

For: State and County Offices

Restarting BCAP Matching Payments for Prioritized Eligible Materials and Biomass Conversion Facility (BCF) Qualification Application Procedures for FY 2015

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

On September 30, 2013, BCAP authorization expired.

On February 7, 2014, BCAP was reauthorized under the 2014 Farm Bill with mandatory \$25 million annual funding for each FY 2014 through 2018. Funding includes that not less than 10 percent, nor more than 50 percent, of the annual funding be used to make collection, harvest, storage, and transportation (BCAP matching) payments.

The BCAP final rule was published February 27, 2015 (80 FR 10569) and provides that:

- BCAP will effectively restart on May 28, 2015
- funding would be set an annual mandatory amount of \$25 million.

In FY 2015, the annual mandatory \$25 million has been appropriated and after sequestration, the total amount available is \$23 million.

B Purpose

This notice informs State and County Offices:

- that \$11.5 million in BCAP matching payments is available for the remainder of FY 2015 to be used for only agricultural residues and forest residues from the National Forest System and DOI, BLM public lands
- about general information related to restarting BCAP matching payments for FY 2015
- about policy and procedures for submitting BCAP-1's for **new** BCF's, renewing agreements from FY 2014 qualified biomass conversion facilities (QBCF's), and transmitting BCAP-1's and renewals to the National Office for FY 2015 for review.

Disposal Date	Distribution
January 1, 2016	State Offices; State Offices relay to County Offices

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2 Restarting BCAP Matching Payments for Selected Eligible Materials for FY 2015

A Overview of Restarting BCAP Matching Payments for FY 2015

The BCAP final rule established an effective restart date for BCAP of May 28, 2015. The effective restart begins with BCAP matching payments outlined as follows:

- BCAP will provide up to \$11.5 million in BCAP matching payments for the remainder of FY 2015
- selected or prioritized eligible material will be **only** agricultural residues or forest residues from the National Forest System and DOI, BLM public lands for FY 2015
- BCAP matching payment will be at a rate of up to \$1 for each \$1 per ton provided to QBCF's, **not** to exceed \$20 per dry ton for a period of no more than 2 total years

Note: The **not** to exceed rate of \$20 per dry ton matching payment is a lower matching payment rate than the previously authorized \$45 per dry ton under the 2008 Farm Bill.

- BCF's **must** be qualified by FSA **before** eligible material owners may deliver selected eligible material, as provided in this subparagraph, or filing BCAP-1's
- in FY 2014, under BCAP matching payments, 36 BCF's were qualified. These 36 QBCF's may voluntarily renew their BCAP-1's by submitting **just** the **new** BCF agreement to the applicable State Office.

This table provides the timeline for the restarting BCAP matching payments for FY 2015.

Signup Category	Application Location	Dates
QBCF's approved in FY 2014, only agreement renewal and new BCF's submit BCAP-1's.	State Office where BCF is located.	June 1 through June 12, 2015
Eligible material owners submit BCAP-11's.	Service Center where the land is located or where the farm records exist.	On or about June 25 through September 4, 2015

Note: The signup end date of September 4, 2015, is subject to the availability of funding. Eligible material deliveries must occur **on or before** December 11, 2015, unless determined otherwise by DAFP. BCAP-1's from eligible material owners **must** be submitted by **December 22, 2015.**

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2 Restarting BCAP Matching Payments for Selected Eligible Materials for FY 2015 (Continued)

B Prioritized Eligible Material Target for FY 2015

BCF's that submit BCAP-1's will need to consider the prioritized eligible material target for FY 2015 to be competitive.

Note: Not every BCF that meets all the requirements will automatically be selected as QBCF. Given the limited funding for FY 2015, CCC may prioritize BCF's that have suppliers of eligible material types that best meet BCAP goals for FY 2015.

The following are some, but **not** all, eligible material requirements that BCF's will want to consider before submitting BCAP-1's in FY 2015:

- all eligible materials will be required to be collected **directly** from the land
- agricultural residues will include orchard waste collected **directly** from the land
- all eligible material **must** have a completed conservation plan, forest stewardship plan, or equivalent plan with certification by the assigned technical service provider **before** harvest or collection occurs or contract with FSA is approved
- forest residues from National Forest System and DOI, BLM public lands **must** be the by-product of preventive treatments for hazardous fuel reductions or containment or reduction of disease or insect infestations and must **not** have an existing product market
- all eligible material owners **must** have a completed and approved BCAP-11 with FSA **before** eligible material is delivered to QBCF
- all eligible woody materials must **not** have a higher-product value or existing product market and eligible material owner certification will be required.

3 Submitting BCAP-1's and Renewal Agreements

A Submission Overview

Beginning June 1 through COB June 12, 2015, new BCAP-1's and renewal agreements for BCF's qualified in FY 2014 will be accepted at the State Office closest to where QBCF is physically located.

Previous QBCF's will **not** be extended, but **must** submit for renewal a new agreement to make BCF eligible under FY 2015 BCAP restart. Previous BCAP-1 submissions will **not** be considered eligible.

Note: Not every BCF that meets all the requirements will automatically be selected as QBCF.

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3 Submitting BCAP-1's and Renewal Agreements (Continued)

A Submission Overview (Continued)

To be considered QBCF for BCAP matching payments, BCF **must** enter into a new agreement with FSA by COB June 12, 2015.

See 1-BCAP, paragraphs 70 through 77 for qualification policy.

Notes: The targeted or prioritized eligible material for FY 2014 is agricultural residues collected or harvested directly from the land, and forest residues collected from the National Forest System and DOI, BLM public lands, that are by-products of a preventative treatment for hazardous fuels reduction or containment or reduction of disease and insect infestations.

American Society for Testing and Materials (ASTM) standards used **must** be reported on BCAP-1 when BCAP-1 is submitted. Some ASTM standards include, but are **not** limited to, ASTM E1358-97, ASTM E871-82, ASTM D4442-07, and ASTM E105-04.

The dry ton weight determined using ASTM standards **must** be recorded by QBCF on the eligible material owners' settlement sheets or scale tickets.

All complete BCAP-1's and SED-signed agreements **must** be e-mailed to Kelly Novak, CEPD at kelly.novak@wdc.usda.gov by noon e.s.t. June 15, 2015.

This table provides QBCF dates for FY 2015.

Action	Date
QBCF's submit new BCAP-1's and renewal agreements to FSA State Office.	June 1 to June 12, 2015
Assignment and posting of unique QBCF ID numbers to the BCAP web site at www.fsa.usda.gov/bcap .	On or about June 23, 2015

Note: All complete BCAP-1's and SED-signed agreements **must** be e-mailed to Kelly Novak, CEPD at kelly.novak@wdc.usda.gov by noon e.s.t. June 15, 2015.

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3 Submitting BCAP-1's and Renewal Agreements (Continued)

B Outreach

State Offices **must** develop a State outreach program to review the availability of submitting BCAP-1's with all of the following, as applicable:

- producers
- the following biomass industry groups in the State:
 - beginning, SDA, and limited resource farmer and ranchers
 - conservation and environmental groups
 - ethanol industry
 - farm cooperatives
 - farm groups
 - forest industry groups
 - potential project sponsors
 - power industry including Rural Cooperative Power Utilities
 - tribal leaders.