

## **Biofuels Infrastructure Partnership (BIP)** *Frequently Asked Questions*

### **1. What is the Biofuels Infrastructure Partnership (BIP)?**

The Biofuels Infrastructure Partnership will offer competitive grants from the U.S. Department of Agriculture (USDA) to state-led efforts to test and evaluate innovative and comprehensive approaches to marketing higher biofuel blends, such as E15 and E85. By increasing the availability of higher biofuel blends, the program will increase renewable energy use and support farmers and domestic jobs while reducing the demand for foreign oil.

### **2. How much money is available for BIP and what funding authority is being used for it?**

Up to \$100 million will be available to states (including state-private partnerships) based on the quality and innovation demonstrated in their proposals. Funding will be provided under Section 5(e) of USDA's Commodity Credit Corporation (CCC) Charter Act.

### **3. What is the timeline for implementing BIP?**

A tentative timeline is provided below.

June 15, 2015	Issue (NOFA) and Request for Applications (RFA)
July 15, 2015	Applications due from states
July-August 2015	Review of applications; negotiations with applicants
September 2015	Final awards announced and funds awarded

### **4. Why is BIP needed?**

Infrastructure constraints and other barriers currently limit the market for biofuels and thereby the commodities used to produce them, contributing to lower commodity prices. In particular, the nation's fueling infrastructure is not sufficiently flexible to accommodate large additional quantities of higher ethanol blends that could enable biofuels to fill a significantly greater portion of the nation's fuel supply. Most vehicle fueling pumps can deliver only one type of fuel – E10, which contains a maximum of 10 percent ethanol. Higher ethanol blends, such as E15 and E85, offer significant potential for using more ethanol in the U.S. vehicle fuel supply chain.

The USDA effort is intended to drive innovative public-private partnerships to have more comprehensive approaches to marketing higher ethanol blends, with the federal funds used to support the infrastructure and state/private resources used for other elements.

**5. What types of infrastructure will be funded under this program?**

Funds made available under the partnership may only be used for infrastructure to support higher ethanol blend utilization, including:

- Blender pumps that can dispense a range of ethanol blends including E85 (new pumps or retrofit of existing pumps), capped at 75 percent CCC share per pump;
- Dedicated E15 or E85 pumps (new pumps or retrofit of existing pumps), capped at 75 percent CCC share per pump; and
- New storage tanks and related equipment associated with new facilities or additional capacity (replacement is not included), capped at 25 percent CCC share per tank.

Applicants' contributions must consist of funds or in-kind contributions. Contributions may be used to support higher ethanol blend utilization through:

- Any activity for which CCC funds may be used;
- Marketing and educational expenses associated with BIP;
- Data collection and program evaluation costs associated with BIP;
- Administrative costs associated with BIP; and
- Expenses specifically set forth in the grant agreement executed with CCC.

**6. Who are the ultimate recipients?**

Recipients of federal funds would typically include service/convenience stations and hypermarket fueling stations, but may also include state or local governments or private entities for purposes of providing higher blends to fleet vehicles.

**7. What types of information will be required for proposal under BIP?**

CCC will evaluate how the applications will increase the use of ethanol using the evaluation criteria specified in this NOFA and grants.gov to select the applications that best support the BIP goals. A proposal must include the following information and this information will be used by CCC in the awarding of grants (see grant.gov for more specific items):

- The total amount of CCC funds requested;
- The total amount of the matching funds provided by the applicant;
- The total amount of other contributions provided by the applicant;
- The total amount of matching funds and other contributions provided by private entities such as, but not limited to, commercial vendors of automotive fuel, agricultural commodity promotional organizations, tribes, and other entities interested in the promotion of renewable fuels;
- An estimate of the number of consumers who will have access to higher blends through the proposed project;

- Proposed public education and marketing plan (for example, the placement of blender pumps or dedicated E15 or E85 pumps within the vehicle fueling stations, signage about the availability and merits of higher ethanol blends, and the promotion of FFVs for proposals that include E85 infrastructure);

**8. What types of information will be required for proposal under BIP?**

To find BIP in grants.gov, search on funding opportunity number USDA-FSA-2015-22. Applications must include, but are not limited to, the executive summary, work plan, and budget information using Application for Federal Assistance –construction (SF-424) forms. (See grants.gov for more details about the specific application requirements.)

**9. Is BIP funding just for ethanol, or other fuels too?**

BIP grants funds may only be used for ethanol and related infrastructure.

**10. If a state receives funding, can a state award funding to retailers outside of their state?**

Yes, but proposals will be reviewed to make sure they do not conflict with another state's proposal.

**11. Can multiple states partner on an application? Is there any benefit?**

Yes, multiple states may partner together on one application.

**12. If a state receives funding, can the state subcontract the administration of their grant program?**

Yes, but the agreement remains between CCC and the state.

**13. How will matching funds be weighted? Does a project with more cash match outweigh a project with lower matching funds, but with a promotional effort tied to the future stations? Ultimately, is there a scoring system available for states to prepare their application against?**

The scoring system is being developed, but all things being equal cash would likely provide more weight.

**14. Can each state choose what the percentage is required for each project that is chosen to fund, understanding that 75 and 25 are the caps?**

Yes.

- 15. If and when a state is awarded the grant, will the funds be front loaded to each state or will the state have to send invoices to FSA for the reimbursement or issuance of the funds?**

In general, funds will be provided at the time the agreement is signed; however, FSA will negotiate the terms of the agreements after proposals are received and ranked. If NEPA activities are still needed at the time the agreement is signed, funding will be limited to an advance of funds for those activities until the statutory requirements are met.

- 16. What is the timeline required for selling these fuels from funded dispensers? Example: Station owner has sold E85 for two years and would like to switch to another fuel. Will a contract be required between the state and awardee?**

The states are required to include the duration in their proposal.

- 17. We were told that only a certain amount of the \$100M could fund storage tanks, has that amount been set?**

FSA has not set any pre-determined limits for storage tanks, except for the overall grant limit of \$100 million.

- 18. Do you have an estimated match that will be required in order to compete? Some states want to know if their level of available match will qualify.**

We have a 1:1 goal, and matches may include a mix of state, local, territorial, tribal and private contribution. However, ultimately, ranking will depend upon how competitive and creative the bids are.

- 19. Will BIP pay for installation and other related costs, such as labor, concrete and engineering designs?**

We will accept proposals that include installation costs, but will rank proposals that only include costs for pumps and storage tanks higher.

- 20. If a grantee sells any equipment, or stops using any equipment, that is purchased through a federal grant, USDA regulations would suggest the grantee has to repay the federal government the same percentage of the federal's participation in the original cost. See below. Does this apply for BIP? If no, can this be provided in writing?**

The terms of the agreement will include the requirement that the state (or Puerto Rico or Washington, D.C.) must ensure that tanks, pumps and related infrastructure must be used for the specified purpose for the length of term agreed upon. Regardless of ownership, if the tank, pump or related infrastructure stops being used for the stated purposes, the state will be required to repay all or a portion of the federal funds.