



ABLC Connect

Commercial Scale Federal Funding
Options

February 29, 2024

Issues to Consider

- Some programs are:
 - Restricted to **small businesses**
 - Restricted to **rural areas**
 - Have **limits on funding** amount(s)

- Some programs only support:
 - Projects that are **commercially available**
 - New innovative or commercial projects with **significant new innovative technology**

- Different Federal **Departments/Agencies** can have **different priority areas**

USDA Programs (I of IV)

- **Rural and rural area:** Any area of a State **not in a city or town** that has a **population of more than 50,000** inhabitants according to the latest decennial census of the United States and **not in the urbanized area contiguous and adjacent to a city or town that has a population of more than 50,000 inhabitants.**

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=RBSmenu>

- **Small Business:** The North American Industry Classification System (**NAICS**) **system** is used to qualify a business as a “small business”. The specific **NAICS code assigned is determined based on the NAICS Industry Description.**

https://www.naics.com/wpcontent/uploads/2017/10/SBA_Size_Standards_Table.pdf

USDA Programs (II of IV)

- **Commercially Available:**

- Proven and reliable operating history with **1 year of performance data**
- Established design and installation procedures

OR

- Has been **certified by a recognized industry organization** whose certification standards are acceptable to the Agency

- **Technologically New:**

- **New or significantly improved** equipment, process or production method to deliver a product
- Adoption of equipment, process or production method to deliver a new or significantly improved product
- First commercial-scale use in the US is within the last five years and is used in not more than three commercial-scale facilities in the US

<https://www.rd.usda.gov/programs-services/business-programs>

USDA Programs (III of IV)

- **USDA Biorefinery, Renewable Chemicals, and Biobased Product Manufacturing Assistance Loan Guarantee Program (Section 9003)**

- Authorized for the **development, construction, and retrofitting** of commercial-scale **biorefineries** and **biobased product manufacturing facilities** using eligible “commercially available” or “new technology”
- Maximum loan guarantee amount: **\$250 million**

<https://www.rd.usda.gov/programs-services/energy-programs/biorefinery-renewable-chemical-and-biobased-product-manufacturing-assistance-program>

- **USDA Rural Energy for America (REAP) Loan Guarantee and Grant Program**

- Provides **guaranteed loan financing** and **grant funding** to **rural small businesses** utilizing “commercially available” technology for **renewable energy systems** or to make **energy efficiency improvements**
- Maximum loan guarantee amount: **\$25 million**; Maximum Grant Amount: **\$1 million**

https://www.rd.usda.gov/sites/default/files/fact-sheet/508_RD_FS_RBS_REAP_RE.pdf

USDA Programs (IV of IV)

- **Business and Industry (B&I) Loan Guarantee Program**

- Provides **guaranteed financing** for businesses utilizing “commercially available” technology systems **located in a rural area**
- No restriction on the size of the business
- Maximum loan guarantee amount: **\$25 million.**

https://www.rd.usda.gov/sites/default/files/factsheet/508_RD_FS_RBS_BIGuarantee.pdf

NOTE: If the project meets all eligibility requirements for both the B&I (above) and REAP loan guarantee (prior slide) programs, a **combined application can be made**. Maximum combined loan guarantee amount: **\$50 million.**

DOE Programs (I of II)

Some DOE Loan Guarantee Programs support projects that employ “**New or Significantly Improved Technology**” or “**Commercially Proven projects that include new integrated technology components**” in service in the United States. **Other Title 17 programs are not restricted to innovative technology systems.**

New or significantly improved technology means a technology, or a defined suite of technologies, concerned with the production, consumption, or transportation of energy, and that is not a commercial technology, and that has either:

- i. Only recently been developed, discovered, or learned; or
- ii. Involves or constitutes one or more meaningful and important improvements in productivity or value, in comparison to Commercial Technologies in use in the United States

Commercial Technology means a technology in general use in the commercial marketplace in the United States. A technology is in “general use” if it is:

- i. Being used in three or more facilities that are in commercial operation in the United States for the same general purpose as the proposed project, and
- ii. Has been used in each such facility for a period of at least five years

DOE Programs (II of II)

There are 13 technologies eligible for LPO loan guarantees. Some of these technologies support bioeconomy projects.

<https://www.energy.gov/lpo/articles/program-guidance-title-17-clean-energy-program>

Four Categories:

- 1) **Innovative Energy (Section 1703)** projects deploy **qualifying new or significantly improved technology** that is **technically proven but not widely commercialized in the United States**.
- 2) **Innovative Supply Chain (Section 1703)** projects employ a **new or significantly improved technology** in the manufacturing process for **a qualifying clean energy technology**, or manufacture a qualifying new or significantly improved technology.
- 3) **State Energy Financing Institution (SEFI; Section 1703)** projects support deployment of qualifying **clean energy technology** and **receive financial support or credit enhancements** from an entity **within a State agency or financing authority**. SEFI projects are **not required to employ innovative technology**.
- 4) **Energy Infrastructure Reinvestment (EIR; Section 1706)** projects **retool, repower, repurpose, or replace energy infrastructure** (facilities used for electric generation or transmission, or for fossil fuel-related production, processing, and delivery) **that has ceased operations**; or **enable operating energy infrastructure to avoid, reduce, utilize, or sequester air pollutants or emissions of greenhouse gases**. EIR projects are **not required to employ innovative technology**.

USDA and DOE Funding Priorities

USDA Rural Development Key Priorities:

- Addressing **climate change** and **environmental justice**
- Advancing **racial justice, place-based equity and opportunity**
- Creating **more and better market opportunities**

<https://www.rd.usda.gov/priority-points>

DOE Four Core Policy Priorities:

- Engaging **communities and labor**
- Investing in **America's workers** through **quality jobs**
- Advancing **diversity, equity, inclusion, and accessibility** through recruitment and training
- Implementing **Justice 40**, which directs 40% of the overall benefits of certain Federal investments to flow to disadvantaged communities

<https://www.energy.gov/infrastructure/about-community-benefits-plans>



How We Can Help

- **LEC Partners** (formerly Lee Enterprises Consulting) has **assisted hundreds of clients** in their search for Federal and private funding opportunities
- We have experts in **Federal programs** to identify what **funds you may qualify for** and assist you with **completing the necessary application(s)**.
- In addition to Federal funding experts, we also have **partnerships with private investors** that actively invest in select **Bioeconomy projects**.
- Learn more by visiting us at **[Lee-Enterprises.com](https://www.lee-enterprises.com)**

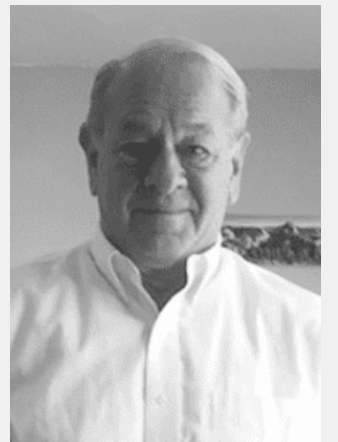
“LEC has been a valuable partner to us for several years. The people and capabilities that LEC has brought to our company have been a critical part of our success. The breadth and experience of their team is extraordinarily unique. They not only provided technical and project support, but helped secure USDA loans and other critical financing. Most importantly, they are people you can trust. LEC will be an integral part of our company for years to come.”

Jeffrey Craig

CEO

Renewable Natural Gas Co.

<https://rngas.com/>





Thank You!

Ready to get started? Have any questions?
Let's schedule a call to learn how we can help you.

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