



NEWS RELEASE

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(FEBRUARY 11, 2011) AGRICULTURE SECRETARY VILSACK ANNOUNCES RENEWABLE ENERGY PROGRAM CHANGES TO PROMOTE BIOFUEL PRODUCTION AND CREATE JOBS

Washington, D.C., Feb 11, 2011 --

@@ Agriculture Secretary Tom Vilsack today announced interim rule changes to three renewable energy programs that are intended to create jobs in rural areas and increase the production and use of renewable energy. The programs affected include the Biorefinery Assistance Program, the Repowering Assistance Program and the Bioenergy Program for Advanced Biofuels. The programs, authorized in the Food, Conservation, and Energy Act of 2008 (Farm Bill) are administered by USDA Rural Development.

"These changes contribute to the Obama Administration's effort to revitalize our rural economy and meet our energy challenges," Vilsack said. "It's part of our effort to 'win the future.' USDA's renewable energy programs provide new sources of farm income, increase domestic energy production and develop a domestic renewable energy industry which will create jobs and reduce America's dependence on imported oil."

The rule changes allow non-rural locations to be eligible for funding and remove prior citizenship requirements for borrowers. Complete details of the new rules for the Repowering Assistance Program and the Bioenergy Program for Advanced Biofuels are published on page 7916 of the February 11, 2011 Federal Register, <http://edocket.access.gpo.gov/2011/2011-2480.htm>. The rule for the Biorefinery Assistance Program is expected to be published on Monday. Below is a summary of some of the changes:

Biorefinery Assistance Program:

This program supports the development and construction of commercial-scale biorefineries and the retrofit of existing facilities using eligible technologies. The changes increase the maximum loan guarantee percentage in certain circumstances; add "refinancing" as an eligible project purpose under certain conditions.

Repowering Assistance Program:

The program makes payments to eligible biorefineries to encourage the use of renewable biomass as a replacement fuel source for fossil fuels used to provide heat or power in the operation of the biorefineries. These payments are provided to biorefineries that were in existence when the Farm Bill was enacted. The changes allow participating biorefineries to request and receive reimbursement payments for eligible project costs during construction and require that the applicant provide information on any biobased product produced at the facility. This is in addition to providing information on biofuel production.

Bioenergy Program for Advanced Biofuels:

Under this program, USDA Rural Development enters into contracts with advanced biofuel producers to pay them for the production of eligible advanced biofuels. To be eligible for payments, advanced biofuels produced must be derived from renewable biomass, excluding corn kernel starch, in a biorefinery located in a state. The interim rule adds to the definition provisions for determining whether an advanced biofuel producer of biogas or solid advanced biofuels is a "larger producer" or a "smaller producer." The rule also deletes the term "biorefinery" and replaces it with "biofuel facility" to clarify that eligible advanced biofuels may be produced at facilities other than biorefineries.

USDA, through its Rural Development mission area, administers and manages more than 40 housing, business and community infrastructure and facility programs through a national network of state and local offices. These programs are designed to improve the economic stability of rural communities, businesses, residents, farmers and ranchers and improve the quality of life in rural America. Rural Development has an existing portfolio of nearly \$146 billion in loans and loan guarantees.

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