \$250 million to fund development, construction, and retrofitting of commercial-scale refineries
- Mandatory funding of \$75 million FY2009 and \$245 million in FY 2010 (available until expended)

##### Grants:

- Assist in paying the costs of the development and construction of demonstration-scale biorefineries to demonstrate the commercial viability
- Potentially up to 50% of project costs
- NO mandatory funding for grant funding. Discretionary funding is authorized for \$150 million for each fiscal year 2009 through 2012

⇒ **Program Status and Timeline:** new program with parameters and guidelines now being written. Agency intends to have program available as soon as possible in FY 2009 (starts October 1, 2008).

#### **SECTION 9004: REPOWERING ASSISTANCE**

Designed to provide "*payments*" to assist existing biorefineries (including ethanol and biodiesel plants) which use fossil fuels for heat or power to replace fossil fuels with renewable biomass. The payment amount will be based on considerations including quantity of fossil fuels being replaced, percentage reduction in fossil fuel used, and cost effectiveness of the renewable biomass system.

##### Funding:

- Mandatory funding of \$35 million for FY2009 (to remain available until expended)
- Discretionary funding of an additional \$15 million for each fiscal year 2009-2012

⇒ **Program Status and Timeline:** new program with parameters and guidelines now being written. Agency intends to have program available as soon as possible in FY 2009 (starts October 1, 2008).

#### **SECTION 9005: BIOENERGY PROGRAM for ADVANCED FUELS**

This section is designed to provide "*payments*" to Advanced Biofuel Producers to support and ensure an expanding production of advanced biofuels. "Advanced Biofuel" is fuel derived from renewable biomass other than corn kernel starch (e.g., cellulose, waste material including crop residue, and biogas, including landfill gas & sewage waste). The payment amount will be based on considerations including quantity and duration of advanced biofuel production and net nonrenewable energy content of the advanced biofuels.

##### Funding:

- Mandatory funding of \$55 million for FY2009 & FY 2010, \$85 million for FY2011, and \$105 million for FY2012
- Discretionary funding of an additional \$25 million for each fiscal year 2009-2012

⇒ **Program Status and Timeline:** new program with parameters and guidelines now being written. Agency intends to have program available as soon as possible in FY 2009 (starts October 1, 2008).

## **SECTION 9007: RURAL ENERGY for AMERICA PROGRAM (REAP)**

Amends the current 2002 Farm Bill Section 9006 Program. REAP is designed to promote energy efficiency and renewable energy development for agricultural producers and rural small businesses through:

### 1. Grants for energy audits and renewable energy development assistance

- Eligible applicants include State, Tribal, and Local Government, land-grant college, university, institution of higher education, rural electric cooperatives, public power entity, and similar entities

### 2. Financial Assistance for energy efficiency improvements and renewable energy systems

Grants and Loan Guarantee assistance to agricultural producers and rural small businesses to make energy efficiency improvements, to purchase a renewable energy system, or conduct a feasibility study.

- Grants: Up to 25% of project costs
- Loan Guarantees: Up to 75% of the total project costs not to exceed \$25 million
- Grant/Loan Guarantee Combinations: Combined grant/loan guarantee up to 75% of project costs

*Significant changes from Section 9006: 1. Grant funds available to conduct energy audits and feasibility studies; 2. Renewable Energy definition includes ocean and micro-hydroelectric sources; 3. Loan Guarantee maximum increased from \$10 million to \$25 million; 4. Loan Guarantees and Combos can be used to assist up to 75% of project costs vs. 50% of project costs; 5. Increase in funding from \$23 million annually to \$55 million.*

### Funding:

- Mandatory funding of \$55 million for FY2009, \$60 million for FY 2010, \$70 million for FY2011, and \$70 million for FY2012
- Discretionary funding of an additional \$25 million for each fiscal year 2009-2012

⇒ **Program Status and Timeline:** existing program that will require revisions to current rules; parameters and guidelines now being written. Agency intends to have enhanced program available in early FY 2009.

## **SECTION 9008: BIOMASS RESEARCH AND DEVELOPMENT**

Reauthorizes the current 2002 Farm Bill Section 9008 Program with minor changes. This section is designed to promote research, development, and demonstration regarding the production of biofuels and bioproducts. Grants are made to eligible entities (including institutions of higher education, national laboratory, etc.) for Research & Development Projects (up to 80% of project cost) or Demonstration Projects (up to 50% of project cost).

### Funding:

- Mandatory funding of \$20 million for FY2009, \$28 million for FY 2010, \$30 million for FY2011, and \$40 million for FY2012
- Discretionary funding of an additional \$35 million for each fiscal year 2009-2012

⇒ **Program Status and Timeline:** existing program that will require minor revisions to current rules. Agency intends to have enhanced program available as soon as possible in FY 2009 (starts October 1, 2008).

## **SECTION 9009: RURAL ENERGY SELF-SUFFICIENCY INITIATIVE**

This section is designed to provide financial assistance for the purpose of enabling eligible rural communities to substantially increase energy self-sufficiency. Eligible rural communities may use grants funds up to 50% of project costs to:

- Conduct an energy assessment that assesses the total energy use of all energy users
- Formulate and analyze ideas for reducing energy usage from conventional sources
- Develop and install an integrated renewable energy system

### Funding:

- **NO** mandatory funding. Discretionary funding of \$5 million for each fiscal year 2009-2012

⇒ **Program Status and Timeline:** new program with parameters and guidelines now being written. With no mandatory funding, this program will have lower priority than mandatory funding programs.