



## Alternative Energy Report

### Farm Bill Passes House – Energy Title Explained

With passage by the US House of Representatives this morning, the Farm Bill and its energy provisions are a giant step closer to final passage. The Farm Bill Conference report was approved by the full House in a [251 to 166](#) vote, over opposition from liberals, who said that food stamp cuts go too far, and conservatives concerned that the legislation failed to further curtail government spending. The US Senate is expected to follow suit by the end of the week. (The Senate version of the Farm Bill passed last year is close to the final conference report.)

The bill is expected to cost around \$96 billion annually, with almost 80 percent of the funding going to food stamps for the needy through the Supplemental Nutrition Assistance Program (SNAP), which now provides assistance to an average of 47.6 million people at an annual cost of \$80 billion. About 15 percent of the money in the bill goes to farm programs and crop insurance subsidies with the remainder funding conservation, rural development, and renewable energy programs.

ERG spoke with Congressional staff to confirm the provisions that impact energy in the legislation, which will be in effect for at least five years. Conferees included Pennsylvania Congressmen Glenn “GT” Thompson and Tom Marino. A copy of the conference report is available [here](#).

The bill is 959 pages long, but has several details spelled out in its energy title (Title IX). The conference report includes almost \$900 million in mandatory

funding for energy programs and extends eligibility to biobased chemical producers under the Section 9003 Biorefinery Assistance Program and the Section 9007 Biomass Research and Development Program.

The bill provides \$3 million in mandatory funding under the Section 9002 Biobased Markets Program for each fiscal year 2014 through 2018, along with \$2 million annually in discretionary funding for the Program.

The Section 9003 Biorefinery Assistance Program is being expanded to include renewable chemical and biobased product manufacturing. Biobased product manufacturing is defined in the section as the development, construction and retrofitting of technologically new commercial-scale processing and manufacturing equipment and required facilities that will be used to convert renewable chemicals and other biobased outputs of biorefineries into end-user products on a commercial scale. The bill contains \$100 million in mandatory funding for 2014 and \$50 million in mandatory funding each for fiscal years 2015 and 2016. Discretionary funding of \$75 million for each fiscal year 2014 through 2018 is also authorized.

The Section 9004 Repower Assistance Program includes \$12 million in mandatory funding for fiscal year 2014 and \$10 million in discretionary funding for fiscal years 2014 through 2018.

The Section 9005 Bioenergy Program for Advanced Biofuels will have \$15 million in mandatory funding for each fiscal year 2014 through 2018, along with \$20 million in discretionary funding for each year from 2014 through 2018.

The Section 9006 Biodiesel Fuel Education Program includes \$1 million for each fiscal year through 2018 and an additional \$1 million in discretionary funding for each fiscal year 2014 through 2018.

The Section 9007 Rural Energy for America Program (REAP) will be amended to institute a new application process that reflects the size of proposed projects. The three-tiered process includes projects of less than \$80,000, a second tier for project activities funded at between \$80,000 and \$200,000, and a third tier process for those equal to or greater than \$200,000. A \$50 million mandatory funding level is established for each year from 2014-2018, with an additional \$20 million in discretionary funds also available.

The Section 9008 Biomass Research and Development program is allotted \$3

million in mandatory funding for each fiscal year 2014 through 2017 and \$20 million in discretionary funding for each fiscal year 2014 through 2018.

Section 9009 of the bill extends the Feedstock Flexibility Program for Bioenergy Producers through 2018. The program was originally designated as the Section 9010 program in the 2008 Farm Bill.

Section 9010 of the bill funds the Biomass Crop Assistance Program with \$25 million for each fiscal year 2014 through 2018. BCAP was originally designated as the Section 9011 program of the 2002 Farm Bill.

Section 9011 of bill repeals the Section 9012 Forest Biomass for Energy program included in the 2002 Farm Bill.

Section 9012 of the legislation updates and provides funding for the Community Wood Energy Program, which was originally the Section 9013 program in the 2002 Farm Bill. The bill adds biomass consumer cooperatives as eligible entities. These are membership organizations that provide services or discounts to members for purchase of biomass heating products or biomass heating systems. In addition to grants for state and local governments to develop wood energy plans and grants to state and local governments to acquire or upgrade community wood energy programs, the legislation adds new grants of up to \$50,000 for the consumer cooperatives to establish or expand operations, with a 50 percent match required for the grants. The bill authorizes \$5 million in funds for each fiscal year through 2018.

Section 9013 of the bill repeals the Biofuels Infrastructure Study established in Section 9002 of the 2008 Farm Bill, and Section 9014 repeals the Renewable Fertilizer Study established in Section 9003 of the 2008 Farm Bill.

Section 9015 of the bill establishes and Energy Efficiency Report for USDA Facilities, requiring the Secretary of Agriculture to submit a report to the House and Senate Agriculture Committees within 180 days of the bill's passage outlining energy use and energy efficiency projects at USDA's headquarters and regional facilities.

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