



USDA



Rural Development

Committed to the future of rural communities.



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*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*



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



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*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.”*



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“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*



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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



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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



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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



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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



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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.



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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



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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



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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



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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



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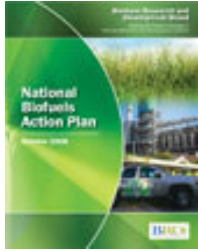
Section 9006 Funding Activity FY 2003 thru 2008

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>



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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>)



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Program Delivery

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



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How To Learn More About USDA Rural Development Renewable Energy Programs

Contact Your State Rural
Development Office

www.rurdev.usda.gov



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Any Questions?

