



U.S. Department of Energy
Energy Efficiency
and Renewable Energy



Renewable Fuel Infrastructure Grants

*Sec. 244, Energy Independence and Security
Act of 2007 (P.L. 110-140)*

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Linda Bluestein
Co-Director Clean Cities
U.S. Department of Energy



New Co-Director DOE Clean Cities

- **Managed DOE Fleet Regulatory Programs for S&FP including writing rules, implementation, enforcement, compliance: 7 years**
- **Small business contractor to DOE for 4 years (Chicago Regional Clean Cities; Headquarters)**
- **Worked with NREL to start Alternative Fuels Hotline, worked with AFDC, first three National Clean Cities Conferences, Alternative Fuels CD-ROM with James Madison University**
- **Consultant on oxygenated fuels, blends and reformulated gasoline (late 1980's to early 1990's)**
- **University of Illinois, Champaign-Urbana, IL; Accepted into Georgetown University Legislative Studies Program**
- **Hobbies: weekends at the swamp; oil pastels; shower opera**



Sec. 244 Overview

Three Parts

- (b) Infrastructure Development Grants
- (c) Retail Technical and Marketing Assistance
- (d) Refueling Infrastructure Corridors (Pilot Projects)



244 (b)(1) Infrastructure Development Grants

- Grant assistance to ***retail and wholesale*** motor fuel dealers or other entities for ***installation, replacement, or conversion*** of motor fuel ***storage and dispensing*** infrastructure to be used ***exclusively*** to store and dispense renewable fuel blends.

(42 U.S.C. 17052(b)(1))



Definition of Renewable Fuel Blend

- Sec. 244 (a) Gasoline blend that contains not less than 11 percent, and not more than 85 percent, (sic) renewable fuel or diesel fuel that contains at least 10 percent renewable fuel. (42 U.S.C. 17052(a))
- Revision of the CAA under EISA 2007 defines Renewable Fuel = Sec. 201(1)(J) = Fuel that is produced from ***renewable biomass*** and that is used to replace or reduce the quantity of fossil fuel present in a transportation fuel. (42 U.S.C. 7545(o)(1)(J))



244 (b)(2) Selection Criteria

DOE to establish criteria to maximize availability and use of renewable fuel blends. Criteria to provide for consideration of:

- Local demand for each renewable fuel blend
- Create or expand corridors - *"along interstate or state highways"*
- Applicant experience
- Population, #/saturation of FFVs, retail outlets
- Priority considerations

(42 U.S.C. 17052(b)(2)(A)-(E))



244 (b)(2) Selection Criteria: Priority Considerations

- Maximize petroleum displacement;
- Incorporate existing infrastructure while maximizing use of renewable fuel blends;
- Applicant commitment to ensure project funding and ***likelihood project will be maintained or expanded once assistance under subsection is completed.***

(42 U.S.C. 17052(b)(2)(E)(i)-(iii))



244 (b)(3) Limitations

- 33% of the estimated cost of the installation, replacement, or conversion of motor fuel storage and dispensing infrastructure;

OR

- \$180,000 for a combination of equipment ***at any one retail outlet location.***

(42 U.S.C. 17052(b)(3)(A) + (B))



244 (b)(6) Double Counting

- ***No person that receives a credit under Section 30C of the Internal Revenue Code of 1986 may receive assistance under this section (42 U.S.C. 17052(b)(6))***
 - EPACT 2005 established under 30C a 30% tax credit (30% of the cost of any AFV refueling property placed in service by the taxpayer during the taxable year).



244 (b)(4) Rulemaking

Rulemaking on Operation of Renewable Fuel Blend Stations—Requirement for Grant Recipients

- Grant recipients must provide the public renewable fuel blends;
- Establish a marketing plan to inform consumers about price and availability (*signage laws*)
- Clearly label dispensers and related equipment (*state labeling*);
- Provide ***periodic reports*** on the status of the renewable fuel blend sales, type and amount of the blends dispensed at each location, and average price of such fuel. (*frequency*)

(42 U.S.C. 17052(b)(4))



244 (b)(5) Notification Requirements

No later than the date each renewable fuel blend station begins to offer fuel blends to the public, the ***grant recipient shall notify DOE of the opening. DOE will add each new renewable fuel blend station location on its station locator Website*** when notification is received.

(42 U.S.C. 17052(b)(5))



244 (c) Retail Technical and Marketing Assistance

- Funding: Directed to be reserved for (c) under (b)(7).
- Contracts to be awarded with entities with "***demonstrated experience in assisting retail fueling stations in installing refueling systems and marketing renewable fuel blends nationally***, for the provision of technical and marketing assistance to grant recipients" under 244 (b). (42 U.S.C. 17052(c))



244(c) Retail Technical and Marketing Assistance

- Technical advice for compliance with state and federal requirements
- Identifying supply sources and securing long-term contracts
- Provision of public outreach, education, and labeling materials

(42 U.S.C. 17052(c)(1)-(3))



244(d) Refueling Infrastructure Corridors—Pilot Projects

- Competitive grant pilot program administered by DOE's Vehicle Technologies Program
- ***Not more than 10 geographically dispersed project grants to:***
 - State Governments
 - Indian Tribal Governments
 - Local Governments
 - Metropolitan Transit authorities
 - or partnerships of those entities

for 1 or more projects to establish refueling fuel corridors for renewable fuel blends

(42 U.S.C. 17052(d)(1))



244(d) Pilot Projects— Grant Purpose

- Installation of Infrastructure and Equipment
 - To ensure ***adequate*** RF distribution within the corridor
 - That will directly support RF powered vehicles
- Part of the grant funds provided for projects may be used for ***operation and maintenance of equipment***

(42 U.S.C. 17052(d)(2)(A)-(C))



244 (d) Minimum Requirements for Applications

- Submitted by State, tribal, or local government or a metropolitan transportation authority; **AND**
 - ***A registered participant in the Vehicle Technology Deployment Program*** (a.k.a. designated Clean City???)
- Include a project description
- Estimate of ***degree of use*** of the project including size of vehicle fleets operated with renewable fuels blends within the corridor region
- ***Estimate Petroleum amount displaced*** and data collection on petroleum displacement over the life of the project



244 (d) Minimum Requirements for Applications (cont.)

- Description of how will project be ***sustainable*** without Federal assistance post grant period?
- Complete description of project costs including acquisition, construction, and maintenance over life of project; and
- Description of project costs supported by Federal assistance.

(42 U.S.C. 17052(d)(3)(A)(ii)(I)-(II))



244 (d) Partners and Selection Criteria (cont.)

- Applicants may carry out project in partnership with public and private entities

(42 U.S.C. 17052(d)(3)(B))

- Criteria - Experience with previous or similar projects

(42 U.S.C. 17052(d)(4)(A))



244 (d) Selection Criteria

Priority Consideration

- Most likely to ***maximize displacement*** of petroleum consumption;
- Best able to ***incorporate existing infrastructure*** while maximizing, to extent practicable, ***advanced biofuels***;
- Demonstrate ***greatest commitment to ensure funding*** for project and the ***greatest likelihood that the projected will be maintained after federal assistance is completed***;
- Represent partnership of public and private entities
- Exceed minimum requirements laid out in ***3(A)(ii)*** (42 U.S.C. 17052(d)(4)(B)(i)-(iv))



244 (d) Pilot Project Requirements

- An applicant ***cannot receive > \$20 million.***
- Non-federal cost share shall be ***=> 20%***
- Maximum grant period = ***2 years***
- To maximum extent practicable ensure ***broad geographic distribution*** of project sites
- Ensure ***information and knowledge transferred*** among pilot participants, other interested parties, including other applicants

(42 U.S.C. 17052(d)(5)(A)-(E))



244 (d) Initial Grants

- Not later than 90 days after enactment publish notice requesting applications.
- Applications due 180 days after date of publication of notice.
- Selection is no later than 90 days after applications due. ***Up to 5 applications*** selected by ***competitive peer review.***

(42 U.S.C. 17052(d)(6)(A)(i)-(iii))



244 (d) Additional Grants

- After two years solicit additional applications; incorporate lessons learned from initial projects.
- Applications submitted not later than 180 days after solicitation/notice.
- Selections made within 90 days applications are due. ***Selected by competitive peer review.***

(42 U.S.C. 17052(d)(6)(B))



244 (d) DOE Reports to Congress

Initial Report to Congress

- Completed 60 days after grants are awarded and includes:
 - Description of recipients and projects
 - Identification of applicants not funded
 - Description of mechanisms to ensure information and knowledge gained was transferred

(42 U.S.C. 17052(d)(7)(A)(i)-(iii))



244 (d) Reports to Congress

Evaluation

- No later than 2 years after enactment and annually thereafter submit report to Congress evaluating pilot program effectiveness, including petroleum displacement and benefits to environment.

(42 U.S.C. 17052(d)(7)(B))



244 (e) Restriction

- ***No grant provided*** under subsection (b) [Infrastructure Development Grants] or (c) [Retail Technical and Marketing Assistance] to ***large, vertically integrated oil company.***

(42 U.S.C. 17052(e))



244 (f) Authorization

- Section 244 is authorized at \$200 million for each of the fiscal years 2008 through 2014. (No appropriations yet received)

(42 U.S.C. 17052(f))



244 (b) & (d) Grant Programs

	244 (b)	244 (d)
Who	Retail and wholesale motor fuel dealers and other entities	State, local, tribal government entities, MTAs, or partnerships
What	Installation, replacement, conversion of motor fuel storage and dispensing infrastructure exclusively to store and dispense RF blends	Pilot grant program – not more than 10 geographically dispersed project grants. Infrastructure and equipment to establish RF corridors for support vehicles powered by RF blends and for operation and maintenance of the infrastructure and equipment



244 (b) & (d) Grant Programs

	244 (b)	244 (d)
Priority Consideration	Same as 244 (d) except no specific mention of public/private partnership	<ul style="list-style-type: none">• Maximize petroleum displacement• Incorporate existing infrastructure while maximizing advanced biofuels• Commitment/likelihood of funding;• Project maintenance expansion• Public and private partnership
Other Criteria	<ul style="list-style-type: none">• RF demand• FFV numbers• Corridor opportunity• Experience	



244 (b) & (d) Grant Programs

	244 (b)	244 (d)
Application Requirements		<ul style="list-style-type: none">• Head of state tribal or local government/MTA/combo AND “registered participant in the VT Deployment Program”• Description, size, vehicle #s, petroleum displaced, sustainability, costs due to Federal assistance
Reporting/Regulations	<ul style="list-style-type: none">• Provide public RF, consumer info. RF prices, availability, labeling.• Notify station opening/ website locator	Reports to Congress: Awards made—who/what done to ensure knowledge transferred; DOE to submit pilot project assessment (2 yrs) information about petroleum displaced; then annually



244 (b) & (d) Grant Programs

	244 (b)	244 (d)
Cost Share/ Limitations	<ul style="list-style-type: none">• Not > 33% of estimated cost of installation, replacement or conversion of storage and dispensing infrastructure <p style="text-align: center;"><u>OR</u></p> <ul style="list-style-type: none">• \$180,000 for equipment at any one retail outlet location• No double counting IRC 30C	<ul style="list-style-type: none">• Non federal cost share not less than 20%.
Timing		<ul style="list-style-type: none">• Grants: 2 years• Initial grant #: 5• 2 years later additional grants



244 (b) & (d) Grant Programs

	244 (b)	244 (d)
Other	244 (b) [and (c)] cannot be awarded to vertically integrated oil company	
Authorization	\$200 million authorized for whole section for each of fiscal years 2008-2014 (None yet appropriated)	



Contact Information

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Websites and Hotline

- **Clean Cities:** www.eere.energy.gov/cleancities/
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- **Clean Cities Hotline:**
1-877-337-3463, 9:00 a.m. – 6:00 p.m. EST
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Some Areas for Discussion

- Eligibility (new partners for corridor projects)
- What is a corridor? Very little language in Sec. 244 (stations along interstate or State highways -- [244 (b) (2)(B)])
- Rulemaking Issues: Provision of renewable fuel blends
Labeling; Marketing plan (signage); price and sales reporting to DOE;



Stakeholder Comments

- Keep corridor definition loose; look at gaps in existing corridors
- Differed on specificity of the blends used (automaker wants as specific as possible).