

USDA: Begins accepting applications for \$100 Million in biofuel infrastructure grants

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WASHINGTON, Aug. 23, 2022 – U.S. Department of Agriculture (USDA) Secretary Tom Vilsack today announced that USDA is accepting applications for \$100 million in grants to increase the sale and use of biofuels derived from U.S. agricultural products.

USDA is making the funding available through the [Higher Blends Infrastructure Incentive Program](#) (HBIIP). This program seeks to market higher blends of ethanol and biodiesel by sharing the costs to build and retrofit biofuel-related infrastructure such as pumps, dispensers and storage tanks.

“The Biden-Harris Administration recognizes that rural America is the key to reducing our reliance on fossil fuels and giving Americans cleaner, more affordable options at the pump,” Vilsack said. “Biofuels are homegrown fuels. Expanding the availability of higher-blend fuels is a win for American farmers, the rural economy and hardworking Americans who pay the price here at home when we depend on volatile fuel sources overseas.”

This additional funding follows an April investment of \$5.6 million through HBIIP that is expected to increase the availability of biofuels by 59.5 million gallons per year in California, Delaware, Illinois, Maryland, New Jersey, New York and South Dakota.

In June, USDA also announced that it had provided \$700 million in relief funding to more than 100 biofuel producers in 25 states who experienced market losses due to the pandemic.

These investments reflect the goals of President Biden's Inflation Reduction Act, which addresses immediate economic needs and includes the largest ever federal investment in clean energy for the future. The law includes another \$500 million aimed at increasing the sale and use of agricultural commodity-based fuels. This funding will allow USDA to provide additional grants for infrastructure improvements related to blending, storing, supplying and distributing biofuels.

Gas prices continue to fall, at the fastest pace in over a decade. Biofuels are an important part of the Biden-Harris Administration's commitment to lowering gas prices for the American people.

Background

Under HBIIP, USDA provides grants to transportation fueling and distribution facilities. These grants lower the out-of-pocket costs for businesses to install and upgrade infrastructure and related equipment.

The \$100 million available now will support a variety of fueling operations, including filling stations, convenience stores and larger retail stores that also sell fuel. The funds will also support fleet facilities including rail and marine, and fuel distribution facilities, such as fuel terminal operations, midstream operations, distribution facilities as well as home heating oil distribution centers.

The grants will cover up to 50% of total eligible project costs – but not more than \$5 million – to help owners of transportation fueling and fuel distribution facilities convert to higher blends of ethanol and biodiesel. These higher-blend fuels must be greater than 10% for ethanol and greater than 5% for biodiesel.

Applications must be submitted by 4:30 p.m. ET Nov. 21, 2022. Visit the [HBIIP webpage](#) to learn more, sign up for webinars and apply.

Additional information also is available on [Grants.gov](#) or page 51641 of the Aug. 23, 2022, [Federal Register](#).

USDA is offering [priority points](#) to projects that advance key priorities under the Biden-Harris Administration to help communities recover from the COVID-19 pandemic, advance equity and combat climate change. These extra points will increase the likelihood of funding for projects that will advance these key priorities for people living in rural America.

Under the Biden-Harris Administration, Rural Development provides loans and grants to help expand economic opportunities, create jobs and improve the quality of life for millions of Americans in rural areas. This assistance supports infrastructure improvements; business development; housing; community facilities such as schools, public safety and health care; and high-speed internet access in rural, tribal and high-poverty areas. For more information, visit www.rd.usda.gov.

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate-smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit www.usda.gov.

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