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Biden-Harris Administration Announces Funding for Homegrown Biofuels as Part of Investing in America Agenda

Funds Are Being Provided by President Biden's Inflation Reduction Act; USDA Awards First Round of Funding to 59 Infrastructure Projects

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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



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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.

Among the awards Secretary Vilsack announced today:

- In Iowa, Kimmes Enterprises LLC will use a \$510,500 grant to replace four E15 dispensers and four ethanol storage tanks at three fueling stations located in Carroll, Rockwell City and Baxter. This project is expected to increase annual sales of ethanol by approximately 635,000 gallons.
- In Minnesota, Farmers Cooperative Oil Company will use a \$623,500 grant to replace nine E85 dispensers, two B20 dispensers, two ethanol storage tanks and two biodiesel storage tanks at a fueling station in Barnesville. The project is expected to increase annual sales of biofuels by nearly 122,000 gallons.
- In New York, Carmel Terminals Inc. will use a \$1 million grant to install four 50,000-gallon B10 bioheat storage tanks, a 25,000-gallon B10 on-road biodiesel storage tank and a B100 biodiesel storage tank at a fuel distribution facility in Carmel. The funds also will be used to install piping, circulation lines, a heating system for biodiesel flow control, electronics and other equipment. This project is expected to increase annual sales of biodiesel by more than 16 million gallons.

Additional awards will be announced in the coming weeks.

In addition to today's announcements, EPA recently finalized the highest-ever biofuel production targets in our history, with growth in cellulosic biofuel, biomass-based diesel, advanced biofuel, and non-cellulosic advanced categories. This is a win for energy independence and for our rural economy, delivering stability and growth in this market for years to come.

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.



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application window will be opened if funding has not been exhausted.

For more information, visit the [HBIIP 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: 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.

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, ensuring access to 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



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January 8, 2025

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January 8, 2025

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