



# 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 FY2022 Appropriation Requests

### **AFCC Contacts:**

CJ Evans, Executive Director, Tel. 202-922-0144, email: [cj@AltFuelChem.org](mailto:cj@AltFuelChem.org)

Rina Singh, PhD., Executive Vice President, Tel. 202-922-0144, email: [rina@AltFuelChem.org](mailto:rina@AltFuelChem.org)

### **Appropriations Subcommittee:**

Agriculture, Rural Development, and Related Agencies

### **Ag / Rural Development Priority:**

#1 of 4

### **Federal Agency:**

Department of Agriculture

### **Agency Account:**

Rural Business–Cooperative Service; Rural Business Program Account

### **Program Title:**

Section 9003: Biorefinery, Renewable Chemical & Bioproducts Manufacturing Assistance Loan Guarantee Program

### **Program Description:**

This program provides loan guarantees up to \$250 million to assist in the development, construction, and retrofitting of new and emerging technologies. These technologies are: [advanced biofuels](#), [renewable chemicals](#) and [biobased products](#)

### **Amount Requested by AFCC:**

- FY2020 was the final year of mandatory funding for this program
- Discretionary funding in an amount up to \$25,000,000 is authorized through 2023 by the 2018 Farm Bill (P.L. 115-334), Title IX, Section 9003, pg. 4884
- An Appropriation of \$25,000,000 will be required to continue this successful and highly valuable program

### **Amount of Federal Funding Included in the President's Budget Request for the Coming Fiscal Year:**

Not yet known.

### **Amount of Federal Funding Appropriated for the Program During Previous Fiscal Years:**

**FY 2018:** Mandatory: \$50,000,000; Discretionary: \$0

**FY 2019:** Mandatory: \$50,000,000; Discretionary: \$0

**FY 2020:** Mandatory: \$25,000,000; Discretionary: \$0



**FY 2021:** Mandatory: \$0; Discretionary: \$0

**AFCC’s Justification / Rationale for Its Funding Request:**

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 \$25 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 FY2022.**

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.

*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.*

**Proposed Bill Language:**

See Consolidated Appropriations Act of 2021 (H.R. 133; P.L. 116-260), pg. 25:

Division A – Departments of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Title III – Rural Development Programs  
Rural Business–Cooperative Service  
Rural Business Program Account

**ADD**

Insert the following language before the **RURAL ENERGY FOR AMERICA PROGRAM:**

*“BIOREFINERY, RENEWABLE CHEMICAL, AND BIOBASED PRODUCT MANUFACTURING ASSISTANCE PROGRAM*

*“For the cost of a program of loan guarantee, under the same terms and conditions as authorized by section 9003 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8103), \$25,000,000: Provided, That the cost of loan guarantees, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.”*



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### **Appropriations Subcommittee:**

Agriculture, Rural Development, and Related Agencies

### **Ag / Rural Development Priority:**

#2 of 4

### **Federal Agency:**

Department of Agriculture

### **Agency Account:**

Rural Business–Cooperative Service; Rural Business Program Account

### **Program Title:**

Section 9002: Biobased Products Procurement Program (USDA BioPreferred Program)

### **Program Description:**

The discretionary and mandated funding provided in the 2018 Farm Bill is to administer and expand the BioPreferred Program which directs all federal agencies to purchase biobased products in categories identified by the USDA. ([139 categories](#) have been identified to date, including cleaners, carpet, lubricants, paints, for which agencies and their contractors have mandatory purchasing requirements via solicitations, blanket purchase agreements, contracts, and specifications.)

### **Amount Requested by AFCC:**

- 2018 Farm Bill, Title IX, Section 9010, pg. 4883, provides \$3,000,000 in mandatory funding through 2023 and authorizes \$3,000,000 per year in discretionary funding through 2023.
- Maintain mandated funding of \$3,000,000 per year through 2023
- Appropriate \$3,000,000 in discretionary funding

### **Amount of Federal Funding Included in the President's Budget Request for the Coming Fiscal Year:**

Mandatory: \$0; Discretionary: \$0

### **Amount of Federal Funding Appropriated for the Program During Previous Fiscal Years:**

**FY 2018:** Mandatory: \$3,000,000; Discretionary: \$0

**FY 2019:** Mandatory: \$3,000,000; Discretionary: \$0



**FY 2020:** Mandatory: \$3,000,000; Discretionary: \$0

**FY 2021:** Mandatory: \$3,000,000; Discretionary: \$0

## **AFCC's Request #1**

Now that Secretary Vilsack has been confirmed and we know that he has been supportive of the program, **AFCC would like Congress to send a bipartisan and bicameral letter to the Secretary requesting 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, along with Bert's company. 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, that 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.
- **Within 180 days of receiving this letter, USDA will expand procurement to other federal agencies**, by contacting them and providing Congress with proof of purchase from the other federal agencies, and this information will be submitted to Congress every quarter.
- Congress would like **yearly in-person updates from the USDA Secretary on the performance of the BioPreferred Program** and procurement of sustainable biobased products impacting the biobased economy.
- USDA Secretary will **annually provide an exhibition forum for the biobased product producers** to meet the federal agency procurement officers and their contractors – where procurements will be made and recorded and shared with Congress.
- This fits in President Biden's Executive Order, federal government should procure from American businesses, [Executive Order on Ensuring the Future Is Made in All of America by All of America's Workers | The White House](#)

## **AFCC's Request #2**

### **Proposed Bill Language:**

See Consolidated Appropriations Act of 2021 (H.R. 133; P.L. 116-260), pg. 25:

Division A – Departments of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Title III – Rural Development Programs

Rural Business–Cooperative Service

Rural Business Program Account



## **Add the following after RURAL ENERGY FOR AMERICA PROGRAM**

### *“BIOBASED PRODUCTS PROCUREMENT PROGRAM*

*“For necessary expenses for carrying out the administration and implementation of the Biobased Products Procurement Program, \$3,000,000”*

### **AFCC’s Justification / Rationale for These Requests:**

- **The USDA BioPreferred® Program (Section 9002, Biomarkets Program, Energy Title IX) enacted in the 2002 Farm Bill**, has since been reauthorized every 5 years in the Farm Bill. It was mandated \$1 million in 2002, and with advocacy has been increased to \$3 million/annual. The program has two parts to it, certification (USDA label which shows how much carbon came from crops or is new carbon), and second part is procurement (if we make the biobased product, by law, USDA and all federal agencies and their contractors will buy the product over incumbent). The former piece is working, the procurement has not worked for just about any producer. Therefore, in the 2018 Farm Bill, we advocated to move the program to a new home in USDA from its building management home to USDA Rural Development, which is an appropriate home. However, after two years, no changes have occurred on the procurement side with the new management – they continue to break the law, 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. Bert’s is not the only company in this boat, just about all of the companies are in similar situation – some are waiting almost 10 years. We need a solution to this issue.
- **USDA currently is purchasing petroleum-based office supplies** from distributors such as Office Max, Amazon, others, and Bert’s biobased products are listed there, and 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.**



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### **Appropriations Subcommittee:**

Agriculture, Rural Development, and Related Agencies

### **Ag / Rural Development Priority:**

#3 of 4

### **Federal Agency:**

Department of Agriculture

### **Agency Account:**

Rural Business–Cooperative Service; Rural Business Program Account

### **NEW PROGRAM**

### **Program Title:**

Biomass Supply Chain Risk (BSCR) Standards

### **Amount Requested by AFCC:**

\$0; this is a no-cost addition to the FY2022 Agriculture, Rural Development, and Related Agencies appropriations.

### **AFCC's Justification / Rationale for This Request:**

AFCC proposes that the Biomass Supply Chain Risk (BSCR) Standards, developed by the Department of Energy's Idaho and Los Alamos National Laboratories, be incorporated as part of the due diligence review of applications for the Department of Agriculture's loan guarantee programs for biofuel, renewable chemical, biobased product, and biogas projects.

By enabling the Department of Agriculture to more accurately quantify the feedstock risk of applicants' projects, the use of the BSCR Standards in evaluating applications will decrease the likelihood of failure for projects that receive loan guarantees.

The BSCR Standards are an industry standard framework, based on the current state of science in mitigating investment risk for capital markets and biobased investors and lenders in ground and aviation biofuel, renewable chemical, biobased product, and biogas projects.

The BSCR Standards were developed and promulgated by the Department of Energy Labs with participation of a 150-member stakeholder group, a 65 member \$65 billion capital market group,



and supported over five years with more than \$5 million awarded by the Department of Energy's Bioenergy Technology Office, which issued a March 6, 2019 Project Peer Review of the standards

These standards align with the goals and recommendations of the *Bioeconomy Initiative: Implementation Framework* issued by the Biomass Research and Development Board, co-chaired by the Departments of Agriculture, Energy, Transportation, Interior, Defense and the Environmental Protection Agency, National Science Foundation, and the Office of Science and Technology Policy within the Executive Office of the President.

**Proposed Bill Language:**

See Consolidated Appropriations Act of 2021 (H.R. 133; P.L. 116-260), pg. 24:

Division A – Departments of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Title III – Rural Development Programs

Rural Business–Cooperative Service

Rural Business Program Account

**Insert after:**

**RURAL BUSINESS PROGRAM ACCOUNT**

***BIOMASS SUPPLY CHAIN RISK STANDARDS***

*“The Biomass Supply Chain Risk Standards, developed by the Department of Energy’s Idaho and Los Alamos National Laboratories and described in the Department of Energy Bioenergy Technology Office’s March 6, 2019 Project Peer Review of the standards, provide an industry standard framework, based on the current state of science, in mitigating investment risk for ground and aviation biofuel, renewable chemical, biobased product, and biogas projects.. The Department of Agriculture shall adopt and incorporate these standards into its review of applications for the Department’s loan guarantee programs for biofuel, renewable chemical, biobased product, and biogas projects to more accurately quantify the feedstock risk of these projects and decrease the likelihood for failure of these projects.”*





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### **Appropriations Subcommittee:**

Agriculture, Rural Development, and Related Agencies

### **Ag / Rural Development Priority:**

#4 of 4

### **Federal Agency:**

Department of Agriculture

### **Agency Account:**

Rural Business–Cooperative Service; Rural Business Program Account

### **Program Title:**

Sections 9010 and 9011: Biomass Crop Assistance Program (BCAP)

### **Program Description:**

The Biomass Crop Assistance Program (BCAP) provides financial assistance to owners and operators of agricultural and non-industrial private forest land who wish to establish, produce, and deliver biomass feedstocks. Through one category of assistance matching payments are made available for the delivery of eligible material to qualified biomass conversion facilities by eligible material owners. Qualified biomass conversion facilities produce research, heat, power, biobased products, or advanced biofuels from biomass feedstocks.

### **Amount Requested by AFCC:**

- The 2018 Farm Bill, Title IX, Section 9010, pg. 4887, authorizes \$25 million per year in discretionary funding through 2023.
- Appropriate \$25,000,000 as provided in the 2018 Farm Bill

### **Amount of Federal Funding Included in the President's Budget Request for the Coming Fiscal Year:**

Not yet known, although it is expected that the program will not be included.

### **Amount of Federal Funding Appropriated for the Program During Previous Fiscal Years:**

FY 2017: \$25,000,000

FY 2018: \$25,000,000

FY 2019: \$0





FY 2020: \$0

FY 2021: \$0

### **AFCC's Justification / Rationale for Its Funding Request:**

This request to restore funding for the BCAP program is to make it possible to use BCAP as:

(a) a ready a means of removing the ever-increasing supply of diseased and infected wood, discarded forest wastes, dry brush, and invasive species in national forests and on public lands that exacerbate wildfire danger, making wildfires more likely and increasing their intensity – which can destroy wildlife habits, forest resources, and property;

**(b) TO SUPPLEMENT AND ADD TO THE FUNDING AND EFFECTIVENESS OF OTHER FEDERAL FIRE PREVENTION AND EMERGENCY FIRE FIGHTING PROGRAMS.**

(c) to comply with the provisions of Title IV, General Provisions, Sec. 431 Policies Related to Biomass Energy of the FY2018 Consolidated Appropriations Act, which states that:

DOE, USDA and EPA “shall, consistent with their missions, jointly (1) ensure that Federal policy relating to forest bioenergy (A) is consistent across all Federal departments and agencies; (B) recognizes the full benefits of the use of forest biomass for energy, conservation, and responsible forest management [which includes reducing the danger of wildfires which can destroy forests, wildlife, and property and cost lives]; and (2) establish clear and simple policies for the use of forest biomass as an energy solution;” and

(d) to complement and extend the authority in the Consolidated Appropriations Act of 2020 (P.L. 116-94), Division B, Title VI, Related Agencies, Forest Service, National Forest System, pg. 191, which appropriates:

“For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, and for hazardous fuels management [*emphasis added*] on or adjacent to such lands, \$1,957,510,000, to remain available through September 30, 2023: ... *Provided further*, That of the funds provided, \$445,310,000 shall be for hazardous fuels management activities, of which not to exceed \$15,000,000 may be used to make grants, using any authorities available to the Forest Service under the “State and Private Forestry” appropriation, for the purpose of creating incentives for increased use of biomass from National Forest System lands [*emphasis added*].”

And which goes on to state:

“That \$20,000,000 may be used by the Secretary of Agriculture to enter into procurement contracts or cooperative agreements or to issue grants for hazardous fuels management activities [*emphasis added*], and for training or monitoring associated with such hazardous fuels management activities on Federal land, or on non-Federal land if the Secretary determines such activities benefit resources on Federal land.”



**Proposed Bill Language:**

Language setting forth these three objectives will need to be incorporated into the FY2021 appropriations bill, as follows:

**Add in:**

Consolidated Appropriations Act of 2021 (H.R. 133) (P.L. 116-260), pg. 25:

Division A – Departments of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Title III – Rural Development Programs

Rural Business–Cooperative Service

Rural Business Program Account

**Insert after:**

***RURAL ENERGY FOR AMERICA PROGRAM***

***BIOMASS CROP ASSISTANCE PROGRAM***

*“For a pilot program, to reinstate the Biomass Crop Assistance Program, as authorized by section 9011 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8111), to carry out the mandate in the Consolidated Appropriation Act of 2018 (P.L. 115-66), Title IV, General Provisions, Sec. 431 Policies Related to Biomass Energy, and expand on the National Forest System hazardous fuels management program, as provided in Division B, Title VI of the Consolidated Appropriations Act of 2020 (P.L. 116-94), \$25,000,000, to be available until expended.”*