

REMINDER! USDA Offering \$100 Million in Matching Funds for Installation of Higher Blend Ethanol and Biodiesel Infrastructure

The United States Department of Agriculture (USDA) announced in August the availability of approximately \$100 million in competitive grants to eligible entities for activities designed to expand the sales and use of renewable fuels under the Higher Blends Infrastructure Incentive Program (HBIIIP). USDA representatives attended EMA's national convention in Las Vegas last week to encourage marketers to take advantage of the HBIIIP grants. According to the USDA, cost-share grants of up to 50 percent of total eligible project costs but not more than \$5 million will be made available to assist transportation fueling and fuel distribution facilities with converting to higher blend status for ethanol (i.e., greater than 10 percent ethanol) and biodiesel (greater than 5 percent biodiesel) by sharing the costs related to the installation, and/or retrofitting, and/or otherwise upgrading of dispenser/ pumps, related equipment, and infrastructure. The \$100 million is currently available to support a variety of fueling operations, including filling stations, convenience stores and larger retail stores that also sell fuel. The funds will also support fleet facilities including rail and marine, and fuel distribution facilities, such as fuel terminal operations, midstream operations, distribution facilities as well as home heating oil distribution centers.

Grant Distribution: The good news for energy marketers is that \$75 million of the \$100 million in available funding is earmarked for retail facilities. In addition, 40% of the funding earmarked for retail facilities will be made *exclusively to small business energy marketers* with 10 or fewer stations. The remaining \$25 million will be made available to midstream transportation fuel storage and distribution facilities.

Cost Sharing: The program will share 50% of total project costs up to \$5 million per applicant for existing retail stations. There is a matching fund requirement for applicants of at least \$1 for every \$1 in grant funds provided by the USDA. Matching funds plus grant funds must equal total eligible project cost.

Eligible Project Costs: Eligible Project Costs are only those costs incurred after the date that a complete application is submitted and that are directly related to the use and purposes of the HBIIIP. The grants must be used to: upgrade or install or otherwise retrofit transportation fueling equipment including dispensers and UST system components including tanks, pumps, ancillary equipment, lines, gaskets, and sealants, and other infrastructure; fees for construction permits and licenses; and professional service fees for qualified consultants, contractors, installers, and other third-party services.

Ineligible Project Costs: Ineligible project costs for HBIIIP grants include, but are not limited to: incurred expense, equipment purchase, or paid service made *prior* to the date a complete application is submitted; renewable diesel projects; used equipment and vehicles; construction or equipment costs that would be incurred regardless of the installation of higher blend fuel infrastructure; purchase of real property or land; Lease payments, funding of political or lobbying activities; to pay off any Federal direct or guaranteed loan or any other form of Federal debt.

Anticipated Award Date:

The Department of Agriculture anticipates making awards 90 days after the application deadline.

Performance Period:

The grant period is not to exceed 36-months, unless otherwise specified in the Grant Agreement or agreed to by the Agency.

Application Information:

Only one HBIIIP application may be submitted per HBIIIP applicant. An application may request HBIIIP assistance for more than one location that is owned and/or legally controlled by the applicant entity. An HBIIIP applicant may receive only one award under this grant distribution. New construction of fueling stations, locations or facilities constructed during the grant period are restricted from receiving HBIIIP grant funds for underground tanks.

Application Submission:

[Instructions and additional resources including an application guide](#) are available at the HBIIIP website.

Application Deadline:

Applications are due no later than 4:30 PM Eastern time, November 21, 2022.