

The Food, Conservation and Energy Act of 2008

Title IX – Energy

- **BIOREFINERY ASSISTANCE:** The legislation provides \$320 million in mandatory funding for loan guarantees for commercial and pre-commercial biorefineries to produce advanced biofuels. Loans may be up to 80 percent of the cost or a maximum amount of \$250 million. Loan guarantees may cover up to 90 percent of the loan amount. The bill also authorizes grants up to 30 percent of project costs for demonstration-scale biorefineries. Additional funds are authorized for appropriation.
- **BIOMASS CROP ASSISTANCE PROGRAM (BCAP):** The legislation directs the Secretary of Agriculture to establish BCAP project areas in which potential biomass crop producers and a biomass user facility have agreed to produce and use of biomass crops for conversion to advanced biofuels or bioenergy. Agricultural producers in BCAP project areas may contract with the Department of Agriculture (USDA) to receive biomass crop establishment payments up to 75 percent of costs, plus annual payments in amounts determined by the Secretary in subsequent years to help to compensate for lost opportunity costs until crops are established. The program also provides for cost-share payments for the harvest, storage, and transport of biomass crops to user facilities at a rate to match the biomass sale price, up to \$45 per dry ton. The bill provides such mandatory funds as are necessary to carry out the program.
- **BIOENERGY PROGRAM FOR ADVANCED BIOFUELS:** The legislation directs the USDA to make payments to support and ensure an expanding production of advanced biofuels. Mandatory funding of \$300 million is provided and additional funds are authorized for appropriation.
- **REPOWERING ASSISTANCE:** The legislation provides mandatory funding of \$35 million for payments to encourage biorefineries to install new biomass energy systems or to produce energy from biomass for plant operations. Additional funds are authorized for appropriation.
- **BIOMASS RESEARCH AND DEVELOPMENT:** The legislation provides mandatory funding of \$118 million for the continuation of the Biomass Research and Development program and continues its collaborative implementation by the USDA and Department of Energy. Additional funds are authorized for appropriation.
- **FOREST BIOMASS FOR ENERGY:** The legislation authorizes research on the use of low-value forest biomass for energy and authorizes \$15 million annually.

- **RURAL ENERGY FOR AMERICA PROGRAM (REAP):** This legislation renames the program in section 9006 of the Farm Security and Rural Investment Act of 2002 (FSRIA) which provided grants and loan guarantees for renewable energy systems and energy efficiency projects for farmers and ranchers and rural small businesses. The bill more than doubles current funding by providing \$250 million in mandatory funding and directs that at least 20 percent of funds be used for grants of up to \$20,000 each. The bill merges the energy audit and renewable energy assistance program, which had been established as a separate program in FSRIA, into REAP, and makes four percent of the REAP funding available for this program. Additional funds are authorized for appropriation.
- **BIOBASED MARKETS PROGRAM:** The legislation continues the federal preference for procurement of biobased products and the biobased products labeling program and provides mandatory funding of \$9 million to carry out the program. Additional funds are authorized for appropriation.
- **BIODIESEL FUEL EDUCATION PROGRAM:** The legislation continues this program with mandatory funding of \$1 million per year for fiscal years 2008 through 2012.
- **FEEDSTOCK FLEXIBILITY PROGRAM FOR BIOENERGY PRODUCERS:** To assure that sugar imports do not result in increased forfeitures of U.S. sugar, the Secretary of Agriculture is directed to purchase sugar to avoid forfeitures under sugar price support loans and to sell that sugar to bioenergy producers.
- **RURAL ENERGY SELF-SUFFICIENCY INITIATIVE:** The legislation authorizes grants for rural communities to develop and implement energy self-sufficiency initiatives to analyse and improve their energy systems, with federal cost-sharing up to 50 percent. Funding of \$5 million annually is authorized for appropriation.
- **COMMUNITY WOOD ENERGY PROGRAM:** The legislation authorizes grants for rural communities to install wood energy systems in community facilities and authorizes funding of \$5 million annually for appropriation.
- **BIOFUELS INFRASTRUCTURE STUDY:** The legislation directs the Secretary of Agriculture to conduct a study of the infrastructure needs associated with the expanding production and use of biofuels, to be conducted jointly with the Departments of Energy and Transportation and the Environmental Protection Agency.
- **RENEWABLE FERTILIZER STUDY:** The legislation directs the Secretary to conduct a study of the potential for the production of fertilizer from renewable energy sources in rural areas.