Biofuels Incentives: A Summary of Federal Programs

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Summary

With recent high energy prices, the passage of major energy legislation in 2005 (P.L. 109-58) and 2007 (P.L. 110-140), and the passage of a farm bill in 2008 (P.L. 110-246), there is ongoing congressional interest in promoting alternatives to petroleum fuels. Biofuels—transportation fuels produced from plants and other organic materials—are of particular interest. However, many incentives for biofuels production and use expired at the end of 2011, and ongoing congressional debate over budget deficits and the national debt make the prospect of extending these incentives less likely.

Until recently, ethanol and biodiesel, the two most widely used biofuels, received significant government support under federal law in the form of mandated fuel use, tax incentives, loan and grant programs, and certain regulatory requirements. While the mandate remains, several tax incentives and other programs have terminated in recent years. The 22 programs and provisions listed in this report were established over the past three decades, and were administered by five separate agencies and departments: Environmental Protection Agency, U.S. Department of Agriculture, Department of Energy, Internal Revenue Service, and Customs and Border Protection. These programs targeted a variety of beneficiaries, including farmers and rural small businesses, biofuel producers, petroleum suppliers, and fuel marketers. Arguably, in prior years the most significant federal programs for biofuels had been tax credits for the production or sale of ethanol and biodiesel. However, with the establishment of the renewable fuel standard (RFS) under P.L. 109-58, Congress has mandated biofuels use; P.L. 110-140 significantly expanded that mandate. In the long term, the mandate may prove even more significant than tax incentives in promoting the use of these fuels.

The 2008 farm bill—The Food, Conservation, and Energy Act of 2008—amended or established various biofuels incentives, including lowering the value of the ethanol excise tax credit, establishing a tax credit for cellulosic biofuel production, extending import duties on fuel ethanol, and establishing several new grant and loan programs (all of which are set to expire at the end of FY2012).

Several key biofuels incentives had expired or were set to expire (e.g., a tariff on ethanol imported from most countries, as well as tax credits for biodiesel, renewable diesel, and ethanol) before the passage of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312). The incentives included in that law were extended through the end of 2011, and Congress has not acted to extend these incentives into 2012.

This report outlines federal programs that provide direct or indirect incentives for biofuels. For each program described, the report provides details including administering agency, authorizing statute(s), annual funding, and expiration date. The Appendix provides summary information in a table format.
Introduction

With recent high energy prices, the passage of the Energy Policy Act of 2005 (P.L. 109-58) and the Energy Independence and Security Act of 2007 (P.L. 110-140), and the passage of the 2008 farm bill (P.L. 110-246), there is ongoing congressional interest in promoting greater use of alternatives to petroleum fuels. Biofuels—transportation fuels produced from plants and other organic materials—are of particular interest. Ethanol and biodiesel, the two most widely used biofuels, received significant federal support in the form of tax incentives, loan and grant programs, and regulatory programs. However, many incentives for biofuels production and use expired at the end of 2011, while many farm-bill related programs will expire at the end of FY2012. The ongoing congressional debate over budget deficits and the national debt make the prospect of extending these incentives less likely. For example, six of the eight tax incentives listed in this report expired at the end of 2011 and the remaining two are set to expire at the end of 2012.

This report outlines 22 current, expired, or pending federal programs that provide direct or indirect incentives for biofuels. The programs are grouped below by administering agency. The incentives for biofuels are summarized in the Appendix. This information is compiled from authorizing statutes, committee reports, and Administration budget request documents.

Environmental Protection Agency (EPA)—Renewable Fuel Standard

- Administered by: EPA
- Scheduled termination: None
- Description: The Energy Policy Act of 2005 established a renewable fuel standard (RFS) for automotive fuels. The RFS was expanded by the Energy Independence and Security Act of 2007. The RFS requires the use of renewable fuels (including ethanol and biodiesel) in transportation fuel. In 2011, fuel suppliers were required to include 13.95 billion gallons of renewable fuel in the national transportation fuel supply; this requirement increases annually to 36 billion gallons in 2022. The expanded RFS also specifically mandates the use of “advanced biofuels”—fuels produced from non-corn feedstocks and with 50% lower lifecycle greenhouse gas emissions than petroleum fuel—starting in 2009. Of the 36 billion gallons required in 2022, at least 21 billion gallons must be advanced biofuel. There are also specific quotas for cellulosic biofuels and for biomass-based diesel fuel. On May 1, 2007, EPA issued a final rule on the original RFS program detailing compliance standards for fuel suppliers, as well as a system to trade renewable fuel credits between suppliers. On March 26, 2010, EPA issued final rules for the expanded program (RFS2), including lifecycle analysis methods necessary to categorize fuels as advanced biofuels, and new rules for credit verification and trading. While this program is not a direct subsidy for the construction of biofuels plants, the guaranteed market
created by the renewable fuel standard is expected to stimulate growth of the biofuels industry and to raise prices above where they would have been in the absence of the mandate.

- For more information: EPA website, Renewable Fuel Standard (RFS) http://www.epa.gov/otaq/fuels/renewablefuels/index.htm

Internal Revenue Service (IRS)

Various tax credits and other incentives have been available for the production, blending, and/or sale of biofuels and biofuel blends. However, many of these incentives expired at the end of 2011. Tax credits vary by the type of fuel and the size of the producer.

Several key biofuels incentives had expired or were set to expire (e.g., a tariff on ethanol imported from most countries, as well as tax credits for biodiesel, renewable diesel, and ethanol) before the passage of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312). The incentives included in that law were extended through the end of 2011, but support for extending these tax incentives beyond 2011 was limited.

Volumetric Ethanol Excise Tax Credit

- Administered by: Internal Revenue Service
- Scheduled termination: Expired December 31, 2011
- Description: Gasoline suppliers who blend ethanol with gasoline are eligible for a tax credit of 45 cents per gallon of ethanol through the end of 2011.
- Qualified applicant: Blenders of gasohol (i.e., gasoline suppliers and marketers)

Small Ethanol Producer Credit

- Administered by: Internal Revenue Service
- Scheduled termination: Expired December 31, 2011
• Description: The small ethanol producer credit is valued at 10 cents per gallon of ethanol produced through the end of 2011. The credit may be claimed on the first 15 million gallons of ethanol produced by a small producer in a given year.

• Qualified applicant: Any ethanol producer with production capacity below 60 million gallons per year


Biodiesel Tax Credit

• Administered by: Internal Revenue Service


• Scheduled termination: Expired December 31, 2011

• Description: Biodiesel producers (or producers of diesel/biodiesel blends) can claim a per-gallon tax credit through the end of 2011. The credit is valued at $1.00 per gallon. Before amendment by P.L. 110-343, the credit was valued at $1.00 per gallon of “agri-biodiesel” (biodiesel produced from virgin agricultural products such as soybean oil or animal fats), or 50 cents per gallon of biodiesel produced from previously used agricultural products (e.g., recycled fryer grease). The tax credit had expired at the end of 2009 and was not extended until the passage of P.L. 111-312, which retroactively applies the extension to fuel produced in 2010.

• Qualified applicant: Biodiesel producers and blenders


Small Agri-Biodiesel Producer Credit

• Administered by: Internal Revenue Service


• Scheduled termination: Expired December 31, 2011

• Description: The small agri-biodiesel producer credit is valued at 10 cents per gallon of “agri-biodiesel” (see Biodiesel Tax Credit, above) produced. The credit may be claimed on the first 15 million gallons of ethanol produced by a small producer in a given year through the end of 2011. The tax credit had expired at the end of 2009 and was not extended until the passage of P.L. 111-312, which retroactively applies the extension to fuel produced in 2010.
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- Qualified applicant: Any agri-biodiesel producer with production capacity below 60 million gallons per year


Renewable Diesel Tax Credit

- Administered by: Internal Revenue Service


- Scheduled termination: Expired December 31, 2011

- Description: Producers of biomass-based diesel fuel (or producers of diesel/renewable biodiesel blends) can claim $1.00 per gallon tax credit through the end of 2011. Renewable diesel is similar to biodiesel, but it is produced through different processes and thus is ineligible for the (above) biodiesel credits. The tax credit had expired at the end of 2009 and was not extended until the passage of P.L. 111-312, which retroactively applies the extension to fuel produced in 2010.

- Qualified applicant: Renewable diesel producers and blenders


Credit for Production of Cellulosic Biofuel

- Administered by: Internal Revenue Service


- Scheduled termination: December 31, 2012

- Description: Producers of cellulosic biofuel can claim $1.01 per gallon tax credit. For producers of cellulosic ethanol, the value of the credit is reduced by the amount of the volumetric ethanol excise tax credit and the small ethanol producer credit (see above)—currently, the value is 46 cents per gallon. The credit applies to fuel produced after December 31, 2008.

- Qualified applicant: Cellulosic biofuel producers

- Note: The credit for cellulosic ethanol varies with other ethanol credits such that the total combined value of all credits is $1.01 per gallon. As the volumetric ethanol excise tax credit and/or the small ethanol producer credits decrease, the per-gallon credit for cellulosic ethanol production increases by the same amount.
Special Depreciation Allowance for Cellulosic Biofuel Plant Property

- Administered by: Internal Revenue Service
- Scheduled termination: December 31, 2012
- Description: A taxpayer may take a depreciation deduction of 50% of the adjusted basis of a new cellulosic biofuel plant in the year it is put in service. Any portion of the cost financed through tax-exempt bonds is exempted from the depreciation allowance. Before amendment by P.L. 110-343, the accelerated depreciation applied only to cellulosic ethanol plants that break down cellulose through enzymatic processes—the amended provision applies to all cellulosic biofuel plants.
- Qualified applicant: Any cellulosic ethanol plant acquired after December 20, 2006, and placed in service before January 1, 2013. Any plant that had a binding contract for acquisition before December 20, 2006, does not qualify.

Alternative Fuel Station Credit

- Administered by: Internal Revenue Service
- Scheduled termination: Expired December 31, 2011
- Description: A taxpayer may take a 30% credit for the installation of alternative fuel infrastructure, up to $30,000, including E85 (85% ethanol and 15% gasoline) infrastructure through the end of 2011. Residential installations qualify for a $1,000 credit (biofuels pumps are not generally installed in residential applications).
- Qualified applicant: Individual or business that installs alternative fuel infrastructure
Department of Agriculture (USDA)¹

Biorefinery Assistance

- Administered by: Rural Business-Cooperative Service (RBS)
- Annual funding: $74 million in mandatory spending for FY2009, $245 million for FY2010 (all mandatory funding to remain available until expended); authorization of an additional $150 million annually for FY2009-FY2012
- Appropriations: the mandatory funding of $74 million in FY2009 and $245 million in FY2010 was authorized for loan guarantees; no discretionary funding has been appropriated through FY2012
- Scheduled termination: End of FY2012
- Description: Grants to biorefineries that use renewable biomass to reduce or eliminate fossil fuel use.
- Qualified applicant: Biorefineries in existence at the date of enactment.
- For more information: See RBS website—http://www.rurdev.usda.gov/rbs/busp/baplg9003.htm

Repowering Assistance

- Administered by: RBS
- Annual funding: $35 million in mandatory funding for FY2009, to remain available until expended, plus $15 million authorized annually for FY2009 through FY2012
- Appropriations: discretionary funding of $15 million was appropriated only in FY2010
- Scheduled termination: End of FY2012
- Description: Grants to biorefineries that use renewable biomass to reduce or eliminate fossil fuel use. RBS issued a Notice of Funding Availability June 12, 2009—http://www.rurdev.usda.gov/rbs/busp/9004%20FR%20NOFA.pdf.
- Qualified applicant: Biorefineries in existence at the date of enactment.

¹ For program details see CRS Report R41985, Renewable Energy Programs and the Farm Bill: Status and Issues, by Randy Schnepf.
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- For more information: See RBS website—http://www.rurdev.usda.gov/rbs/busp/RepoweringAssistance.htm

Bioenergy Program for Advanced Biofuels

- Administered by: RBS
- Appropriations: No discretionary funding has been appropriated through FY2012; mandatory funding for FY2009-FY2011 was fully available; however, mandatory funding for FY2012 was limited to $65 million
- Scheduled termination: End of FY2012
- Qualified applicant: Producer of advanced biofuels
- For more information: See RBS website—http://www.rurdev.usda.gov/rbs/busp/9005Biofuels.htm

Feedstock Flexibility Program for Producers of Biofuels (Sugar)

- Administered by: Commodity Credit Corporation (CCC)
- Annual funding: Such sums as necessary are authorized to be appropriated—no appropriation to date
- Appropriations: None
- Scheduled termination: None
- Description: Authorizes the use of CCC funds to purchase surplus sugar, to ensure the sugar program operates at no-net-cost, to be resold as a biomass feedstock to produce bioenergy.
- Qualified applicant: Producer of biofuels using eligible sugar as a feedstock

Biomass Crop Assistance Program (BCAP)

- Administered by: Farm Service Agency (FSA)
- Annual funding: Mandatory CCC funds of such sums as necessary are made available for each of FY2008-F2012. Outlays depend on the number of participants. The 2010 Supplemental Appropriations Act (P.L. 111-212) limited
BCAP funding to $552 million in FY2010 and $432 million in FY2011. The Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10) further reduced BCAP funding for FY2011 to $112 million. In FY2012, BCAP mandatory spending was limited to $17 million.

- Scheduled termination: End of FY2012
- Description: Dollar-for-dollar matching payments for collection, harvesting, storage, and transportation (CHST) of biomass to qualified biofuel production facilities (as well as bioenergy or biobased products), up to $45 per ton
- Qualified applicant: Person who delivers eligible biomass to a qualified facility
- For more information: See FSA website—http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ener&topic=bcap

**Rural Energy for America Program (REAP)**

- Administered by: RBS
- Annual funding: Mandatory CCC funds of $55 million in FY2009, $60 million in FY2010, and $70 million each in FY2011 and FY2012; an additional authorization of $25 million annually in discretionary funding for FY2009-FY2012
- Appropriations: Mandatory funding for FY2009-FY2011 was fully available; however, mandatory funding for FY2012 was limited to $22 million; discretionary appropriations have been $5 million in FY2009, $40 million in FY2010, $5 million in FY2011, and $3.4 million in FY2012
- Scheduled termination: End of FY2012
- Description: This program replaced the Renewable Energy Systems and Energy Efficiency Improvements program in the 2002 farm bill. The program provides grants and loans for a variety of rural energy projects, including efficiency improvements and renewable energy projects. Although REAP is not exclusively aimed at biofuels projects, the program could be a significant source of loan funds for such projects.

**Biomass Research and Development**

- Administered by: National Institute of Food and Agriculture (NIFA)
- Annual funding: mandatory funding (to remain available until expended) of $20 million for FY2009, $28 million for FY2010, $30 million for FY2011, and $40 million for FY2012. Discretionary funding of $35 million is authorized to be appropriated annually for FY2009-FY2012
- Appropriations: no discretionary funding has been appropriated through FY2012
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- Scheduled termination: End of FY2012
- Description: Grants are provided for biomass research, development, and demonstration projects. Eligible projects include ethanol and biodiesel demonstration plants.
- Qualified applicant: Wide range of possible applicants
- For more information: http://www.brdisolutions.com/default.aspx

Other USDA Programs

The following programs within the Rural Business Cooperative Service could possibly be used to assist biofuels producers indirectly:

- Business and Industry (B&I) Guaranteed Loans
- Rural Business Enterprise Grants (RBEG)
- Value-Added Grants
- Rural Economic Development Loan and Grant Programs

Department of Energy (DOE)

Biorefinery Project Grants

- Administered by: Office of Energy Efficiency and Renewable Energy
- Annual funding: Approximately $200 million appropriated annually for the biomass program—not all of this funding will go toward biorefinery project grants
- Appropriations: $220 million in FY2010 for overall biomass program; approximately $175 million for overall biomass program in each of FY2011 and FY2012
- Established: FY2001 through funding authorized in various statutes
- Scheduled termination: None
- Description: This program provides funds for cooperative biomass research and development for the production of fuels, electric power, chemicals, and other products.
- Qualified applicant: Varies from year to year, depending on program goals in a given year
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- For more information: http://www.eere.energy.gov/biomass/

Loan Guarantees for Ethanol and Commercial Byproducts from Cellulose, Municipal Solid Waste, and Sugar Cane

- Administered by: DOE
- Annual funding: Not specified
- Appropriations: None in FY2010-2012
- Scheduled termination: Varies, depending on specific program
- Description: The Energy Policy Act of 2005 authorizes several programs to provide loan guarantees for the construction of facilities that produce ethanol and other commercial products from cellulosic material, municipal solid waste, or sugar cane.
- Qualified applicant: Private lending institutions, to guarantee loans for the construction of biofuels plants

DOE Loan Guarantee Program

- Administered by: DOE
- Annual funding: $5.4 million for administrative expenses in FY2008; authority for $51 billion in loan guarantees for energy projects in FY2008, including $10 billion for renewable energy and energy efficiency; $6 billion additional FY2009 appropriation to cover $49 billion in loans to all projects (not just biofuels)
- Appropriations: No further appropriations in FY2010-FY2012 for additional loan authority—appropriations for administrative expenses to be offset by loan application fees
- Scheduled termination: Not specified
- Description: Title XVII of the Energy Policy Act of 2005 authorizes DOE to provide loan guarantees for energy projects that reduce air pollutant and greenhouse gas emissions, including biofuels projects.
- Qualified applicant: Private lending institutions, to guarantee loans for clean energy projects.
- For more information: http://www.lgprogram.energy.gov/

Cellulosic Ethanol Reserve Auction

- Administered by: DOE
• Annual funding: $1 billion total authorized for all fiscal years; not more than $100 million may be paid in any given year

• Appropriations: None in FY2010-FY2012; $5 million in FY2008 for administrative expenses


• Scheduled termination: Not specified


• Qualified applicant: Any U.S. cellulosic biofuel production facility that meets applicable requirements.

### U.S. Customs and Border Protection (CBP)—Import Duty for Fuel Ethanol

• Administered by: U.S. Customs and Border Protection

• Annual funding: N/A


• Scheduled termination: Expired December 31, 2011

• Description: A 2.5% ad valorem tariff and a most-favored-nation duty of $0.54 per gallon of ethanol (for fuel use) applies to imports into the United States from most countries through the end of 2011; most ethanol from Caribbean Basin Initiative (CBI) countries may be imported duty-free.

• Covered Entities: Fuel ethanol importers

Department of Transportation (DOT)—
Manufacturing Incentive for Flexible Fuel Vehicles

- Administered by: National Highway Traffic Safety Administration
- Annual funding: N/A
- Scheduled termination: After model year 2019
- Description: Automakers are required to meet Corporate Average Fuel Economy (CAFE) standards for their passenger cars and light trucks. Manufacturers may gain credits for the sale of alternative fuel vehicles, including ethanol/gasoline flexible fuel vehicles (FFVs). However, the credits are limited—the maximum fuel economy increase allowed through the use of these credits is 1.2 miles per gallon through model year (MY) 2014. The credits are phased out after MY2014 and are completely eliminated after MY2019.
Appendix. Summary of Federal Incentives Promoting Biofuels

Table A-1. Federal Biofuels Incentives by Agency

<table>
<thead>
<tr>
<th>Administering Agency</th>
<th>Program</th>
<th>Description</th>
<th>Original Authorizing Legislation</th>
<th>FY2012 Appropriation</th>
<th>Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Protection Agency</td>
<td>Renewable Fuel Standard</td>
<td>Mandated use of renewable fuel in gasoline: 4.0 billion gallons in 2006, increasing to 36 billion gallons in 2022</td>
<td>P.L. 109-58 §1501</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>Internal Revenue Service</td>
<td>Volumetric Ethanol Excise Tax Credit</td>
<td>Gasoline suppliers who blend ethanol with gasoline are eligible for a tax credit of 45 cents per gallon of ethanol</td>
<td>P.L. 108-357 §301</td>
<td>N/A</td>
<td>Expired at the end of 2011</td>
</tr>
<tr>
<td></td>
<td>Small Ethanol Producer Credit</td>
<td>An ethanol producer with less than 60 million gallons per year in production capacity may claim a credit of 10 cents per gallon on the first 15 million gallons produced in a year</td>
<td>P.L. 101-508</td>
<td>N/A</td>
<td>Expired at the end of 2011</td>
</tr>
<tr>
<td>Biodiesel Tax Credit</td>
<td></td>
<td>Producers of biodiesel or diesel/biodiesel blends may claim a tax credit of $1.00 per gallon of biodiesel.</td>
<td>P.L. 108-357</td>
<td>N/A</td>
<td>Expired at the end of 2011</td>
</tr>
<tr>
<td>Small Agri-Biodiesel Producer Credit</td>
<td></td>
<td>An agri-biodiesel (produced from virgin agricultural products) producer with less than 60 million gallons per year in production capacity may claim a credit of 10 cents per gallon on the first 15 million gallons produced in a year</td>
<td>P.L. 109-58</td>
<td>N/A</td>
<td>Expired at the end of 2011</td>
</tr>
<tr>
<td>Renewable Diesel Tax Credit</td>
<td></td>
<td>Producers of renewable diesel (similar to biodiesel, but produced through a different process) may claim a tax credit of $1.00 per gallon of renewable diesel</td>
<td>P.L. 109-58</td>
<td>N/A</td>
<td>Expired at the end of 2011</td>
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<tr>
<td>Administering Agency</td>
<td>Program</td>
<td>Description</td>
<td>Original Authorizing Legislation</td>
<td>FY2012 Appropriation</td>
<td>Expiration Date</td>
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<td></td>
<td>Credit for Production of Cellulosic Biofuel</td>
<td>Producers of cellulosic biofuel may claim a tax credit of $1.01 per gallon. For cellulosic ethanol producers, the value of the production tax credit is reduced by the value of the volumetric ethanol excise tax credit and the small ethanol producer credit—the credit is currently valued at 46 cents per gallon. The credit applies to fuel produced after December 31, 2008.</td>
<td>P.L. 110-246</td>
<td>N/A</td>
<td>End of 2012</td>
</tr>
<tr>
<td></td>
<td>Special Depreciation Allowance for Cellulosic Biofuel Plant Property</td>
<td>Plants producing cellulosic biofuels may take a 50% depreciation allowance in the first year of operation, subject to certain restrictions</td>
<td>P.L. 109-432</td>
<td>N/A</td>
<td>End of 2012</td>
</tr>
<tr>
<td></td>
<td>Alternative Fueling Station Credit</td>
<td>A credit of up to $30,000 is available for the installation of alternative fuel infrastructure, including E85 (85% ethanol and 15% gasoline) pumps</td>
<td>P.L. 109-58 §1342</td>
<td>N/A</td>
<td>Expired at the end of 2011</td>
</tr>
<tr>
<td>Department of Agriculture</td>
<td>Biorefinery Assistance</td>
<td>Loan guarantees and grants for the construction and retrofitting of biorefineries to produce advanced biofuels</td>
<td>P.L. 110-246 §9001</td>
<td>None—balance from previous years available until expended</td>
<td>End of FY2012</td>
</tr>
<tr>
<td></td>
<td>Repowering Assistance</td>
<td>Grants to biorefineries that use renewable biomass to reduce or eliminate fossil fuel use</td>
<td>P.L. 110-246 §9001</td>
<td>None—balance from previous years available until expended</td>
<td>End of FY2012</td>
</tr>
<tr>
<td></td>
<td>Bioenergy Program for Advanced Biofuels</td>
<td>Provides payments to producers to support and expand production of advanced biofuels</td>
<td>P.L. 110-246 §9001</td>
<td>$65 million</td>
<td>End of FY2012</td>
</tr>
<tr>
<td></td>
<td>Feedstock Flexibility Program for Producers of Biofuels (Sugar)</td>
<td>Authorizes the use of CCC funds to purchase surplus sugar, to be resold as a biomass feedstock to produce bioenergy</td>
<td>P.L. 110-246 §9001</td>
<td>No appropriation to date</td>
<td>None</td>
</tr>
<tr>
<td>Administering Agency</td>
<td>Program</td>
<td>Description</td>
<td>Original Authorizing Legislation</td>
<td>FY2012 Appropriation</td>
<td>Expiration Date</td>
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<tr>
<td>Biomass</td>
<td>Crop Assistance Program (BCAP)</td>
<td>Provides financial assistance for biomass crop establishment costs and annual payments for biomass production; also provides payments to assist with costs for biomass collection, harvest, storage, and transportation</td>
<td>P.L. 110-246 §9001</td>
<td>Dollar-for-dollar commodity payment—payments limited to $17 million in FY2012</td>
<td>End of FY2012</td>
</tr>
<tr>
<td>Rural Energy for America Program (REAP)</td>
<td></td>
<td>Loan guarantees and grants for a wide range of rural energy projects, including biofuels.</td>
<td>P.L. 110-246 §9001</td>
<td>$25.4 million</td>
<td>End of FY2012</td>
</tr>
<tr>
<td>Biomass</td>
<td>Research and Development Grant</td>
<td>Grants for biomass research, development, and demonstration projects</td>
<td>P.L. 106-224</td>
<td>$40 million</td>
<td>End of FY2015</td>
</tr>
<tr>
<td>Department of Energy</td>
<td>Biorefinery Project Grants</td>
<td>Funds cooperative R&amp;D on biomass for fuels, power, chemicals, and other products</td>
<td>Various statutes</td>
<td>Approximately $175 million for overall biomass program</td>
<td>None</td>
</tr>
<tr>
<td>Loan Guarantees for Ethanol and Commercial Byproducts from Various Feedstocks</td>
<td></td>
<td>Several programs of loan guarantees to construct facilities that produce ethanol and other commercial products from cellulosic material, municipal solid waste, and/or sugarcane</td>
<td>P.L. 109-58 §§1510, 1511, and 1516</td>
<td>No appropriation to date</td>
<td>Varies</td>
</tr>
<tr>
<td>DOE Loan Guarantee Program</td>
<td></td>
<td>Loan guarantees for energy projects that reduce air pollutant and greenhouse gas emissions, including biofuels projects</td>
<td>P.L. 109-58 Title XVII</td>
<td>$38 million for administrative expenses to be offset by loan fees</td>
<td>None</td>
</tr>
<tr>
<td>Cellulosic Ethanol Reserve Auction</td>
<td></td>
<td>Authorizes DOE to provide per-gallon payments to cellulosic biofuel producers</td>
<td>P.L. 109-58 §942</td>
<td>No FY2010 appropriation</td>
<td>August 8, 2015</td>
</tr>
<tr>
<td>Administering Agency</td>
<td>Program</td>
<td>Description</td>
<td>Original Authorizing Legislation</td>
<td>FY2012 Appropriation</td>
<td>Expiration Date</td>
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<tr>
<td>U.S. Customs and Border Protection</td>
<td>Import Duty for Fuel Ethanol</td>
<td>All imported ethanol is subject to a 2.5% ad valorem tariff; fuel ethanol is also subject to a most-favored-nation added duty of 54 cents per gallon (with some exceptions)</td>
<td>P.L. 96-499</td>
<td>N/A</td>
<td>End of 2011</td>
</tr>
<tr>
<td>Department of Transportation</td>
<td>Flexible Fuel Vehicle Production Incentive</td>
<td>Automakers subject to Corporate Average Fuel Economy (CAFE) standards may accrue credits under that program for the production and sale of alternative fuel vehicles, including ethanol/gasoline flexible fuel vehicles (FFVs)</td>
<td>P.L. 94-163</td>
<td>N/A</td>
<td>Incentive expires after model year 2019</td>
</tr>
</tbody>
</table>

Source: CRS.

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