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# Higher Blends Infrastructure Incentive Program: U.S. Department of Agriculture Announces \$100 Million Available for Biofuel Infrastructure Grants

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The United States Department of Agriculture (“USDA”) issued a news release and published a Federal Register Notice announcing an application window and availability of approximately \$100 million in competitive grants under the Higher Blends Infrastructure Incentive Program (“HBIP”). See 87 Fed. Reg. 51641.

The purpose of the HBIP is to increase the sale and use of biofuels derived from United States agricultural products.

In an attempt to facilitate this program, USDA seeks to promote higher blends of ethanol and biodiesel by sharing the cost to build and retrofit biofuel-related infrastructure which includes:

- Pumps
- Dispensers
- Storage Tanks

Cost-share grants of up to 50% of total eligible project costs but not more than \$5 million will be made available to assist transportation fueling and fuel distribution facilities with converting to higher blend friendly status for ethanol and biodiesel. In the case of ethanol that includes greater than 10% ethanol and biodiesel greater than 5% biodiesel.

The costs that can be potentially shared include those related to the installation, and/or retrofitting, and/or otherwise upgrading of dispenser/pumps, related equipment, and infrastructure.

Key priorities in administering the program are stated to include:

- Assisting rural communities to recover economically from the impacts of COVID (particularly disadvantaged communities)
- Ensuring all rural residents have equitable access to Rural Development programs
- Reducing climate pollution and increasing resilience to the impacts of climate change through economic support for rural communities

A “Targeted Assistance Goal” is established for applicants (i.e., owners) that own the fewest number of transportation fueling stations/locations (and owning at least one).

Forty percent of the funds will be made available for activities/investments related to upgrading or installing equipment to facilitate a transportation fueling facility fully compatible to dispense/sell higher blends of fuel ethanol and/or biodiesel.

Additional factors that will be considered include:

- Geographic diversity
- First time applicants

A copy of the news release regarding the HBIP can be downloaded [here](#). The Federal Register Notice can be downloaded [here](#).