



Committed to the future of rural communities.

*Bio-Mass 2009:  
Fueling Our Future Conference*

*Session: Biofuels Commercialization: The Federal  
Role in Fostering Investment*

*William F. Hagy III  
Acting Deputy Under Secretary  
Deputy Administrator, Business Programs  
USDA Rural Development*



Committed to the future of rural communities.

# USDA



Committed to the future of rural communities.

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



Committed to the future of rural communities.

*President Obama's  
Commitment to Renewable  
Energy*

*“To put people back to work  
today, and reduce our  
dependence on foreign oil  
tomorrow, we will double  
renewable energy  
production.”*



Committed to the future of rural communities.

*“USDA is working to expand energy opportunities by producing alternative forms of energy and fuel, and to ensure that we are doing the research necessary to allow agriculture to transition away from its rather significant dependence on fossil fuels.”*

*Tom Vilsack  
Agriculture Secretary*



Committed to the future of rural communities.

# 2008 Farm Bill – Title IX

## Programs Administered By USDA Rural Development

- Biomass Crop Assistance Program
- Biorefinery Assistance Program
- Bioenergy Program for Advanced Biofuels
- Rural Energy for America Program (REAP)
- Biomass Research and Development Initiative



Committed to the future of rural communities.

# **Farm Bill**

## **Energy Title, Section 9011**

### **Biomass Crop Assistance Program**

- Payments to producers of renewable biomass crops
- Establishment, Production, Collection, Harvest, Storing and Transportation
- Funding: Commodity Credit Corporation funds available in each of FY 08 – 12
- Rule Making

# 2008 Farm Bill

## Biorefinery Assistance Program (Section 9003)

- 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



Committed to the future of rural communities.

# **2008 Farm Bill Biorefinery Assistance Program (Section 9003) - (Cont.)**

- Grant Limitations: Pilot/Demonstration Scale – Up to 50% of project costs
- Mandatory Funding:
  - FY 2009 - \$75 Million
  - FY 2010 - \$245 Million available until expended

# **Range Fuels 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.



Committed to the future of rural communities.

# 2008 Farm Bill

## Repowering Assistance Program (Section 9004)

- 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



Committed to the future of rural communities.

# 2008 Farm Bill Bioenergy Program for Advanced Biofuels (Section 9005)

- Payments to eligible producers to support and ensure expanded production of advanced biofuels
- Existing production vs. new production

# 2008 Farm Bill

## Bioenergy Program for Advanced Biofuels (Section 9005) - (Cont.)

- 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 \$25,000,000 each FY 2009-2012

# **2008 Farm Bill**

## **Rural Energy for America Program (REAP)**

### **(Section 9007)**

- 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



Committed to the future of rural communities.

# 2008 Farm Bill

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

- 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: \$25 Million each fiscal year for FY 09 -12



Committed to the future of rural communities.

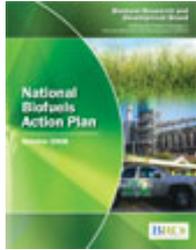
## Section 9006 Funding Activity FY 2003 thru 2008

### Renewable Energy/Energy Efficiency

<u>Technology</u>	<u>No.</u>	Loans, Grants & <u>Combos</u> <u>Amount</u>	<u>Leveraged</u>
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
<u>Hybrid</u>	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	<u>2,176</u>	<u>\$248,457,518</u>	<u>\$1,612,024,373</u>



Committed to the future of rural communities.



# Biomass Research and Development Board

- Co-chaired by the U.S. Department of Agriculture (USDA) and the U.S. Department of Energy (DOE)
- The goal is to accelerate the development of a sustainable biofuels industry.
- National Biofuels Action Plan:  
(<http://www.usda.gov/documents/NBAP081208.pdf>)



Committed to the future of rural communities.

# Program Delivery

- National Office
- 47 State Offices
- Area / Local Offices



Committed to the future of rural communities.

# How To Learn More About USDA Rural Development Renewable Energy Programs

Contact Your State Rural  
Development Office

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



Committed to the future of rural communities.



# Any Questions?

