

# Biofuel Funding Opportunities 2022

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**Metropolitan**  
ENERGY CENTER

DAVID ALBRECHT & TAMI ALEXANDER  
CLEAN CITIES COORDINATORS

# Metropolitan Energy Center

The mission of MEC is to create resource efficiency, environmental health and economic vitality in mid-America.



## Kansas City area nonprofit since 1983

- Nearly 40 years of energy efficiency

## Energy Efficiency in the Built Environment

- Small Commercial Buildings
- Multi-Unit Dwellings

## Reducing Petroleum Use in Transportation

- Kansas City Regional Clean Cities - 1998
- Central Kansas Clean Cities – 2013

# Clean Cities

To advance the energy, economic, and environmental security of the U.S. by supporting *local* decisions to reduce petroleum use in transportation.



Created in 1993 out of the Energy Policy Act of 1992 (EPAAct)

Department of Energy's Vehicle Technologies Office

Around 80 designated coalitions nationwide

Provides a framework for businesses and government agencies to work together

Since 1993 Clean Cities Coalitions have offset nearly 10 billion gallons of petroleum

- Support domestic alternative fuels such as Biodiesel, Electricity, Ethanol (E85), Hydrogen, Natural Gas & Propane
- Improve vehicle fuel efficiency with improved technologies and strategies
- Eliminate harmful emissions through idle reduction, trip elimination and switching to cleaner alternative fuels

# HIGHER BLENDS INFRASTRUCTURE INCENTIVE PROGRAM

**HOST AGENCY** – [USDA Rural Development](#)

**BASICS** – Supports deployment of equipment for higher-blend biofuels (above B5 and E10); In 2020, +/- \$100 million in total, w. \$14 million for biodiesel distribution and fueling

**ELIGIBLE COSTS** – Purchase, Installation Or Retrofits Of Fueling Systems & Supporting Infrastructure; Construction Costs; Permitting & Consulting Fees

**ELIGIBLE APPLICANTS** – Fleets, C-Stores, Fueling Stations, Terminals and Depots, Other Midstream Partners

# HIGHER BLENDS INFRASTRUCTURE INCENTIVE PROGRAM

**FINANCIAL** – Up To 50% Of Eligible Costs Reimbursed, Up To \$5 Million Maximum Per Project; \$100 Million Expected For Next Round

**GEOGRAPHY** – Special consideration will be given to applicants located on or near interstate highways, to applicants who would be the sole supplier of a high-blend biofuel in their region, and to New England and Western states.

**TARGETED ASSISTANCE** – USDA targeted funding in 2020 to applicants with 10 or fewer stations or fueling locations.

**NEXT FUNDING CYCLE** - Early 2022 per 12/7/21 press release

# BIOFUEL PRODUCER PROGRAM

**FINANCIAL** – \$700 Million For “US-Based Producers Of Advanced, Cellulosic Or Conventional Biofuel, Biomass-Based Diesel Or Renewable Fuel”. Funding Based On Volumes Of Eligible Fuel Produced In Calendar 2020 Vs. Calendar 2019

**EXCEPTIONS** – 1) Sole Proprietor/Legal Entity Exclusively Contracting For 3<sup>rd</sup>-Party Producers w. Toll Or Bailment Arrangement OR 3rd-Party Production Contract  
2) Individuals Or Entities That Blend/Combine Biofuels Into Blended Biofuels – Both Categories Are **Ineligible**

**NEXT FUNDING CYCLE** – Open Now: Deadline 2/11/22

<https://www.rd.usda.gov/programs-services/energy-programs/biofuel-producer-program>

# RURAL ENERGY FOR AMERICA – RENEWABLE ENERGY SYSTEMS

**HOST AGENCY** – [USDA Rural Development](#)

**BASICS** – Loan Guarantees/Grants For Renewable Energy, Energy Efficiency

**ELIGIBLE COSTS** – Renewable Energy Systems (Biodiesel, Ethanol, Biomass, Anaerobic Digesters) Other Renewable Energy Sources; Lighting, HVAC, Pumps

**ELIGIBLE APPLICANTS** – Small Businesses; Agricultural Producers W. At Least 50% of Gross Income From Ag Operations

# RURAL ENERGY FOR AMERICA – RENEWABLE ENERGY SYSTEMS

**FINANCIAL** – Loan Guarantees For Up To 80% Of Eligible Costs (For FY 21 Loans)  
Grants For Up To 25% Of Eligible Costs; Maximum Grant For Renewable Energy  
Systems \$500,000

**GEOGRAPHY** – Rural Small Businesses Defined As Those In Areas W. Fewer Than  
50,000 Residents (USDA Provides Address Search For Eligibility); Agricultural  
Producers In Any Area Eligible To Apply

**NEXT FUNDING CYCLE** – Current - Application Deadline 3/31/22

<https://www.rd.usda.gov/programs-services/energy-programs/rural-energy-america-program-renewable-energy-systems-energy-efficiency-improvement-guaranteed-loans>



# DIESEL EMISSIONS REDUCTION ACT (DERA)

**ELIGIBLE VEHICLES** – Class 5-8 Onroad Diesel Trucks, Marine Engines, Yard Trucks, Locomotives, Construction & Other Offroad, Generators And Pumps

**ELIGIBLE TECH** – Vehicle Replacement, Engine Replacement/Repower, Marine Shore Power, TSE, Aerodynamics, Engine Upgrades, Alt-Fuel Conversions

**ELIGIBLE FUELS** – Biofuels, ULSD, Propane, LNG, CNG, Electricity (DC Example)

**ELIGIBLE YEARS** – Engine Model Years 1996-2006: All Fuels, Technologies  
Engine Model Years 2007 – Newer: Variable

# DIESEL EMISSIONS REDUCTION ACT (DERA)

## GROUND RULES

- No Fleet Enlargement, Old Vehicles Must Be Scrapped If Replaced
- Mileage & Hours Of Use Rules Apply (Low-Mileage Units Can Be Combined)
- Funding On Reimbursement Basis
- Infrastructure Funding – Yes, But . . . Strictly Limited

## VEHICLE REPLACEMENT REIMBURSEMENTS

- ULSD For New ULSD, Alternative Fuels: Up To 25%
- ULSD For CARB Optional low-NOX Standard: Up To 35%
- ULSD For Zero-Emission: Up To 45%

# DIESEL EMISSIONS REDUCTION ACT (DERA)

## TIMING AND TACTICS

- DERA Funding Is Annual, Rollout Typically End/Beginning Of Each Year
- Municipalities, School Districts, MPOs, Can Apply – Not Private Companies
- Or You Could Let Us Apply For You . . .
- Additional Voluntary Cost-Share Will Improve An Application's Odds
- Other DERA Funding Opportunities Are Possible – But Not Guaranteed
- The Time To Let Us Know Is Now If You're Interested

## BACKGROUND

- MEC Has Managed Six DERA Programs Since 2015 – Five Of Them Now Running Simultaneously
- 310 Vehicles (Vehicle Replacement Main Option)

# EERE & VEHICLE TECHNOLOGIES OFFICE (DOE)

## GROUND RULES

- DOE Scheduling Is Variable; RFAs Can Be Published Any Time
- DOE Projects Can Have More Funding Than DERA
- DOE Funding Generally Covers Both Vehicles And Infrastructure – **BUT!** -
- DOE Support Covers *Incremental* Vehicle Costs (i.e. 45% of the cost difference between diesel buses and alternative fuel models)
- Applicants: Private Companies, Universities, State & Local Govt, Individuals
- DOE Programs Tend To Be More Technical (As Opposed To DERA)
- DOE Projects May Be Single-Technology – EV or Gaseous Fuel Only
- Your Best Bet To Stay Informed – Our Newsletter!

<https://metroenergy.org/> - “Get Involved”

# VW SETTLEMENT FUNDING

## SETTLEMENT STATUS:

**Missouri** – Of \$41 Million, All Vehicle Funds Have Already Been Allocated;  
Remaining +/- \$6 Million For Electric Vehicle Charging

<https://dnr.mo.gov/air/what-were-doing/volkswagen-trust-funding/more-information>

**Kansas** - Active - \$15 Million Initially Awarded To KDHE

- KDOT Now Managing Settlement Program
- Most Recent Funding Opportunity Closed 9/24/21
- Will be future funding for vehicles

<https://sos.ks.gov/publications/Register/Volume-40/Issues/Issue%2036/09-09-21-49431.html>

# KANSAS BIODIESEL REBATE

Individuals and fleets operating in Kansas can apply for a \$1 per gallon rebate on eligible biodiesel purchases. Locate stations at <https://afdc.energy.gov/>

## FLEETS

- Purchase of blended biodiesel of B10 (10% biodiesel, 90% diesel) or higher
- Submit rebate form and receipts
- Rebate for up to 2000 gallons per year

## INDIVIDUALS

- Purchase of blended biodiesel of B5 or higher
- Submit rebate form and receipts
- Rebate for up to 200 gallons per year

<https://metroenergy.org/biodiesel-rebate/>

# Questions & Contact Info

## Kansas City Regional Clean Cities

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