



# Alternative Fuels & Chemicals Coalition

*Advocating for Public Policies to Promote the Development & Production of  
Alternative Fuels, Renewable Chemicals, Biobased Products, and Sustainable  
Aviation Fuels*

**April 15, 2022**

The Honorable David Scott  
Chairman  
House Committee Agriculture  
Building LHOB, Room 1301  
Washington, DC 20515

The Honorable Glenn Thompson  
Ranking Member  
House Committee Agriculture  
Building LHOB, Room 1301  
Washington, DC 20515

Dear Chairman Scott , Ranking Member Thompson, and Members of Congress

Alternative Fuels and Chemicals Coalition (AFCC) appreciates the opportunity to submit a statement for the record to the United States House of Representatives Committee on Agriculture hearing, "A 2022 Review of the Farm Bill: Energy-Renewable Energy Opportunities in Rural America."

AFCC and its member companies applaud the House Committee for closely looking at the renewable energy opportunities in rural America and for having two of AFCC's member companies, Dr. Pat Gruber, CEO, Gevo, and Mr. Jay McKenna, CEO, Nacero, participate in the second panel of the hearing as witnesses.

## **Introduction**

AFCC is a collaborative government affairs effort organized by the Kilpatrick Townsend & Stockton law firm and American Diversified Energy. AFCC was created to address policy and advocacy gaps at the federal and state levels in renewable chemicals, bioplastics/biomaterials, cell-cultured food ingredients, single cell protein for food and feed, enzymes, alternative fuels, biobased products and sustainable aviation fuels (SAF) sectors. AFCC member companies work on feedstocks, renewable chemicals, food, feed, fiber, bioplastics and biomaterials, and biofuels impacting the biobased economy.

The farm bill focusing on innovation aimed at boosting renewable energy in rural areas, including incentives for manure digesters for renewable natural gas producers, renewable fuels for ground transportation and sustainable aviation fuels, and renewable chemicals and biobased products. Making

these programs cost effective for farmers who are responsible for generating the raw materials is key to all of our downstream successes in industrial biotechnology. Especially now, with high oil prices that suddenly make alternative energy sources more attractive and critical, and renewable energy production is also a driver of economic equality for farmers of racial backgrounds, as well as a cost-saver and a tool to mitigate climate change.

## **Importance of the Farm Bill Programs in Energy Title IX**

Energy Title IX programs has been integral for fostering innovation and facilitation research and development of agricultural and forestry feedstocks for biofuels, renewable chemicals, and biobased products. The establishment of one new program in the 2018 Farm Bill – Carbon Utilization and Biogas Education Program brought the importance of climate change and a closer look at sources of feedstocks deployed for bioenergy and renewable chemicals and biobased products. Federal programs supporting the biobased economy provides decarbonization and new sustainable products produced at scale in fewer steps than conventional fossil fuel processes, lowers greenhouse gasses, increases jobs, and provides a stable economy.

With the current national economy in a heightened state of uncertainty, the next Farm Bill and Energy Title IX programs become even more important to fuel the nation with a stable biobased economy. Companies look to deploy capital in the aftermath of COVID-19 and during increased supply chain project costs resulting from spiraling inflation and the Russia-Ukraine war, economic and regulatory certainty will be provided from the programs in the Energy Title IX programs in the re-authorization of the fifth farm bill. The programs are paramount, with investors stressing the importance of disciplined allocation. The federal programs will take a positive step in providing the certainty, as government support is pivotal for renewable projects and the deployment of capital for lower carbon technologies for biofuels, renewable chemicals and biobased products. In turn, the nation will have sustainable biobased products.

## **The Fifth Farm Bill – Energy Title IX Programs Promoting Innovation**

### **Section 9002 Biobased Markets Program**

The 2018 Farm Bill directs the Secretary of Agriculture and the Secretary of Commerce to jointly develop NAICS codes for renewable chemicals and biobased products manufacturers. The next Farm Bill needs to have the NAICS codes directive with a timeline for its implementation by OMB. NAICS codes would greatly enhance the ability to track and report on the renewable chemicals and biobased products industry, determine the funding

requirements from federal and state governments, track innovative activities in the sector, mitigate climate change, and capture the jobs created. Currently, production of renewable chemicals and biobased products have no tracking system and the industrial biotechnology sector has no knowledge of its growth potential.

There are changes requested in the implementation of the BioPreferred® Program, while encouraging the purchasing program of sustainable products, it is not operating the way Congress intended. Without sound sales numbers and procurement officers identified for the program the supply chain for renewable chemicals and biobased products will continue to be broken. If the program were operating properly, it would be very successful. AFCC requests quarterly updates from USDA to Congress for the procurement of renewable chemicals and biobased products in the fifth Farm Bill.

The BioPreferred® Program needs the label or certification to be modernized, showing that the renewable chemicals and biobased products are indeed sustainably sourced. Currently, the label shows a carbon content which is based on beginning of life, there is no end of life – the sustainability piece is missing on the label. Therefore, at a time of increased pressures on retailers, brands and manufacturers to reduce the carbon footprint of their consumer products, the label needs to show a carbon intensity (CI) score which will be determined by an international American Standard Test Method (ASTM). Today, the biobased products are being denied shelf space in large retailers shelves, because the products are not considered sustainable. AFCC is working with ASTM on developing the CI score for biobased consumer products based on sound science and regenerative agriculture practices.

AFCC is requesting increased funding for the BioPreferred® Program to support procurement officers and the development of modernizing the label which will give consumers confidence the products are sustainably sourced.

### **Section 9003 Biorefinery Assistance Program for Renewable Chemicals and Biofuels**

AFCC is requesting a grants program be created for the Biorefinery Assistance Program which will encourage innovation and generate jobs.

AFCC in its Agriculture FY2023 Appropriations request, which is attached, requests Congress expand its authority to five years funding for the biorefinery program instead of only two years as is in the 2018 Farm Bill. The 2018 Farm Bill expanded access to stand alone renewable chemicals manufacturing facilities, but without a full five years of funding the program,

new innovative technologies and companies are prevented in capital in rural areas, which prevent job growth and economic growth in rural America.

### **Soil Carbon and Regenerative Agriculture Practices**

Creating an ASTM standard based on good science practices that utilizes baseline soil carbon storage will give farmers and growers Section 45Q tax incentive for carbon capture in soil. AFCC supports the *Growing Climate Solutions Act*, since it would create a voluntary, producer-led carbon sequestration certification program at the Department of Agriculture (USDA) and provide farmers with technical resources to participate in voluntary carbon markets. AFCC is requesting an interagency be created to work with the Department of Treasury in the development of a tax incentive for farmers in Section 45Q of the tax code.

### **New Grant Program: The Bioeconomy Development Opportunity (BDO) Zone Program**

#### **BDO Zone Supports Energy Infrastructure in Rural & Distressed Communities**

The Bioeconomy Development Opportunity Zone Program is a certification and regional designation grant program that enables economic development agencies and communities to more effectively and credibly disclose feedstock-related risks and promote bio-based development opportunities to developers and investors around the world. The program would support development of manufacturing sites and jobs in underserved communities. A marker bill is attached which AFCC is promoting for the next farm bill.

#### **Compostable Bioplastics**

Under the carbon capture utilization education program. AFCC is requesting that bioplastics and biobased packaging will provide key opportunities to fight against climate change. The next farm bill, Energy Title IX should have research programs showing that compostable bioplastics and packaging can be tested and have proven to safely break down without any harm to the environment and can dramatically reduce the amount of food waste going into landfills. Composting that food waste instead of landfilling it is one the best strategies for addressing climate crisis. Sending food waste to landfills generates methane, which is 20 times worse than carbon dioxide as greenhouse gas emission. We urge USDA and DOE to create programs funding composting of bioplastics and food waste. Finished compost is critical for improving soil health, which is also an emerging solution to protect the climate and restoring the Earth's topsoil for better draw down of carbon dioxide in soil, thereby reducing emission in the atmosphere, and the soil is the carbon sink for smart climate practices for U.S. farmers.

## **Improving Modeling Technologies in Assessing Life Cycle Analysis**

AFCC is requesting USDA, DOE, and EPA consider using greenhouse gas assessment of renewable fuel and renewable chemical pathways and using modernized methods such as the Argonne GREET model. A thoughtful, scientific, and holistic approach to establishing low-carbon or clean fuel standards and related policies that will reflect all relevant aspects of feedstock processing and recognize its value for renewable chemicals, biofuels, and biobased products to accelerate the growth of value-added agriculture and the decarbonization of the U.S. biobased economy.

### **Conclusion**

Thank you for the opportunity to provide statement for the record. AFCC recommends Congress should promote innovative technologies, which are sustainable, safe for the environment, and encourage greater investments in lowering the carbon footprint which would protect the national security interests. This would build the biobased economy, build the rural and underserved areas, and create more jobs.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rina Singh". The signature is stylized and cursive.

**Rina Singh, PhD.**  
**Executive Vice President, Policy**  
**Alternative Fuels & Chemicals Coalition**



# Alternative Fuels & Chemicals Coalition

Advocating for Public Policies to Promote the Development & Production of Alternative Fuels, Renewable Chemicals, Biobased Products, and Sustainable Aviation Fuels

## AFCC's 2023 Appropriations Requests

### KEY PROGRAM SUMMARIES: AGRICULTURE & RURAL DEVELOPMENT

AFCC's priorities are indicated in green text

Subcommittee: Agriculture & Rural Development

Agency: U.S. Department of Agriculture (USDA)

Account / Program:	FY 2019 Appropriation	FY 2020 Appropriation	FY 2021 Appropriation	FY 2022 Appropriation	President's FY 2023 Budget	AFCC's FY 2023 REQUEST	Notes
--------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------------------	------------------------	-------

**Please Note:** The budget amounts below include both Program Level (PL) and Budget Authority (BA) amounts

USDA: Rural Business-Cooperative Service; Rural Business Program Account, Business & Industry (B&I) Loan Guarantees (Section 310B of the Consolidated Farm and Rural Development Act of 1961)							
<b>Discretionary</b>	PL: \$950 million BA: \$33.25 million	PL: \$1 billion + \$951 million supplemental BA: \$21 million	PL: \$1 billion BA: \$10 million	PL: \$1.5 billion (USDA FY2022 request) BA: \$73.125 million	PL: \$1.5 billion BA: \$32 million	PL: \$1.5 billion BA: \$32 million	
<b>Mandatory</b>	\$0	\$0	\$0	\$0	\$0	\$0	
USDA: Rural Business-Cooperative Service; Rural Business Program Account, Section 9002: Biobased Products Procurement Program (USDA BioPreferred® Program) (1)							
<b>Discretionary</b>	\$0	\$0	\$0	\$0	Per 2018 Farm Bill	\$3,000,000 discretionary funding	

A Collaborative Government Affairs Effort  
Organized by Kilpatrick Townsend & Stockton and American Diversified Energy Consulting Services  
1200 G Street, NW, Suite 800, Washington, DC 20005  
Telephone: +1 202-922-0144 Email: info@AltFuelChem.org Website: www.AltFuelChem.org



Subcommittee: Agriculture & Rural Development

Agency: U.S. Department of Agriculture (USDA)

Account / Program:	FY 2019 Appropriation	FY 2020 Appropriation	FY 2021 Appropriation	FY 2022 Appropriation	President's FY 2023 Budget	AFCC's FY 2023 REQUEST	Notes
<b>mandatory</b>	\$3,000,000 per 2018 Farm Bill	\$3,000,000	Increase to \$5,000,000 funding level				
See Endnote (1) for current issues with the BioPreferred® Program and AFCC's recommendations to address and fix these issues.							
USDA: 2018 Farm Bill; Title IX.							
Section 9003: Biorefinery, Renewable Chemical & Bioproducts Manufacturing Assistance Loan Guarantee Program (2)							
<b>Discretionary</b>	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$25,000,000  No discretionary funding was appropriated	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$25,000,000  No discretionary funding was appropriated	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$25,000,000  No discretionary funding was appropriated	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$25,000,000  No discretionary funding was appropriated	\$0	(2) \$25 million discretionary funding per 2018 Farm Bill	
<b>Mandatory</b>	PL: \$127 million BA: \$50 million	PL: \$158 million BA: \$25 million	\$0	\$0	\$0	SEE DISCRETIONARY FUNDING ABOVE  FY2020 was the final year of mandatory funding for this program	



**Subcommittee: Agriculture & Rural Development**

**Agency: U.S. Department of Agriculture (USDA)**

<b>Account / Program:</b>	<b>FY 2019 Appropriation</b>	<b>FY 2020 Appropriation</b>	<b>FY 2021 Appropriation</b>	<b>FY 2022 Appropriation</b>	<b>President's FY 2023 Budget</b>	<b>AFCC's FY 2023 REQUEST</b>	<b>Notes</b>
<b>USDA: 2018 Farm Bill; Title IX, Section 9005: Bioenergy Program for Advanced Biofuels (Advanced Biofuel Payment Program)</b>							
<b>Discretionary</b>	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$20,000,000  No discretionary funding was appropriated	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$20,000,000  No discretionary funding was appropriated	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$20,000,000  No discretionary funding was appropriated	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$20,000,000  No discretionary funding was appropriated	\$0	\$20 million discretionary funding per Title IX, Sec. 9005, Agriculture Improvement Act of 2018	
<b>Mandatory</b>	2019-2023 mandatory PL: \$7 million BA: \$7 million	2019-2023 mandatory PL: \$7 million BA: \$7 million	2019-2023 mandatory PL: \$7 million BA: \$7 million	2019-2023 mandatory PL: \$7 million BA: \$7 million	PL: \$7 million BA: \$7 million	PL: \$7 million BA: \$7 million per 2018 Farm Bill	
<b>USDA: Rural Business-Cooperative Service; Rural Business Program Account. Section 9007: Rural Energy for America Program (REAP) Loan Guarantees</b>							
<b>Discretionary</b>	\$334,000	\$706,000	\$392,000	\$0	\$0	\$20 million discretionary funding per Title IX, Section 9007(4), Agriculture Improvement Act of 2018	



**Subcommittee: Agriculture & Rural Development**

**Agency: U.S. Department of Agriculture (USDA)**

<b>Account / Program:</b>	<b>FY 2019 Appropriation</b>	<b>FY 2020 Appropriation</b>	<b>FY 2021 Appropriation</b>	<b>FY 2022 Appropriation</b>	<b>President's FY 2023 Budget</b>	<b>AFCC's FY 2023 REQUEST</b>	<b>Notes</b>
<b>Mandatory</b>	PL: \$524 million BA: \$20 million	PL: \$183 million BA: \$7 million	PL: \$530 million BA: \$10 million	PL: \$1.123 billion (USDA FY2022 request) BA: \$12.92 million	PL: \$635 million BA: \$1 million	PL: \$635 million BA: \$1 million	
<b>USDA: Rural Business-Cooperative Service; Rural Business Program Account, Section 9007: Rural Energy for America Program (REAP) Grants (see above)</b>							
<b>Discretionary</b>	\$0	\$0	\$0	\$0	\$0	Included in 9007 loan guarantee appropriation above	
<b>Mandatory</b>	\$26 million PL & BA	\$41 million PL & BA	\$40 million PL & BA	PL: \$38 million (USDA FY2022 request) BA: included in loan program above	PL: \$49 million BA: \$49 million	PL: \$49 million BA: \$49 million	

Continued, next page



Subcommittee: Agriculture & Rural Development

Agency: U.S. Department of Agriculture (USDA)

Forest Service

Account / Program:	FY 2019 Appropriation	FY 2020 Appropriation	FY 2021 Appropriation	FY 2022 Appropriation	President's FY 2023 Budget	AFCC's FY 2023 REQUEST	Notes
<b>USDA: Forest Service, National Forest System, State and Private Forestry, Creating Incentives for Increased Use of Biomass from National Forest System Lands (3)</b>							
Discretionary	N/A	N/A	N/A	\$20,000,000	\$39 billion along with authorization for an additional \$2.6 billion	(3) Please approve the President's request	This appropriation, for the first time, addresses the mandate in "Policies Relating to Biomass Energy" (per page 371 of H.R. 2471)

**Please note:**

**(1) This program has neither met its potential nor its promise.** USDA is the federal agency where the BioPreferred® Program sits. Yet USDA has yet to make a significant effort to purchase biobased products and encourage other agencies to do so.

- The USDA BioPreferred® Program enacted in the 2002 Farm Bill (Section 9002, Biomarkets Program, Energy Title IX), has been reauthorized every 5 years in each subsequent Farm Bill. It began in 2002 with a mandated appropriation of \$1 million which, with advocacy, has been increased to \$3 million annually. AFCC's request to increase the funding level to \$5 million annually would solve the implementation for the program.
- The program has two parts:  
*Certification* (a USDA label on product packaging shows how much carbon came from crops or is new carbon), and  
*Procurement*: a biobased product is available as an alternative to a fossil-based product, by law, USDA and all federal agencies and their contractors must buy the biobased product in lieu of fossil-based products.



- *Certification* is working; *Procurement* has not worked for just about any producer.
- Therefore, in the 2018 Farm Bill, AFCC's executive vice president advocated to move the program to a new home in USDA.
- However, after two years, no changes have occurred on the procurement side with the new management; the law still is not being carried out, implementation of the program is still not occurring, there is no accountability, and the program is not functioning as Congress intended.
- **If USDA is not purchasing biobased products, which is the federal agency where the program sits, why would the other federal agencies consider buying it?**
- **Biobased product companies would like to expand their business in sustainability and a climate smart platform**, but if they can't get the current biobased products sold, it is very difficult for them to justify to their board of directors to expand or even be in this space. We need a solution to this issue.
- **USDA currently is purchasing petroleum-based office supplies** from distributors such as Office Max, Amazon, others, biobased products are not being purchased. Office supplies are everyday products which USDA and other federal agencies should be purchasing routinely from their distributors.
- **The BioPreferred Program has not been operating as Congress intended**, and now that Secretary Vilsack has been confirmed and we know that he has been supportive of the program, we would like Congress to add statutory language in the appropriations bill, the following information:
  - ✓ Quarterly, provide Congress a report, the procurement of biobased products from the catalogue on their website, [BioPreferred | Catalog](#) which has all of the biobased products listed. What are the sales number and the actual biobased products sold? There is no transparency.
  - ✓ Provide purchases of low-hanging fruits, such as USDA certified office supplies (bioplastic binders, notepads, paper) and biobased cleaning products which USDA currently is purchasing from distributors like Office Max, Amazon, which are not biobased – this needs to occur within 90 days of receiving the letter from Congress. USDA will provide proof of purchase to Congress for these biobased products (how many and at what price) every quarter. The quarterly report should include all procurement of biobased products.
  - ✓ Modernizing the BioPreferred label with sustainability parameters such as carbon intensity score. The label has a beginning of life parameter on its label which is not based on sustainability.
- **Biobased product companies would like to expand their business in sustainability and a climate smart platform**, but if they can't get the current biobased products sold, it is very difficult for them to justify to their board of directors to expand or even be in this



space. Some companies have been waiting almost 10 years. We need a solution to this issue.

- (2) Unlike previous Farm Bills, which provided mandated funding for the Section 9003 loan guarantee program for each year of the five-year term of the farm bill, the 2018 Farm Bill provided only two years of mandated funding, with discretionary funding of up to \$50 million per year authorized for each of the remaining years covered by the 2018 Farm Bill **AFCC strongly recommends that the Section 9003 Loan Guarantee Program receive its full discretionary authorization of \$25 million for FY2023.**

**This is a critical program:** It is one of only two federal loan guarantee programs that are available to bridge the “valley of death” between the final validation and demonstrated workability of a promising new concept, technology, or product and the ability to bring it to commercial realization.

**Every project brought to fruition through this program creates jobs and economic development for its first commercial facility, as well as many additional jobs and economic development for local communities throughout the U.S.** as the success of the first commercial facility leads to private sector financing of multiple follow-on projects.

*Only after the concept, technology, or product has been proven at commercial scale, will private sector investors and lenders find the project risks acceptable to further replicate and deploy the concept, technology, or product.*

- (3) **The appropriation of \$20 million under the Forest Service’s National Forest System, State and Private Forestry account, to create incentives for increased use of biomass from National Forest Lands has far reaching significance:**

**First,** because it will remove dead and diseased wood and slash piles from logging operations from the National Forests which exacerbate and can lead to extreme fire hazards,  
**Second,** because it begins to carry out, for the first time, the mandate in the “Policies Relating to Biomass Energy” (page 371 of H.R. 2471), which has been incorporated into every Consolidated Appropriations Act since FY2018,

**Third,** because it helps facilitate responsible forest management, and

**Fourth,** because it recognizes biomass as a renewable energy source which:

Using a **liability** that contributes to forest fires, increased carbon emissions that contribute to climate change, loss of wildlife habitats, loss of property, and ballooning firefighting budgets,

As an **asset** to produce value-added products which can:

- create jobs,
- generate revenues and improve the economies of rural communities,
- replace fossil-based products, and



-- mitigate the impacts of climate change.

**Fifth**, because the USDA Forest Service has launched a robust, 10-year strategy to squarely address this wildfire crisis in the places where it poses the most immediate threats to communities, which was announced on January 18, 2022 by Agriculture Secretary Vilsack and Forest Service Chief Randy Moore.

See: <https://www.fs.usda.gov/news/releases/secretary-vilsack-announces-new-10-year-strategy-confront-wildfire-crisis>

**The strategy:**

- Estimates that funding to remove hazardous fuels will range from \$1,000 to \$2,500 per acre
- the strategy calls for the Forest Service to treat up to an additional 20 million acres on national forests and grasslands and support treatment of up to an additional 30 million acres of other federal, state, Tribal, private, and family lands
- The President's FY2023 budget (see page 27) requests \$3.9 billion for Forest Service Wildland Fire Management, as well as an additional \$2.6 billion authorized by the suppression cap adjustment to carry out this initiative.

**AFCC requests that the President's request of \$3.9 billion be appropriated along with an authorization of an additional \$2.6 billion.**

117TH CONGRESS  
1ST SESSION

# H. R. \_\_\_\_ / S. \_\_\_\_

To provide grants for eligible entities to create Bioeconomy Development Opportunity Zone designations that enable local communities to utilize biomass for biofuel and energy development.

---

IN THE HOUSE OF REPRESENTATIVES *or*  
IN THE SENATE OF THE UNITED STATES  
\_\_\_\_\_, 2021

Mr./Ms. [SPONSOR (for him/herself, and [LIST OF INITIAL COSPONSORS])] introduced the following bill; which was referred to the Committee on \_\_\_\_\_

---

## A BILL

To provide grants for eligible entities to create Bioeconomy Development Opportunity Zones to utilize local biomass resources and create jobs by de-risking investment and accelerating development of new renewable energy production facilities in distressed communities.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### **SECTION 1. SHORT TITLE.**

This Act may be cited as the “BDO Zone Grant Program Act of 2021”

### **SECTION 2. BIOECONOMY DEVELOPMENT OPPORTUNITY ZONE GRANTS**

**(a) FINDINGS.** - Congress finds the following:

- (1) Fifty-two million Americans live in economically distressed communities.
- (2) Many of these communities have substantial biomass assets-- agricultural residues, wood fiber, food and farm waste that can be used to produce ground and aviation

biofuel, renewable chemicals, biomass to power, biogas, biochar and other bio-based products.

(3) Ground and aviation biofuel is an immediately available path toward decarbonizing the transportation sector while driving rural economic development and growth, stabilizing feedstock prices, and providing additional markets for agricultural products.

(4) United States farmers and forests are producing record amounts of feedstock for renewable fuels, but market disruptions and fluctuations due to the COVID-19 pandemic have created uncertainty and reduced markets for United States feedstock producers.

(5) Biofuels, renewable chemicals, biomass to power, biogas, biochar and other bio-based products which contribute to energy security, reduce air pollution, and support rural economic development, are an important market for United States feedstock producers.

**(b) ESTABLISHMENT. –**

(1) GENERAL Not more than 180 days after enactment, the Secretary of Agriculture, working through the Administrator for Rural Business-Cooperative Service, shall, subject to appropriations, establish the “BDO Zone Grant Program.”

**(c) ELIGIBLE APPLICANTS. -** The Secretary may make a grant under this subsection to a partnership that—

(1) is composed of;

(A) entities representing a region composed of 1 or more rural areas, including—

(aa) except as provided in subparagraph (B), 1 or more of--

(i) a unit of local government;

(ii) a Tribal government; or

(iii) an authority, agency, or instrumentality of an entity described in item (i) or (ii); and

(B) a nonprofit or for-profit organization, including a public benefit corporation, an economic development organization, a community or labor organization, an institution of higher education, a community development financial institution, a philanthropic organization, an instrumentality of a State agency relevant to community and rural development, a cooperative extension, an institution in the Farm Credit System, and a local food policy council; and

(C) such other entities as the Secretary or the partnership may determine to be appropriate;

(2) does not include a member described in subparagraph (1)(A)(aa) but demonstrates significant community support sufficient to support a likelihood of success on the proposed projects, as determined by the Secretary; and

(3) demonstrates, as determined by the Secretary, cooperation among the members of the partnership necessary to complete comprehensive, asset-based rural development to align Federal, State, regional, and Tribal investment, while leveraging nongovernmental resources, to build economic resilience and aid economic recovery, including in communities impacted by economic transitions and climate change.

**(d) USE OF GRANT FUNDS.** --The use of grant funds provided under this section may be used for the following purposes;

(1) The creation of Bioeconomy Development Opportunity (BDO) Zone designations to support the development of new markets that will stimulate local and regional biobased economic development. This includes quantifying, scoring and issuance of ratings that reflect regional feedstock and infrastructure risk for use by bio-project development companies and capital markets.

(2) Supporting organizational operating expenses and planned BDO Zone economic development related to BDO Zone designation activities for which the grant was provided.

**(e) AMOUNT OF GRANTS.** - The Secretary will make grant awards to eligible entities, as described in subsection (d), of not more than \$200,000 per eligible applicant.

**(f) MATCHING REQUIREMENT.** --

(1) In general.--Subject to paragraph (2), the recipient of a grant under this section shall contribute a non-Federal match of 25 percent of the amount of the grant, which may be satisfied through an in-kind contribution.

(2) Waiver.--The Secretary may waive any portion of the matching requirement described in paragraph (1) on a finding that the recipient of the applicable grant is economically distressed.

**(g) AUTHORIZATION OF APPROPRIATIONS.** —There is authorized to be appropriated to the Secretary \$20,000,000 for each of fiscal years 2023 through 2030 to carry out this section.