

# U.S. Dept. of Agriculture: Announces funding for homegrown biofuels as part of Investing in America agenda

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**WASHINGTON, June 26, 2023** – U.S. Department of Agriculture (USDA) Secretary Tom Vilsack today announced that USDA plans to invest up to \$500 million from President Biden’s Inflation Reduction Act to increase the availability of domestic biofuels and give Americans additional cleaner fuel options at the pump.

“President Biden’s Inflation Reduction Act is a historic investment that will expand clean energy, lower costs for Americans, and build an economy that benefits working families and small businesses,” Vilsack said. “By expanding the availability of homegrown biofuels, we are strengthening our energy independence, creating new market opportunities and revenue streams for American producers, and bringing good-paying jobs and other economic benefits to rural and farm communities.”

In December 2022, USDA made available \$50 million in Inflation Reduction Act funding to expand the use and availability of higher-blend biofuels through the [Higher Blends Infrastructure Incentive Program](#) (HBIIP). Secretary Vilsack today announced the first awardees of 59 infrastructure projects that will receive a total of \$25 million. To learn more, you may view the [list of Higher Blends Infrastructure Incentive Program awardees](#).

Among the awards Secretary Vilsack announced today:

- **In Wisconsin**, BP Kenosha Travel Plaza LLC will use a \$259,853 grant to create infrastructure to expand the sales and use of renewable fuels. This project will install four E15 dispensers, two B20 dispensers, one ethanol

storage tank, and one biodiesel storage tanks at one fueling station located in Bristol, Wisconsin. This project projects to increase the amount of biodiesel sold by 1,002,530 gallons per year.

In addition, USDA announced today that in July the Department will begin accepting applications for \$450 million in grants through HBIIIP. These grants will continue to support the infrastructure needed to lower out-of-pocket costs for transportation fueling and distribution facilities to install and upgrade biofuel-related infrastructure such as pumps, dispensers, and storage tanks. Additional awards will be announced in the coming weeks.

### **Background: Higher Blends Infrastructure Incentive Program**

HBIIIP seeks to increase the availability of higher blends of ethanol and biodiesel derived from U.S. agricultural products by sharing the costs to build and retrofit biofuel-related infrastructure.

Grants cover up to 75% or \$5 million of total project costs to help facilities convert to higher-blend fuels. The fuels must be greater than 10% for ethanol and greater than 5% for biodiesel.

The \$450 million in new funds will be available quarterly starting July 1. Each quarter, \$90 million will be available to support a variety of fueling operations:

- Approximately \$67.5 million will be made available to transportation fueling facilities, including fueling stations; convenience stores; larger retail stores that also sell fuel; and transportation, freight, rail and marine fleet facilities.
- Approximately \$18 million will be available to fuel distribution facilities, including terminal operations, depots and midstream operations.
- Up to \$4.5 million will be made available to home heating oil distribution facilities.

There will be five application windows for HBIIIP between July 1, 2023, and Sept. 30, 2024. A sixth application window will be opened if funding has not been exhausted.

For more information, visit the [HBIIIP webpage](#), the Federal Register or Grants.gov. Those interested may also [register](#) to attend a webinar scheduled for July 6 at 3:30 p.m. ET.

### **Background: Inflation Reduction Act**

This announcement is part of President Biden's [Investing in America agenda](#) to grow the American economy from the bottom up and the middle out by rebuilding our nation's infrastructure, driving over \$470 billion in private-sector manufacturing investments, creating good-paying jobs, and building a clean-energy economy to tackle the climate crisis and make our communities more resilient.

The Biden-Harris Administration championed the Inflation Reduction Act to help provide new funding and unprecedented incentives to expand clean energy, transform rural power production, create jobs and spur economic growth. It is the largest single investment in rural electrification since the Rural Electrification Act of 1936.

Through the Inflation Reduction Act, the Administration is delivering on its promise to fight climate change and reduce greenhouse gas emissions across America.

It provides funding to USDA Rural Development to help eligible organizations invest in renewable energy infrastructure and zero-emission systems and make energy-efficiency improvements that will significantly reduce greenhouse gas emissions.

For more information on the Inflation Reduction Act, visit: <https://www.rd.usda.gov/inflation-reduction-act>.

USDA 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](http://www.rd.usda.gov).

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