

# Biomass Crop Assistance Program (BCAP)



June 25, 2014

# BCAP Authorization

- BCAP was authorized/amended by Section 9011 by the Food, Conservation, and Energy Act of 2008 and re-authorized by **section 9010 of the Agricultural Act of 2014** - 23 language changes.
  - Title IX in the 2008 & 2014 Farm Bill is the Energy Title
- Interim rule was published in the Federal Register on September 15, 2011 – 7 CFR 1450
- Final rule was published in the Federal Register on October 27, 2010 – 7 CFR 1450.

# BCAP Authorization

- The purposes of the program are to:

## Project Areas

- Support the establishment and production of eligible crops for conversion to bioenergy

## ★ Matching Payments (only NEW activity in FY 2014) ★

- Assist agricultural and forest landowners and operators with the collection, harvest, storage, and transportation (CHST) of eligible material for use in biomass **conversion** facilities (BCF's).

# BCAP Webpage at www.fsa.usda.gov/bcap

The screenshot shows the FSA Biomass Crop Assistance Program (BCAP) webpage. The browser address bar displays [www.fsa.usda.gov/FSA/webapp?area=home&subject=ener&topic=bcap](http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ener&topic=bcap). The page layout includes a search bar at the top left, a navigation menu on the left side, and a main content area with several sections:

- Energy Programs**: The main heading for the page.
- FSA BIOMASS CROP ASSISTANCE PROGRAM**: The program logo.
- Related Topics**: A list of links including "BCAP Project Area Information", "Project Area EAO's", "NEPA for BCAP", and "Recently Added Items". A red arrow points to the "NEPA for BCAP" link.
- In the News**: A section with several news items, including "USDA Announces Funding Availability for Turning Biomass Material into Energy (Jun 9, 2014)", "USDA Announces Support for Renewable Biomass Energy (May 20, 2014)", and "Agriculture Secretary Tom Vilsack Announces Action to Combat Insects and Diseases that Weaken Forests, Increase Fire Risk (May 20, 2014)".
- I Want To...**: A section with links for "View News Release - Agriculture Secretary Vilsack Announces Projects to Provide Increased Renewable Energy Production", "View BCAP Programmatic Environmental Impact Statement", "Listen to Actuality: On Intent of BCAP", "Listen to Actuality: On BCAP Projects for FY 2012", "Listen to More Acres Eligible for BCAP Program", "View BCAP Programmatic Environmental Impact Statement", "View Latest BCAP Notices", and "View BCAP Handbook".
- STAY CONNECTED**: A section with social media icons and a "Sign up for updates" button.
- Media Help**: A section with links for "To view PDF files you must have Adobe Acrobat Reader installed on your computer." and "To view Flash files you must have Adobe Flash Player installed on your computer."

The Windows taskbar at the bottom shows the system clock as 9:22 AM on 6/17/2014.

# BCAP Authorization



Biomass **Conversion** Facilities (BCF's):

BCFs produce heat, power, biobased products, research, or advanced biofuels from biomass feedstocks (eligible material).

The 2014 Farm Bill added **research** as a use for BCFs.



# BCAP Matching Payment Overview for FY 2014 (Notice of Funds Availability (NOFA))

BCAP matching payments is restarted with a narrower scope as prescribed in the 2014 Farm Bill and with a selected eligible material prioritization as described in the NOFA, Federal Register, June 11, 2014:

**<http://www.gpo.gov/fdsys/pkg/FR-2014-06-11/pdf/2014-13617.pdf>**

# BCAP Matching Payment Contracts (2014 Farm Bill Section 9010, (d)(2)(B))

BCAP matching payment contract participants may be eligible for:

- \$1 for each \$1 per ton provided by the biomass conversion facility, in an amount not to exceed \$20 per **dry ton** for a period of 2 years.

**Note: The \$20 is a lower rate from the 2008 Farm Bill rate of \$45 per ton.**

# BCAP Matching Payment Contracts (2014 Farm Bill Section 9010, (d)(2)(B))

- **Dry ton:** means one U.S. ton measuring 2,000 pounds. One dry ton is the amount of renewable biomass that would weigh one U.S. ton at zero percent moisture content.
- **Woody material dry ton weight is determined in accordance with applicable ASTM (American Society for Testing and Materials) standards.**



# BCAP Matching Payment

## Eligible Material Priorities for FY 2014

Forest residues from National Forest System (US Forest Service public lands) or Bureau of Land Management (BLM) public lands and are harvested or collected directly the by-product of preventative treatments for:

- **Hazardous fuels reduction** (fire fuel load reduction) or
- **Disease** reduction or containment or
- **Insect infestation** reduction or containment.
- Woody material must **not** have an **existing or higher-product value market**.

# BCAP Matching Payment Eligible Material Priorities for FY 2014

Agricultural residues (crop residue from agricultural lands) harvested or collected directly from the land:

- For example, corn stover or wheat straw
- For example, woody agricultural residues, such as orchard waste, that does not have an existing higher-value product market, as defined in 7 CFR 1450.2.

# Funds



2014 Farm Bill provided that not less than 10 percent (\$2.5 million), nor more than 50 percent (\$12.5 million) of the annual mandatory funding amount of \$25 million could be used for BCAP matching payments.

FSA/CCC chose, due to shortness of time in **FY 2014** of implementation, the **full \$12.5 million** for BCAP matching payments.

On any given year, an **assumption** of an average rate of **\$20/ dry ton** allows a **range of support** for as few as **125,000 dry tons** to **as many as 625,000 dry tons**.

Funding is mandatory from FY 2014 through FY 2018. Amount of mandatory funding available could change in appropriations.

# BCAP Matching Payment Timeline for FY 2014

Dates FY 2014	BCAP Application/Activity FY 2014	Location for BCAP Application FY 2014
June 16 – July 14, 2014	<p><b>Biomass Conversion Facility (BCF's) Applications for Qualification Will be Accepted</b></p> <p><b>*Competitive process; not all those that apply are qualified and it is <u>not</u> qualification on first-come /first-serve basis.</b></p>	<ul style="list-style-type: none"> <li>• Applications available online, June 16</li> <li>• Application submitted at FSA State Office where the biomass conversion facility is physically located.</li> </ul>
July 21, 2014 on or about	<p><b>Posting of Qualified BCF's</b></p>	<ul style="list-style-type: none"> <li>• On BCAP webpage at <a href="http://www.fsa.usda.gov/bcap">www.fsa.usda.gov/bcap</a></li> </ul>
July 21 on or about – August 25, 2014	<p><b>Eligible material owners may apply for an FSA contract</b></p>	<ul style="list-style-type: none"> <li>• FSA County office or where existing producer records are located.</li> </ul>
September 26, 2014	<p><b>Deadline for Delivery of Eligible Material to a Qualified BCF</b></p> <p><b>*Note:</b> All material owners MUST have a conservation, forest stewardship plan or equivalent plan with evaluation.</p>	<ul style="list-style-type: none"> <li>• FSA County office or where existing producer records are located.</li> </ul>
September 30, 2014	<p><b>Deadline for Requesting BCAP Matching Payment on Approved Contract</b></p>	<ul style="list-style-type: none"> <li>• FSA County office or where existing producer records are located.</li> </ul>

# Next Steps Project Areas

## Changes under 2014 Farm Bill include:

- Capped establishment costs for perennial crops at 50 percent of \$500/acre and \$750/acre for socially disadvantaged farmers and ranchers or operators (producers) ;
- Consider in selection process of project areas “existing project areas...the continuation of funding of such project areas to advance maturity of such project areas;”
- Expiring CRP is now eligible; and
- Technical assistance can now be used from the BCAP budget.
- Annual expansion could be as many as 15,000 acres. Currently, 11 BCAP project areas with 48,000 acres.

# Questions?

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