



Higher Blends Infrastructure Incentive Program (HBIIP) Overview

May 12, 2023

HBIP Overview and Enrollment Orientation

Agenda

- Program Overview
- Program Update
- Inflation Reduction Act
- Additional Opportunities



Program Overview



Overview

Higher Blends Infrastructure Incentive Program (HBIIIP)

What does this program do?

The purpose of the HBIIIP is to ***increase significantly*** the sales and use of higher blends of ethanol and biodiesel,

by **expanding the infrastructure** for renewable fuels derived from U.S. agricultural products.

Owners of –

Who may apply?

Transportation fueling facilities: Fueling stations, convenience stores, hypermarket fueling stations, fleet facilities (including rail and marine), and similar entities with capital investments; **Fuel distribution facilities:**

Terminal operations, depots,
midstream partners, and similarly
equivalent operations.

HBIP Overview (continued)

What funding is available?

Approximately **\$100 million** was available to eligible participants/owners:

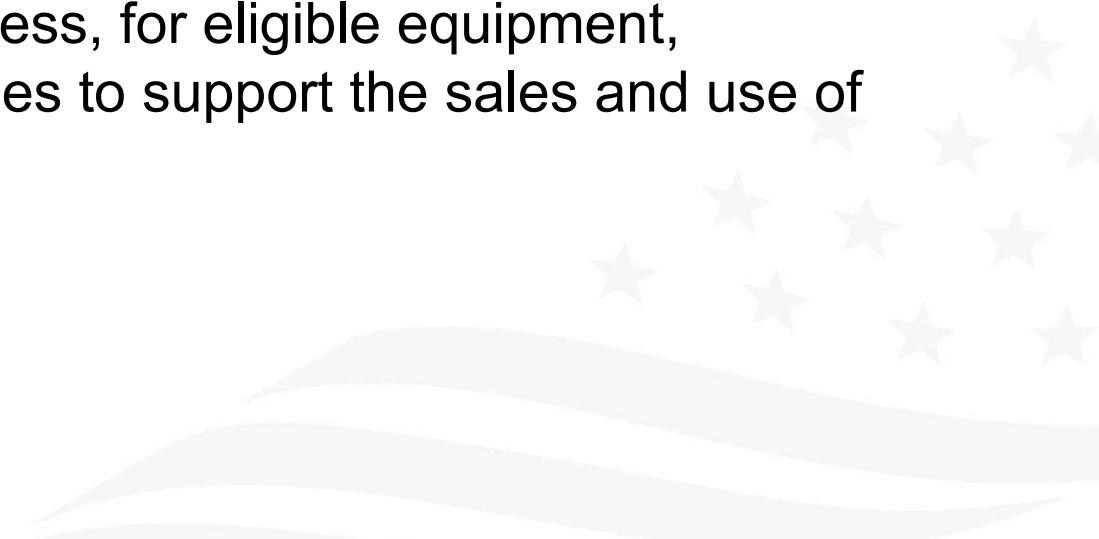
- Approximately **\$75 million** was available to transportation fueling facilities, and
- Approximately **\$25 million** was available to fuel distribution facilities,

for activities related to higher blends of fuel ethanol, **greater than 10 percent ethanol**, including E15 and E85, and biodiesel, **greater than 5 percent biodiesel**, including B20 or higher.

HBIP Overview (continued)

What are the terms?

Grants for up to, **50 percent** of *total eligible project costs*, but **not to exceed \$5 million**, whichever is less, for eligible equipment, infrastructure, and related expenses to support the sales and use of higher biofuel blends.



Program Update



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HBIIIP Update

How much interest was there?

Short answer – a lot!

- ~430 applications requesting over \$330 million
- ~1,850 locations (transportation fueling only)
- ~10,800 dispensers
- ~1,200 storage tanks



HBIP Update (continued)

Where are we with awards?

All awards have been made.

- ~370 applications totaling ~\$269 million
- ~1,740 locations (transportation fueling only)
- ~10,300 dispensers
- ~1,050 storage tanks

HBIP Update (continued)

Where are these projects?

CA has most of the locations awarded with 380.

- States with more than 100 locations – CA, IA, IL (3)
- States with between 50 and 100 locations – FL, MN, WI, TX, NE, IN, OH (7)
- States with between 25 and 50 locations – GA, KS, KY, PA, MI, CO, AR (7)
- States with between 10 and 25 locations – MD, NY, AL, MO, VA, SD, AZ, NC, TN (9)

- States with less than 10 locations – CT, SC, ND, HI, MA, NV, WY, OK, RI, LA, NJ, NM, WV, WA, MS, NH, DC, ID, MT, VT, DE, UT, ME (23) • States with no locations – AK, PR (2)

HBIP Update (continued)

What has been installed so far?

- 53 grantees with fully completed projects, which represents:
 - 49 transportation fueling facilities and 5 fuel distribution facilities
 - 217 locations
 - 862 E15 dispensers
 - 267 E85 dispensers
 - 230 B20 dispensers
 - 40 ethanol storage tanks
 - 27 biodiesel storage tanks
 - ~231.3 million higher blend gallons



HBIP Update (continued)

What has been installed so far?

- 27 grantees with at least one reimbursement request, which represents:
 - 20 transportation fueling facilities and 7 fuel distribution facilities
 - 210 locations
 - 644 E15 dispensers
 - 535 E85 dispensers
 - 293 B20 dispensers
 - 104 ethanol storage tanks
 - 70 biodiesel storage tanks
 - ~655.5 million higher blend gallons



HBIIP Update (continued)

How can we help make the program successful?

Spread the word!



Inflation Reduction Act



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Inflation Reduction Act

\$500 million in additional funding available

- FY23 Notice is currently in clearance
- Anticipate rolling application windows
- Allows for greater grant percentages
- Additional set asides



Additional Opportunities



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Additional Opportunities

Rural Energy for America Program (REAP)

- Provides financial assistance to agricultural producers and rural small businesses to make energy efficiency improvements or to install renewable energy systems
- Types of funding
 - Guaranteed loans - Covers up to 75% of the eligible project costs for up to \$25 million
 - Grants - Covers up to 50% of the eligible project costs
- Energy efficiency improvements have a \$1,500 minimum and a \$500,000 maximum
- Renewable energy systems have a \$2,500 minimum and a \$1,000,000 maximum
- Eligible applicants
 - Small business (as defined by SBA Small Business Size Standards) in eligible rural areas
 - Agricultural producers with more than 50% of their income coming from agricultural operations

Additional Opportunities (continued)

Rural Energy for America Program (REAP) (continued)

Examples

- Energy Efficiency Improvements
 - Refrigeration/Freezer upgrades
 - Commercial kitchen, food prep equipment upgrades
 - Lighting upgrades
 - Heating and Ventilation (HVAC) systems
- Renewable Energy Systems
 - Solar Array
 - Biodiesel Retrofit/Expansion
- Additional information is available at <https://rd.usda.gov/reap>.

Additional Opportunities (continued)

- Business & Industry (B&I) Guaranteed Loans

- Provides financial assistance to rural businesses for things like business expansion, purchase of machinery and equipment, debt refinance, etc.
- Types of funding
 - Guaranteed loans for up to \$25 million
- Eligible applicants
 - Businesses located in rural areas (population of 50,000 or less)
- Contact your local USDA Rural Development Office by using the link below and selecting your state in the drop-down menu

<https://www.rd.usda.gov/programs-services/business-programs/business-industry-loan-guarantees>

Thank you!

Jeff Carpenter

jeff.carpenter@usda.gov

HBIIP@usda.gov

402-437-5554

Additional information is available at
<https://www.rd.usda.gov/hbiip>

