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The information contained herein is based on a summary of legal principles. It is not to be construed as legal advice. Individuals should consult with legal counsel before taking any action based on these principles to ensure their applicability in a given situation.

USDA Announces \$181 Million of Loan Guarantees Available for Biorefinery Projects

Municipal waste water treatment facilities with biogas generation opportunities as well as other developers of commercial-scale biogas and biofuel projects should consider U.S. Department of Agriculture's (USDA) loan guarantee program. USDA recently announced the availability of \$181 million in loan guarantees to develop commercial-scale biorefineries or to retrofit existing facilities to develop advanced biofuels.

Eligible borrowers include individuals, corporations, Indian tribes, state and local governments, and public power entities, among others. The technology employed must be commercially viable or have the technical and economic potential for commercial application.

Projects must meet the following requirements:

- The project must be for the development and construction of commercial-scale biorefineries using eligible technology or retrofitting of existing facilities with eligible technology. The project must use an eligible feedstock for the production of advanced biofuels and biobased products. Examples of eligible feedstocks include, but are not limited to, renewable biomass, biosolids, treated sewage sludge, and byproducts of the pulp and paper industry.
- The majority of the biorefinery production must be an "advanced biofuel." A project that creates an advanced biofuel that is converted to another form of energy for sale will still be considered an advanced biofuel.
- The project must provide funds of not less than 20 percent of eligible project costs.

The project must create an "Advanced biofuel," such as:

- Biofuel derived from cellulose, hemicellulose, or lignin
- Biofuel derived from sugar and starch (other than ethanol derived from corn kernel starch)
- Biofuel derived from waste material, including crop residue, other vegetative waste material, animal waste, food waste, and yard waste
- Diesel-equivalent fuel derived from renewable biomass, including vegetable oil and animal fat
- Biogas (including landfill gas and sewage waste treatment gas) produced through the conversion of organic matter from renewable biomass
- Other fuel derived from cellulosic biomass

Applications are due by no later than 4:30 p.m. local time on January 30, 2014 in the

USDA Rural Development National Office.

Link to funding announcement:

<http://content.govdelivery.com/accounts/USDAO/bulletins/905138>

Godfrey & Kahn, S.C. can assist your organization in pursuing available funding to develop an advanced biofuels project. If you have any questions about the available funding, please contact Art Harrington, Godfrey and Kahn's Renewable Energy Practice Group Leader, at 414.287.9414 or aharrington@gklaw.com or John Clancy, Godfrey & Kahn's Environment & Energy Strategies Practice Group Leader, at 414.287.9256 or jclancy@gklaw.com.

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