

Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program

What does this program do?

The Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program (BAP), also known as the Section 9003 Program, provides loan guarantees to assist in the development of advanced biofuels, renewable chemicals, and biobased products manufacturing facilities.

Biorefineries

Biorefineries convert renewable biomass into advanced biofuels, renewable chemicals, and biobased products.

- **Advanced Biofuels:** Produced from renewable biomass (other than corn kernel starch). Advanced biofuels are produced in a variety of biorefineries using a variety of feedstocks.

Examples include biofuels derived from cellulose and waste materials, crops and crop residue, oil seeds and animal fat, diesel-equivalent fuel, biogas, and butanol.

- **Renewable Chemicals:** A monomer, polymer, plastic, formulated product or chemical substance produced from renewable biomass. Renewable chemicals can be produced in a variety of biorefineries.

Examples include but are not limited to succinic acid, pentanes and pentenes, organic acids, furfural, sorbitol, and acetone.

- **Biobased Products:** Produced from renewable biomass, biobased products are commercial or industrial products other than food or feed.

Eligible projects include the development, construction, or retrofitting of commercial-scale biorefineries using eligible technologies. The biorefinery must produce advanced biofuel and may:

1. Sell the advanced biofuel that it produces as a biofuel, renewable chemical, or for other non-fuel usage

2. Process the advanced biofuel into renewable chemicals or other biobased products or
3. Use the biofuel as a fuel for heat or power in its processes or to generate electricity.

Biobased Product Manufacturing

Biobased product manufacturing facilities manufacture renewable chemicals and other biobased outputs from biorefineries into end-user products.

Examples of end-user products include fertilizers, pharmaceuticals, pesticides, plastics, lubricants, and oils.

The facility may be a stand-alone manufacturing facility or it may be part of a biorefinery. The feedstock or inputs into the manufacturing facility are outputs from a biorefinery (not required to be an advanced biofuel biorefinery.)

Eligible projects include 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 into end-user products on a commercial scale.

Lender Eligibility Requirements

- An eligible lender is any Federal or State-chartered bank, Farm Credit Bank, other Farm Credit System institution with direct lending authority, or Bank for Cooperatives.
- The Lender must demonstrate that it meets the FDIC definition of *Well Capitalized* at the time of application.

Project Funding and Guaranteed Loans

- This program provides loan guarantees for up to 80% of the total eligible project costs up to \$250 million.
- The maximum total Federal participation (9003 program guaranteed loan plus all other Federal loans or grants) is 80% of the total eligible project cost.
- The borrower and other principals involved in the project must make a significant cash equity contribution investment in the project.

Application Process

The Section 9003 Program uses a 2-phase application process.

- There are two application cycles each fiscal year. Applications may be submitted at any time.
- Letter of Intent deadlines are September 1 and March 2.
- Application deadlines are October 1 and April 1.
- Applications will be evaluated for eligibility, technical and financial feasibility, and sufficient project equity. Applicants with the highest priority scoring may be invited to submit Phase 2 applications.

- Applications with lower priority scores not invited to Phase 2 will be carried forward and compete for one additional review cycle.

Phase 1 Applications Include:

Project summary, application form, financial statements, financial model, feasibility study, business plan, priority scoring information, intergovernmental consultation, and any other information determined by the agency to be necessary to evaluate the application.

Phase 2 Applications Include:

Technical assessment/technical report, environmental assessment, lender's analysis/credit evaluation/supporting materials, appraisals, lender's proposed loan agreement, estimated timing of loan closing, credit rating, updates to application materials as appropriate, and other information determined by the agency to be necessary to evaluate the application including any contracts and agreements.

Learn More About the Section 9003 Program at:

rd.usda.gov/programs-services/biorefinery-assistance-program

EnergyPrograms@rd.usda.gov,
or 202-720-0410

What governs this program?

- Code of Federal Regulation, [7 CFR 4279, Subpart C](#) and [7 CFR 4287, Subpart D](#), and continued in the Agricultural Act of 2014 (2014 Farm Bill)(Pub. L. 113-79).
- This program is authorized under 7 U.S.C. 8103.

NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled "What Governs This Program?" You may also contact your local office for assistance. You will find additional forms, resources, and program information at rd.usda.gov. USDA is an equal opportunity provider, employer, and lender.