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DEPARTMENT OF AGRICULTURE

Rural Business-Cooperative Service

Notice of Funding Availability for the Repowering
Assistance Program

AGENCY: Rural Business-Cooperative Service and Rural
Utilities Service, USDA.

ACTION: Notice.

SUMMARY: The Notice announces the availability of up to \$12 million to make payments to eligible biorefineries in fiscal year (FY) 2014. This Notice announces the acceptance of applications for payments to eligible biorefineries to encourage the use of renewable biomass as a replacement fuel source for fossil fuels used to provide process heat or power in the operation of these eligible biorefineries. To be eligible for payments, biorefineries must have been in existence on or before June 18, 2008.

DATES: Applications for participating in this program for FY 2014 will be accepted from [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER] through [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Applications

received after [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], regardless of their postmark, will not be considered for (FY) 2014 payments. If the actual deadline falls on a weekend or a federally-observed holiday, the deadline is the next Federal business day.

ADDRESSES: Application materials may be obtained by contacting USDA, Rural Development-Energy Division, Technology Branch, Attention: Repowering Assistance Program, 1400 Independence Avenue, SW, Stop 3225, Washington, DC 20250-3225.

Submit applications to USDA, Rural Development-Energy Division, Technology Branch, Attention: Repowering Assistance Program, 1400 Independence Avenue, SW, Stop 3225, Washington, DC 20250-3225.

FOR FURTHER INFORMATION CONTACT: For further information on this payment program, please contact Fred Petok, USDA, Rural Development, Business Programs Energy Division, Technology Branch, 1400 Independence Avenue, SW, Room 6870, STOP 3225, Washington, DC 20250-3225. Telephone: 202-690-0784. Email: frederick.petok@wdc.usda.gov.

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995, the information collection requirements associated with the Section 9004 Repowering Assistance Program, as covered in this Notice, have been approved by the Office of Management and Budget (OMB) under OMB Control Number 0570-0066.

Overview

Federal Agency Name: Rural Business-Cooperative Service (an agency of the United States Department of Agriculture (USDA) in the Rural Development mission area).

Payment Proposal Title: Repowering Assistance Program.

Announcement Type: Initial announcement.

Catalog of Federal Domestic Assistance (CFDA) Number.
The CFDA number for this Notice is 10.866.

Dates: The Repowering Assistance Program application period for FY 2014 is [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER] to [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Availability of Notice and Rule. This Notice and the interim rule for the Repowering Assistance Program are

available on the USDA Rural Development Web site at
http://www.rurdev.usda.gov/BCP_RepoweringAssistance.html.

The interim rule can also be found at 7 CFR 4288 subpart A.

I. Funding Opportunity Description

A. Purpose of the Program. The purpose of this program is to provide financial incentives to biorefineries in existence on or before June 18, 2008, the date of the enactment of the Food, Conservation, and Energy Act of 2008 (the 2008 Farm Bill) (Public Law 110-246), to replace the use of fossil fuels used to produce heat or power at their facilities by installing new systems that use renewable biomass, or to produce new energy from renewable biomass.

B. Statutory Authority. This program is authorized under 7 U.S.C. 8104.

C. Definition of Terms. The definitions applicable to this Notice are published at 7 CFR 4288.2.

II. Award Information

A. Available Funds. The Agency is authorizing up to \$12 million for this program in FY 2014.

B. Number of Payments. The number of payments will depend on the number of participating biorefineries.

C. Amount of Payments. The Agency will determine the amount of payments to be made to a biorefinery in accordance with its regulations at 7 CFR part 4288 subpart A which take into consideration the percentage reduction in fossil fuel used by the biorefinery (including the quantity of fossil fuels a renewable biomass system is replacing) and the cost and cost-effectiveness of the renewable biomass system.

D. Payment Limitations. There is no minimum payment amount that an individual biorefinery can receive. The maximum amount an individual biorefinery can receive under this Notice is 50 percent of total eligible project costs up to a maximum of \$3 million.

E. Project Costs. Eligible project costs will be only for project related construction costs for repowering improvements associated with the equipment, installation, engineering, design, site plans, associated professional fees, permits and financing fees. Any project costs incurred by the applicant prior to application for payment assistance under this Notice will be ineligible for payment assistance.

F. Type of Instrument. Payment agreement.

III. Eligibility Information

A. Eligible Applicants. Program requirements are found in 7 CFR 4288.10. Among other things, to be eligible for this program, an applicant must be a biorefinery that has been in existence on or before June 18, 2008, and will utilize renewable biomass to replace fossil fuel for repowering the biorefinery.

B. Ineligible Projects. A project is not eligible under this Notice if it is using feedstocks for repowering that are feed grain commodities that received benefits under Title I of the Food, Conservation, and Energy Act of 2008. Projects that do not score minimum points for cost-effectiveness and percentage of reduction of fossil fuel used will be deemed ineligible.

IV. Multiple Submissions

Corporations and entities with more than one biorefinery can submit an application for only one of their biorefineries. However, if a corporation or entity has multiple biorefineries located at the same location, the entity may submit an application that covers such biorefineries provided the heat and power used in the multiple biorefineries are centrally produced.

V. Scoring Advice

A. Cost Effectiveness. To be eligible and meet the minimum scoring criteria, the project must have a simple payback period of no more than 10 years (i.e., must be awarded at least five points for cost-effectiveness under 7 CFR 4288.21(b)(1)).

B. Percentage of Reduction of Fossil Fuel Used. To be eligible and meet the minimum scoring criteria, the applicant must demonstrate that the repowering project has an anticipated annual reduction in fossil fuel use of at least 40 percent (i.e., the application must be awarded at least five points for percentage of reduction of fossil fuel used under 7 CFR 4288.21(b)(2)).

VI. Project Financing

The applicant must demonstrate that it has sufficient funds or has obtained commitments for sufficient funds to complete the repowering project taking into account the amount of the payment request in the application.

VII. Fiscal Year 2014 Application and Submission

Information:

A. To Request Applications. Application forms are available from the USDA Rural Development State Office, State Energy Coordinator, and the Agency Web site found at

<http://forms.sc.egov.usda.gov>. Follow instructions on the Agency Web site for obtaining the application and forms.

B. Content and Form of Submission. Applicants must submit a signed original and one copy of an application containing all the information specified in 7 CFR 4288.20(b) and (c).

C. Submission Dates and Times. Applications to participate in this program for FY 2014 must be submitted between [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER] and [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Applications received after 4:30 pm [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], regardless of their postmark, will not be considered by the Agency for FY 2014 payments.

D. Payment Provisions. FY 2014 payments will be made according to the provisions specified in 7 CFR 4288.13(b) and (c) and in 7 CFR 4288.24.

VIII. Application Review and Selection Information

The Agency will evaluate projects based on the cost, cost-effectiveness, and capacity of projects to reduce fossil fuels used.

A. Review. The Agency will review applications

submitted under this Notice in accordance with 7 CFR 4288.21(a).

B. Scoring. The Agency will score applications submitted under this Notice in accordance with 7 CFR 4288.21(b).

C. Ranking and Selecting Applications. All scored applications will be ranked by the Agency as soon after [ENTER DATE 90 DAYS AFTER PUBLICATION OF THIS NOTICE IN THE FEDERAL REGISTER] as possible. The Agency will consider the score an application has received compared to the scores of other applications, with higher scoring applications receiving first consideration for payments. Using the application scoring criteria point values specified in 7 CFR 4288.21, the Agency will select applications for payments.

D. Availability of Funds. As applications are funded, if insufficient funds remain to pay the next highest scoring application, the Agency may elect to pay a lower scoring application. Before this occurs, the Agency will provide the applicant of the higher scoring application the opportunity to reduce the amount of its payment request to the amount of funds available. If the applicant agrees to lower its payment request, it must certify that the purposes of the project can be met, and

the Agency must determine the project is feasible at the lower amount.

IX. Administration Information

A. Notice of Eligibility. The provisions of 7 CFR 4288.23 apply to this Notice. These provisions include notifying an applicant determined to be eligible for participation and notifying an applicant determined to be ineligible, including their application score and ranking and the score necessary to qualify for payments.

B. Administrative and National Policy Requirements.

(1) Review or Appeal Rights. A person may seek a review of an Agency adverse decision or appeal to the National Appeals Division as provided in 7 CFR 4288.3.

(2) Compliance With Other Laws and Regulations. The provisions of 7 CFR 4288.4 apply to this Notice, which includes requiring participating biorefineries to be in compliance with other applicable Federal, State, and local laws.

(3) Oversight and Monitoring. The provisions of 7 CFR 4288.5(a) and (b) apply to this Notice, which includes the right of the Agency to verify all payment applications and subsequent payments and the requirement that each biorefinery must make available, at one place at all

reasonable times for examination by the Agency, all books, documents, papers, receipts, payroll records, and bills of sale adequate to identify the purposes for which, and the manner in which, funds were expended for all eligible project costs for a period of not less than 3 years from the final payment date.

(4) Reporting. Upon completion of the repowering project funded under this Notice, the biorefinery must submit a report, in accordance with 7 CFR 4288.5(c), to the Agency annually for the first 3 years after completion of the project. The reports are to be submitted as of October 1 of each year.

(5) Exception Authority. The provisions of 7 CFR 4288.7 apply to this Notice.

(6) Succession and Control of Facilities and Production. The provisions of 7 CFR 4288.25 apply to this Notice.

C. Environmental Review. All recipients under this Notice are subject to the requirements of 7 CFR Part 1940, subpart G.

X. Agency Contacts

For further information about this Notice, please contact Fred Petok, USDA, Rural Development, Business

Programs Energy Division, 1400 Independence Avenue, SW,
Room 6870, STOP 3225, Washington, DC 20250-3225.

Telephone: 202-690-0784. Email:

frederick.petok@wdc.usda.gov.

XI. Nondiscrimination Statement

USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue SW., Washington, D.C. 20250-9410 or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TTD) or (866)

377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

Ashli Palmer

May 20, 2014

Date

Acting Administrator

Rural Business-Cooperative Service

United State Department of Agriculture

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