



## **Federal and State Biofuels Infrastructure Funding Updates**

### **Important Notes:**

- Federal funding cost share **differs** between the Higher Blends Infrastructure Incentive Program (HBIIIP) at 50% cost share on eligible infrastructure spend, and the Inflation Reduction Act (IRA) which will cover up to 75% cost share for eligible infrastructure spend **once available**.
- The FY22 HBIIIP application window is **now open** but only until **November 21, 2022**, while IRA program details are yet to be finalized. More information will be provided when the IRA program is fully developed, and that program is opened for applications. Retailers interested in biofuels infrastructure upgrades are encouraged not to wait and to explore currently available HBIIIP funding.
- The Federal and State programs are compatible and stackable **but cannot be used to cover the same piece of equipment** or same item (e.g., pump, tank, etc.).
  - For example, if an applicant wants to install ten new qualifying pumps, five can be covered under federal funding, and five can be covered under state funding, but all ten cannot be covered by both.
- Federal and State program approval and funding are subject to availability, timing restrictions, eligibility and reporting requirements as detailed in each of the specific application processes.

## **Federal Funding Details**

### **Higher Blends Infrastructure Incentive Program (HBIIIP)**

The USDA's Commodity Credit Corporation released its [Notice of Funding Availability](#) for the Higher Blends Infrastructure Incentive Program (HBIIIP). This program expands domestic ethanol and biodiesel availability by supporting infrastructure projects to facilitate increased sales of higher biofuel blends (E15/B20 or higher).

- \$100M for infrastructure (\$75M for retail infrastructure, \$25 for terminal/fuel depot), 50% match, \$5M cap with various criteria used for consideration of the projects (smaller retailers, geographic diversity, etc.).
- Uses for the funds include upgrading of fuel dispensers and attached equipment, underground storage systems (tanks, pumps, gaskets, sealants, etc.) and other infrastructure required for blends of greater than 10 percent ethanol or 5 percent biodiesel.
- **Application period is now open, as of August 23, 2022, and closes November 21, 2022.**
- Application instructions and additional resources, including an Application Guide, are available at <http://www.rd.usda.gov/HBIIIP>, under the "How to Apply" tab. All applicants must file their application electronically through the HBIIIP Application portal.

### **Inflation Reduction Act (IRA)**

- \$500 million to be made available until September 30, 2031, and has a max federal share of up to 75% versus 50% for the HBIIIP program.
- Funding allocations and availability timeline are still in development.
- Application period and eligibility requirements are not yet available.

## **State-by-State Funding Details**

### **Iowa**

The [Iowa Renewable Fuels Infrastructure Program](#) (RFIP) is open as of **July 1, 2022**, for submissions. Applications may be submitted for review by the RFIP Board up to 15 days prior to a scheduled quarterly meeting. Quarterly meetings and application deadlines are posted online at <http://www.iowaagriculture.gov/agMarketing/IRFIP.asp>.

The grant program is managed by Paul Ovrom, Iowa Department of Agriculture and Land Stewardship, 515-242-6239, [paul.ovrom@iowaagriculture.gov](mailto:paul.ovrom@iowaagriculture.gov).



House File 2128 places an annual monetary cap on the amount of biofuels infrastructure grant program funds available to be committed to support infrastructure investments into the sale and marketing of biodiesel. Historically, infrastructure investments into ethanol and biodiesel retail projects have split the funding available within the program nearly 50/50.

Beginning July 1, 2022, funding available for retail biodiesel projects is limited by House File 2128 to \$1.25 million. All available funding for retail biodiesel projects in state fiscal year 2023 has been committed, following the August meeting of the Renewable Fuel Infrastructure Grant Program Board of Directors.

Eligible biodiesel projects excluded from funding in state fiscal year 2023 will be reviewed in state fiscal year 2024, **if funding is made available**. Please note, biodiesel terminal projects are not considered retail projects and therefore are not subject to the \$1.25 million cap on retail biodiesel projects.

### Minnesota

The [AGRI Biofuels Infrastructure Grant](#) is a competitive funding opportunity for Minnesota retail service stations to increase access to and sales of motor fuel blends containing at least 15% ethanol. Information was provided to retailers in early 2022. **The application window closed on March 17, 2022.**

### Missouri

The [Biofuel Infrastructure Incentive Program](#) (BIIP) details have been released and application is now public via the state of Missouri's website: <https://agriculture.mo.gov/abd/financial/biofuelgrant.php>.

**Applications must be received no later than 5:00 p.m. September 30, 2022.**

Terminal companies, fuel distributors, fuel retailers and fleet operations are eligible to receive grant funds toward expenses incurred for the construction, installation, upgrade or retrofit of storage tanks, biodiesel blending systems, fuel dispensers or any other equipment associated with the increased usage of biodiesel.

There is approximately \$4.6 million available for both biodiesel and ethanol projects. Up to 75% of the total funds will be awarded to Tier 1 projects. Up to 25% of the total funds will be awarded to Tier 2 projects.

**Tier 1** – Any terminal company, fuel distributor, or fuel retailer with more than five (5) locations. The maximum grant award for Tier 1 entities is 50% of eligible costs, or \$500,000, whichever is less.

**Tier 2** – Any fuel retailer with five (5) or less stations, fleet operations, or individual businesses. The maximum grant award for Tier 2 entities is 75% of eligible costs, or \$250,000, whichever is less.

### Nebraska

Governor Pete Ricketts signed Legislative Bill (LB) 1261e to offer tax credits to retailers who sell higher ethanol blends of fuel. The Nebraska Department of Revenue is administering the program and began applications for the credits on **August 1, 2022**.

For more information or to apply visit [ethanol.nebraska.gov/resources/nebraska-higher-blend-tax-credit-act](https://ethanol.nebraska.gov/resources/nebraska-higher-blend-tax-credit-act).

Retailers who would like more information about selling higher blends of ethanol can reach out to the Nebraska Ethanol Board at 402-471-2941 or visit the resources tab at [ethanol.nebraska.gov](https://ethanol.nebraska.gov). Funding for infrastructure is also available. Find details at [ethanol.nebraska.gov/resources/incentive-programs](https://ethanol.nebraska.gov/resources/incentive-programs).



## **Additional Information**

### **USDA HBIIP Webinars**

The USDA is hosting a series of webinars via Zoom to assist applicants – including “deep dive” sessions for specific types of newly eligible projects:

- Tuesday, August 30, 2 p.m. EDT, HBIIP Overview and Enrollment Orientation – [Register](#)
- Tuesday, September 13, 2 p.m. EDT, HBIIP Environmental Review Process for Applicants – [Register](#)
- Tuesday, September 20, 2 p.m. EDT, HBIIP Transportation Fueling Facility Applicant Deep Dive – [Register](#)
- Thursday, September 22, 2 p.m. EDT, HBIIP Rail/Marine Fueling Facility Applicant Deep Dive – [Register](#)
- Tuesday, September 27, 2 p.m. EDT, HBIIP Fuel Distribution Facility Applicant Deep Dive – [Register](#)

These webinars are hosted by [USDA's Rural Development office](#). After clicking the link, **check the “Events” tab for the full list and links to past webinars.** Contact Jeff Carpenter at USDA for additional information or issues, (402) 318-8195, [HigherBlendsGrants-access@usda.gov](mailto:HigherBlendsGrants-access@usda.gov).

### **Retail Resources**

General information and support for retailers interested in exploring higher biofuels blends offerings for their site is available on Growth Energy's [Retail Hub](#). Growth Energy encourages learning more about biofuel infrastructure grant programs and the exciting opportunities in ethanol marketplace. For more general information and additional tools from the organization, visit [GrowthEnergy.org](http://GrowthEnergy.org).