



**Billing Code 3410-05-P**

**DEPARTMENT OF AGRICULTURE**

**Commodity Credit Corporation**

**Rural Business-Cooperative Service**

**Notice of Funds Availability for the Higher Blends Infrastructure Incentive Program (HBIIP) for Fiscal Year 2020.**

**AGENCY:** Commodity Credit Corporation and the Rural Business-Cooperative Service, USDA.

**ACTION:** Notice.

**SUMMARY:** The Commodity Credit Corporation (CCC) and the Rural Business-Cooperative Service (RBCS), a Rural Development agency of the United States Department of Agriculture (USDA), announce the availability of up to \$100 million in competitive grants to eligible entities for activities designed to expand the sales and use of renewable fuels under the Higher Blends Infrastructure Incentive Program (HBIIP). Cost-share grants of up to 50 percent of total eligible project costs but not more than \$5 million will be made available to assist transportation fueling and fuel distribution facilities with converting to higher blend friendly status for ethanol (i.e., greater than 10 percent ethanol) and biodiesel (greater than 5 percent biodiesel) by sharing the costs related to the installation, and/or retrofitting, and/or otherwise upgrading of dispenser/pumps, related equipment, and infrastructure.

**DATES:** The Agency will finalize the application window for enrollment in the Higher Biofuels Infrastructure Incentive Program by future notice in the Federal Register and Grants.gov. subject to the opening of the electronic application system.

**ADDRESSES:** Application Submission: The application system for electronic submissions will be available at <http://www.rd.usda.gov/HBIIP>.

Electronic submissions: Electronic submissions of applications will allow for the expeditious review of an Applicant's proposal. As a result, all Applicants must file their application electronically.

**FOR ADDITIONAL INFORMATION CONTACT:** Anthony Crooks: telephone (202)205-9322, email: [EnergyPrograms@usda.gov](mailto:EnergyPrograms@usda.gov). Persons with disabilities that require alternative means for communication should contact the U.S. Department of Agriculture (USDA) Target Center at (202)720-2600 (voice).

**SUPPLEMENTARY INFORMATION:** Pursuant to the Congressional Review Act (CRA; 5 U.S.C. 801 et seq.), the Office of Information and Regulatory Affairs in the Office of Management and Budget designated this action as a major rule, as defined by 5 U.S.C. 804(2), because it will result in an annual effect on the economy of \$100,000,000 or more. Accordingly, there is a 60-day delay in the effective date of this action.

Application processing (reviews, competition, selection, awards, etc.) will not begin until after the application deadline 90 days after the application window date is announced by notice in the Federal Register. Therefore, the 60-day delay required by the CRA is not expected to have a material impact upon the administration and/or implementation of the HBIIP.

## **Overview**

*Federal Agency:* The Commodity Credit Corporation (CCC) and the Rural Business-Cooperative Service (RBCS), (USDA)

*Funding Opportunity Title:* Notice of Funds Availability for the Higher Blends Infrastructure Incentive Program (HBIIP) for Fiscal Year 2020.

*Announcement Type:* Notice of Funds Availability.

*Catalog of Federal Domestic Assistance (CFDA) Number:* 10.754

*Catalog of Federal Domestic Assistance (CFDA) Title:* The Higher Blends Infrastructure Incentive Program (HBIIP).

*Due Date for Applications:* The Agency will finalize the application window for enrollment in the Higher Biofuels Infrastructure Incentive Program by notice in the Federal Register and Grants.gov. subject to future opening of the electronic application system.

## **Items in Supplementary Information**

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- II. Federal Award Information
- III. Eligibility Information
- IV. Application and Submission Information
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### **I. Program Overview**

#### *A. Background*

Prior to publishing this Notice, the CCC and RBCS (the Agency) determined it to be in the public interest to solicit informal comments from the public and interested stakeholders on a wide range of issues on information and options for fuel ethanol and biodiesel infrastructure, innovation, products, technology, and data derived from all HBIIP processes that drive economic growth, promote health, and increase public benefit.

A Request for Information (RFI), was published in the *Federal Register* (85 FR 2699) on January 16, 2020. Information received from the public to the RFI was intended to inform the CCC and RBCS as well as private sector and other stakeholders with interest in and expertise relating to such a promotion. Fifty-seven (57) comments were submitted from the public which served to inform the Agency on an array of issues, including but not limited to: (a) Fueling stations, convenience stores, hypermarket fueling stations, fleet facilities, and similar entities with capital investments; (b) equipment providers, equipment installers, certification entities and other stakeholder/manufacturers (both upstream and down); (c) fuel distribution centers, including terminals and depots; and (d) those performing innovative research, and/or developing enabling platforms and applications in manufacturing, energy production, and agriculture. Additionally, on February 5, 2020, RBCS convened a Federal Inter-Agency Task Force of experts with relevant knowledge, including technical experts from the Environmental Protection Agency and Department of Energy/National Renewable Energy Laboratory, to assist with the review of the public comments and provide recommendations for the guiding principles of this Notice. And, on February 28, 2020, an “Announcement of Future Competitive Grant Funds Availability for Higher Blends Infrastructure Incentive Program (HBIIP) for Fiscal Year 2020,” was published in the *Federal Register* (85 FR

2699) to alert prospective participants and stakeholders of Agency intentions to publish this Notice.

*B. Program Description*

The purpose of the HBIIP is to increase significantly the sales and use of higher blends of ethanol and biodiesel. HBIIP is intended to encourage a more comprehensive approach to marketing higher blends by sharing the costs related to building out biofuel-related infrastructure.

Under the HBIIP, funds will be awarded to assist transportation fueling and fuel distribution facilities to convert their facilities through upgrade or installation of equipment required to ensure all equipment is fully compatible with higher blends of ethanol (i.e., greater than 10 percent ethanol) and biodiesel (greater than 5 percent biodiesel) (HB fuel). The program will share the costs related to the upgrading of fuel dispensers (gas and diesel pumps) and attached equipment, underground storage tank system components (which includes but is not limited to tanks, pumps, ancillary equipment, lines, gaskets, and sealants), and other infrastructure required at a location to ensure the environmentally safe availability of fuel containing ethanol blends greater than 10 percent or fuel containing biodiesel blends greater than 5 percent.

Storing and dispensing E15, E85, or other high blends of ethanol at gas stations with equipment that is not compatible with higher blends of ethanol fuel can result in leaks and releases that contaminate land and groundwater. Older and even some recent existing UST systems (which includes but is not limited to tanks, pumps, ancillary equipment, lines, gaskets, and sealants) are not fully compatible with E15 or higher and require modification before storing these fuels. Biodiesel blends above B20 have similar

requirements; some infrastructure changes may even be necessary when storing blends greater than B5. This program will expand the number of facilities fully compatible with higher blends of ethanol and biodiesel.

Grants for up to 50 percent of total eligible project costs, but not more than \$5 million, are made available to vehicle fueling facilities, including, but not limited to, local fueling stations/locations, convenience stores (CS), hypermarket fueling stations (HFS), fleet facilities, and fuel terminal operations, midstream partners, and/or distribution facilities.

CCC is an agency and instrumentality of the United States within the Department of Agriculture and operates under the supervision of the Secretary of Agriculture. Among the activities that section 5 of the CCC Charter Act authorizes CCC to undertake are actions to:

- Make available materials and facilities required in connection with the production and marketing of agricultural commodities (other than tobacco) and
- Increase the domestic consumption of agricultural commodities (other than tobacco) by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and uses for such commodities.

Under this authority, CCC is making available up to \$100 million in the form of cost-share grants to eligible entities to assist with the implementation of activities to expand the infrastructure for renewable fuels derived from agricultural products produced in the United States. HBIIP will be administered on behalf of CCC under the general supervision of RBCS.

## **II. Federal Award Information**

A. *Catalog of Federal Domestic Assistance (CFDA) Number*

10.754

*Catalog of Federal Domestic Assistance (CFDA) Title:*

The Higher Blends Infrastructure Incentive Program (HBIIP).

B. *Funds Available*

Under HBIIP up to \$100 million is made available to eligible participants. Of the total amount of available funds, approximately \$86 million will be made available to transportation fueling facilities (including fueling stations, convenience stores, hypermarket fueling stations, fleet facilities, and similar entities with capital investments) for eligible implementation activities related to higher blends of fuel ethanol greater than 10 percent ethanol, such as E15 or higher; and approximately \$14 million will be made available to transportation fueling facilities and fuel distribution facilities (including terminal operations, depots, and midstream partners), for eligible implementation activities related to higher blends of biodiesel greater than 5 percent biodiesel, such as B20 or higher.

C. *Targeted Assistance Goal*

A Targeted Assistance Goal is also established for applicants (owners) owning the fewest number of transportation fueling stations/locations (and owning at least one). Approximately 40 percent of funds will be made available for activities/investments related to upgrading or installing equipment to make a transportation fueling facilities fully compatible to dispense/sell higher blends of fuel ethanol and/or biodiesel. The Agency expects this Targeted Assistance to be exhausted by applicants owning 10 fueling stations/locations or fewer.

This policy goal is rooted in Agency experience and borne out by several comments submitted to the RFI (85 FR 2699). Approximately 80 percent of fuel sales in the U.S. is sold by convenience store owners. Moreover, about 58 percent of the stores selling fuel in the U.S. are “single store owners.” A significant majority of HB fuel is currently sold/dispensed by large retail convenience store chains located in the Midwest and along the East Coast of the U.S., due in part because these are the types of businesses and locations with the highest densities of HB fueling infrastructure. The Agency established this Targeted Assistance Goal as a means to distribute a portion of program funds among a greater number of business owners and perhaps indirectly, across a broader geographic region, that may not otherwise participate. There is an underlying expectation that owners/participants located in underserved areas today will be positioned as HB fuel market leaders tomorrow.

*D. Consideration for Geographical Diversity*

A Consideration for Geographical Diversity and markets underserved by higher blends is also afforded to applicants/participants based on the location of the proposed transportation fueling stations/facilities. This consideration is intended to work in concert with the Targeted Assistance Goal to distribute program funds more broadly across a greater number of states that may not otherwise participate.

*E. Approximate Number of Awards*

The number of awards will depend on the number of eligible participants and the total amount of requested funds. In the unlikely event that every successful applicant is awarded the maximum amount available of \$5 million, 20 awards will be made. The

Agency intends/expects to make approximately 150 awards and provide assistance to 1,500 locations from this solicitation.

*F. Type of Instrument*

Grants. Awards to successful applicants will be in the form of cost-share grants for up to 50 percent of total eligible project costs, but not to exceed \$5 million, whichever is less.

**III. Eligibility Information**

*A. Eligible Applicants*

Owners of transportation fueling and fuel distribution facilities located in the United States and its territories may apply for this program. Eligible entities would include -- fueling stations, convenience stores, hypermarket retailer fueling stations, fleet facilities, and similar entities with equivalent capital investments, as well as fuel/biodiesel terminal operations, midstream partners, and heating oil distribution facilities or equivalent entities.

Applicants must include all proposed activity under a single application. Application requirements and other important information is available at Grants.gov and on the HBIIP Webpage <https://www.rd.usda.gov/hbiip>.

*B. Eligible Project*

The goal of HBIIP is to increase the market availability of higher blends biofuels. To be eligible for this program, a project's sole purpose must be for the installation, and/or retrofitting, and/or otherwise upgrading of fuel dispensers/pumps, related/attached equipment, underground storage tank system components, and other infrastructure required at a location to ensure the environmentally safe availability of fuel containing

ethanol blends greater than 10 percent or fuel containing biodiesel blends greater than 5 percent.

An eligible project must conform to all applicable Federal, State, Tribal and local regulatory requirements pertaining to:

- (1) Technical Standards and Corrective Action Requirements for Owners and Operators of Underground Storage Tanks (UST), 40 CFR parts 280 and 281;
- (2) Regulation of Fuels and Fuel Additives, 40 CFR part 80;
- (3) Occupational Safety and Health Standards Subpart H—Hazardous Materials Section 106—Flammable Liquids, 29 CFR 1910.106;
- (4) Safety and Health Regulations for Construction Subpart F—Fire Protection and Prevention Section 152—Flammable Liquids, 29 CFR 1926.152; and
- (5) Automotive Fuel Ratings, Certification, and Posting, 16 CFR part 306.

HBIIP funds may be used for equipment required at a location to ensure the environmentally safe availability of fuel containing ethanol blends greater than 10 percent or fuel containing biodiesel blends greater than 5 percent.

Since 1988, EPA's UST regulations require fuel to be stored in systems that are compatible with the type of fuel being stored. The environmentally-safe growth in availability of fuels containing higher blends of ethanol or biodiesel depends on these fuels being stored and dispensed from underground storage tank (UST) systems that are compatible with E15. Storing and dispensing E15 at gas stations with equipment that is not compatible with higher blends of ethanol fuel can result in leaks and releases that contaminate land and groundwater. Section 280.32 of 40 CFR part 280 states that UST

owners and operators must use an UST system made of or lined with materials that are compatible with the substance stored in the UST system.

Additionally, owners or operators who store regulated substances that contain more than 20 percent biodiesel or more than 10 percent ethanol, such as 15 percent ethanol or E15, must notify their implementing agency 30 days before storing the fuel. Owners and operators must also keep records demonstrating that their UST system is compatible with the substance stored.

Demonstrating compatibility of an UST system means identifying what equipment is installed as part of your UST system. You must show that a component is approved by either the manufacturer of the component or by a nationally recognized independent testing laboratory, such as Underwriters Laboratory (UL), for use with the fuel to be stored. See details about these requirements in regulations issued by EPA at 40 CFR 280.32.

Please note that compatibility extends beyond the fuel tank. Owners and operators must demonstrate compatibility for the components below to store substances containing more than 10 percent ethanol or more than 20 percent biodiesel.

1. Tank;
2. Piping carrying product from the tank;
3. Piping containment sumps entered by the piping;
4. Pumping equipment, including the submersible pump or suction pump, depending on the type of system;
5. Release detection equipment, including automatic tank gauging (ATG) probes, sump sensors, and line leak detectors;

6. Spill equipment, such as spill buckets, for the tank; and
7. Overfill equipment, including ball float valves or flapper valves.

The federal UST regulation from EPA does not require owners and operators to demonstrate the compatibility of dispensers or associated aboveground equipment. However, compatibility requirements for these components may exist in other local regulations, such as the fire code. Owners and operators should check for these requirements with their implementing agency. HBIIP grant funds may be used to upgrade or replace fuel dispensers/pumps, underground storage tank system components, or other required infrastructure, necessary to make their facility fully compatible with higher blends of ethanol or biodiesel. Fuel dispensers/pumps, underground storage tank system components, and other required infrastructure and components must meet the minimum requirements of EPA's UST regulations and other Federal, State, and local regulations or codes; and, must be approved by either the manufacturer of the component or by a nationally recognized independent testing laboratory, such as Underwriters Laboratory (UL), for use at a minimum for blends containing 25 percent ethanol or 100 percent biodiesel.

### *C. Cost Sharing or Matching*

There is a matching fund (cost-sharing) requirement of at least \$1 for every \$1 in grant funds provided by CCC. Matching funds plus grant funds must equal total eligible project cost. Matching funds may be in the form of cash or eligible in-kind contributions. Matching funds/contributions and grant funds may be used only for eligible project purposes, including any contributions exceeding the minimum amount required. Applicants will certify and demonstrate that any required matching funds are available

during the grant period and provide appropriate documentation with the application, as referenced in Section IV.B of this Notice.

Funds made available under HBIIP may only be used for eligible equipment, infrastructure and related expenses to support the sales and use of higher biofuel blends -- fuel containing ethanol greater than 10 percent by volume and/or fuel containing biodiesel blends greater than 5 percent by volume.

Applicants may enter into arrangements with private entities such as, but not limited to, commercial vendors of fuels, agricultural commodity promotional organizations, Tribes, and other entities interested in the renewable fuels in order to secure such non-Federal funds or in-kind contributions.

There are several existing or prior and ongoing State-led programs and private sector efforts to help provide funding for higher blend dispensers, related equipment and infrastructure. These programs may be included as part of any matching contribution requirement. However, the application must show how the HBIIP grant will add to the infrastructure that fosters biofuel sales and use. HBIIP funds are intended to provide additional incentives.

#### *D. Eligible Funds*

(1) Matching Funds. Those project funds required to receive an HBIIP grant. The applicant is responsible for securing the remainder of the total eligible project costs not covered by grant funds. Matching funds are comprised of eligible in-kind contributions from third parties and/or cash. In-kind contributions by the applicant cannot be used to meet the matching fund requirement. Written commitments for matching funds (e.g., Letters of Commitment and bank statements) must be submitted with the Certification of

Matching Funds when the application is submitted. Funds provided by the applicant in excess of matching funds are not matching funds. Unless authorized by statute, other Federal grant funds cannot be used to meet a matching funds requirement. Passive third-party equity contributions are acceptable for HBIIP projects, including equity raised from the sale of Federal tax credits. In the event of ineligible, overstated, or otherwise unsubstantiated claims in the Certification of Matching Funds, the Agency reserves the right to adjust an application's grant request such that it is commensurate with eligible/actual Matching Funds, or take otherwise action as deemed appropriate.

Up to 10 percent of an applicant's Matching Funds requirement (up to five percent of total project costs) may be used to pay consumer education and/or marketing and/or signage related expenses. HBIIP grant funds awarded to transportation fueling stations are intended to assist with converting those facilities to ensure full compatibility with HB fuel through upgrade or installation of fuel dispensers, related equipment, and infrastructure. And while the contributions of consumer education and/or marketing and/or signage toward a fuel station's fuel sales are well recognized, a very tall sign to display fuel prices does not in any way assist a facility with higher blends compatibility. Therefore, the Agency determined that while HBIIP grant funds may not be used for consumer education and/or marketing and/or signage, Matching Funds may.

(2) Eligible Project Costs. Eligible Project Costs are only those costs incurred during the grant period and that are directly related to the use and purposes of the HBIIP.

Eligible Project Costs may include:

(a) Retrofitting of existing, or purchase and installation of new, fuel dispensers (gas and/or diesel pumps) and attached equipment, underground storage tank system

components, and other infrastructure required at a location to ensure the environmentally safe availability of fuel containing ethanol blends greater than 10 percent or fuel containing biodiesel blends greater than 5 percent.;

(b) Construction, retrofitting, replacement, and improvements;

(c) Fees for construction permits and licenses; and

(d) Professional service fees for qualified consultants, contractors, installers, and other third-party services.

(e) HBIIP grant funds may not be used to pay for expenses related to consumer education and/or marketing and/or signage. However, up to 10 percent of an applicant's Matching Funds requirement (up to five percent of total project costs) may be used to pay for consumer education and/or marketing and/or signage related expenses.

#### *E. Ineligible Project Costs*

Ineligible project costs for HBIIP projects include, but are not limited to:

(1) Used equipment and vehicles;

(2) Construction or equipment costs that would be incurred regardless of the installation of HB fuel infrastructure shall not be included as eligible project costs. For example, a fuel storage tank for a fueling facility constructed during the grant period that would have been otherwise installed should not be included in an application. USDA believes all new tanks and piping available in the market only come in models compatible with higher blends of ethanol and biodiesel, so grant funds would not expand the market for higher blends by funding such tank or equipment installation. However, other required equipment such as fuel dispensers/pumps and other underground storage tank

system components that are still available in traditional and higher blend compatible models, the latter at a higher cost, may be considered in this funding program.

(3) Business operations that derive more than 10 percent of annual gross revenue (including any lease income from space or machines) from gambling activity, excluding State or Tribal authorized lottery proceeds, as approved by the Agency, conducted for the purpose of raising funds for the approved project;

(4) Business operations deriving income from activities of a sexual nature or illegal activities;

(5) Real property/land;

(6) Lease payments;

(7) Any project that creates a Conflict of Interest or an appearance of a Conflict of Interest;

(8) Funding of political or lobbying activities;

(9) To pay off any Federal direct or guaranteed loan or any other form of Federal debt. Any incurred expense, equipment purchase, or paid service prior to the grant period;

(10) Any expense associated with applying for this program; and

(11) Any expense associated with reporting results and/or outcomes during the disbursement, performance, and servicing portions of this program.

(12) Conflict of interest, for purposes of this program includes, but is not limited to:

(a) Distribution or payment of grant, guaranteed loan funds, and matching funds or award of project construction contracts to an individual owner, partner, or stockholder, or to a beneficiary or immediate family of the applicant when the recipient will retain any portion of ownership in the applicant's or borrower's project. Grant and matching funds

may not be used to support costs for services or goods going to, or coming from, a person or entity with a real or apparent conflict of interest.

(b) Assistance to employees, relatives, and associates. The Agency will process any requests for assistance under this subpart in accordance with 7 CFR part 1900, subpart D.

(c) Member/delegate clause. No member of or delegate to Congress shall receive any share or part of this grant or any benefit that may arise there from; but this provision shall not be construed to bar, as a contractor under the grant, a publicly held corporation whose ownership might include a member of Congress.

The U.S. Department of Agriculture Departmental Regulations and Laws that contain other compliance requirements are referenced in paragraphs VI. and VIII., of this Notice.

Applicants who are found to be/have been in violation of applicable Federal Law/statutes will be deemed ineligible.

#### **IV. Application and Submission Information**

Applicants seeking to participate in this program must submit applications in accordance with this Notice.

##### *A. Electronic Application and Submission*

Applications must be submitted electronically using either the Government-wide [www.Grants.gov](http://www.Grants.gov) Web site or by the secure-server portal <https://www.rd.usda.gov/hbiip>. No other form of application will be accepted.

Application and supporting materials are available at [Grants.gov](http://Grants.gov) and on the HBIIP Webpage <https://www.rd.usda.gov/hbiip>.

##### *B. Content and Form of Application Submission*

Applicants must submit complete applications by the date identified in the DATES section of this Notice. Applications must contain all parts necessary for the RBCS to determine applicant and project eligibility, conduct the technical evaluation, calculate a priority score, rank and compete the application, as applicable, in order to be considered. All applications determined to be insufficient to these purposes shall be deemed as incomplete and will neither be competed nor receive funding.

(1) For Higher Blend Implementation Activities related to transportation fueling stations/facilities, the HBIIP Online Application is comprised of the following elements:

- a) SF 424 Application for Federal Assistance;
- b) HBIIP Project Worksheet with Priority Scoring Criteria: Transportation Fueling Stations/Facilities;
- c) SF 424C Budget Information - Construction Programs;
- d) HBIIP Project Technical Report;
- e) Certification of Matching Funds;
- f) Request for Environmental Information; and
- g) SF 424D Assurances - Construction Programs.

(2) For Higher Blend Implementation Activities related to fuel distribution facilities, an HBIIP Online Application is comprised of the following elements:

- a) SF 424 Application for Federal Assistance;
- b) HBIIP Project Worksheet with Priority Scoring Criteria: Fuel Distribution Facilities;

- c) Supporting information from a recent/recently updated (within 3 years) feasibility study and/or business plan, or equivalent planning documentation;
- d) SF 424C Budget Information - Construction Programs;
- e) HBIIP Project Technical Report;
- f) Certification of Matching Funds;
- g) Request for Environmental Information; and
- h) SF 424D Assurances - Construction Programs.

(3) System for Award Management (SAM). Applicants must be registered in the System for Award Management (SAM) prior to applying; which can be obtained at no cost via a toll-free request line at (866) 705–5711 or online at <https://www.sam.gov/SAM/>. Registration of a new entity in SAM requires an original, signed, and notarized letter stating that the applicant is the authorized Entity Administrator, before the registration will be activated. All recipients of Federal financial grant assistance are required to report information about first-tier sub-awards and executive total compensation in accordance with 2 CFR part 170.

All applicants except those that are individuals, in accordance with 2 CFR part 25, must have a DUNS/Unique Entity Identifier (UEI) number, which can be obtained at no cost via a toll-free request line at (866) 705-5711 or online at <http://fedgov.dnb.com/webform>.

(4) Grants.gov. To use Grants.gov and to use the HBIIP online application system you must already have a DUNS/Unique Entity Identifier (UEI) number and you must also

be registered and maintain registration in SAM. We strongly recommend that you do not wait until the application deadline date to begin the application process.

(5) Instructions and resources for completing the online application are available on the HBIIP Webpage <https://www.rd.usda.gov/hbiip>. Applicants and their authorized/rightful users will be required to obtain an E-Auth Identification and obtain access to the secure portal. The application process requires the facility to both view and generate PDFs (Portable Document Files). The use of a Web browser such as Chrome or its equivalent is highly encouraged.

*C. Submission Dates and Times*

The deadline date for applications to be received in order to be considered for funding is specified in the DATES section at the beginning of this notice.

After electronically submitting an application through the HBIIP Web site, the applicant will receive an automated acknowledgement, specifying submission date and time, from the HBIIP online application system. In order to be considered for funds under this Notice, applications must be deemed complete and must be received by the secure portal located on the HBIIP Webpage at <https://www.rd.usda.gov/hbiip> by the deadline.

*D. Intergovernmental Review*

Executive Order (E.O.) 12372, Intergovernmental Review of Federal Programs, applies to this program. This E.O. requires that Federal agencies provide opportunities for consultation on proposed assistance with State and local governments. Many states have established a Single Point of Contact (SPOC) to facilitate this consultation. Instructions

for completing this required element and a list of States that maintain a SPOC are available in the HBIIP online application.

*E. Funding Restrictions*

The following funding limitations apply to applications submitted under this Notice.

(1) Only one HBIIP application may be submitted per HBIIP applicant. An application may request HBIIP assistance for more than one location. An HBIIP applicant/application may receive one and only one award in this competition.

(2) There is no minimum HBIIP grant award.

(3) The maximum HBIIP grant award is not to exceed \$5,000,000.

(4) HBIIP grants are awarded on a cost share basis for not more than 50 percent of total eligible project costs.

(5) No HBIIP grant award may exceed an amount calculated as 50 percent of total eligible project costs or the Maximum HBIIP grant award amount of \$5,000,000, whichever is the lesser.

(6) If it is determined that an applicant is affiliated with another entity that has also applied, then the maximum grant award applies to all affiliated entities as if they applied as one applicant. An Affiliate is an entity controlling or having the power to control another entity, or a third party or parties that control or have the power to control both entities.

(7) Underground Storage Tanks and Systems (USTs).

(a) *New construction.* Fueling Stations/Locations/facilities constructed during the grant period are restricted from receiving HBIIP grant funds for underground storage tanks. RBCS has determined that tanks would be required of any new fueling

stations/locations/facility regardless of any commitment to market higher blends.

However, other required equipment such as fuel dispensers/pumps and other underground storage tank system components that are still available in traditional and higher blend compatible models, the latter at a higher cost, may be considered in this funding program.

(b) *Existing fueling stations* that require upgraded, and/or retrofitted and/or additional underground storage tanks may request assistance of up to 25 percent of total eligible project costs or up to \$1,250,000, whichever is the lesser. They are eligible for any required equipment including, but not limited to, the tank, piping, piping containment sumps, underground pumping equipment, including the submersible pump or suction pump, release detection equipment, spill equipment (spill buckets), overfill equipment, fuel dispensers/pumps, or other equipment.

(8) HBIIP grant funds may not be used to pay for expenses related to consumer education, marketing, and/or signage. However, up to 10 percent of an applicant's Matching Funds (five percent of total project costs) may be used to pay for education/marketing/signage related expenses.

(9) No HBIIP grant funds may be used to pay for any incurred expense, equipment purchase, or service paid outside the grant period.

#### *F. Multiple facilities*

While only one HBIIP application may be submitted per applicant under this Notice, an application may request assistance for multiple facilities/locations. Section "E. (6) Funding Restrictions," advises on instances where more than one application is submitted by one or more affiliates of an entity.

#### *G. Compliance with Other Federal Statutes and Other Submission Requirements*

(1) *Environmental information.* For the RBCS to consider an application, the application must include all environmental review documents with supporting documentation in accordance with 7 CFR part 1970 and as referenced in Section IV.B of this Notice. Any required environmental review must be completed prior to obligation of funds. Applicants are advised to contact RBCS to determine environmental requirements as soon as practicable to ensure adequate review time.

Applicants should also submit to RBCS the compatibility verification of equipment to be funded. EPA regulations found in 40 CFR 280.32 require demonstrating compatibility of systems storing fuel containing greater than 10 percent ethanol or greater than 20 percent biodiesel, so RBCS collecting this information in advance is not an additional burden for applicants. It will ensure that grant funds are used for purposes that expand the environmentally safe availability of fuel containing higher blends of ethanol and biodiesel. More information can be found in this June 2019 compliance advisory from the EPA Office of Underground Storage Tanks:

<https://www.epa.gov/sites/production/files/2019-06/documents/compliance-advisory-ust-regs-06-2019.pdf>

(2) *Original signatures.* The RBCS reserves the right to request/require that the applicant provide original signatures on forms submitted electronically.

(3) *Transparency Act Reporting.* All recipients of Federal financial assistance are required to report information about first-tier sub-awards and executive compensation in accordance with 2 CFR part 170. If an applicant does not have an exception under 2 CFR 170.110(b), the applicant must then ensure that they have the necessary processes and systems in place to comply with the reporting requirements to receive funding.

(4) *Race, ethnicity, and gender.* The RBCS is requesting that each applicant provide race, ethnicity, and gender information about the applicant. The information will allow the Agency to evaluate its outreach efforts to under-served and under-represented populations. *Applicants are encouraged to furnish this information with their applications but are not required to do so.* An applicant's eligibility or the likelihood of receiving an award will not be impacted by furnishing or not furnishing this information.

(5) Other Federal Statutes. The applicant must certify to compliance with other Federal statutes and regulations by completing the Financial Assistance General Certifications and Representations in SAM, including, but not limited to the following:

(a) 7 CFR part 15, subpart A—Nondiscrimination in Federally Assisted Programs of the Department of Agriculture—Effectuation of Title VI of the Civil Rights Act of 1964. Civil Rights compliance includes, but is not limited to the following:

(i) Collect and maintain data provided by ultimate recipients on race, sex, and national origin and ensure that ultimate recipients collect and maintain this data. Race and ethnicity data will be collected in accordance with Office of Management and Budget (OMB) Federal Register Notice, “Revisions to the Standards for the Classification of Federal Data on Race and Ethnicity” (published October 30, 1997 at 62 FR 58782). Sex data will be collected in accordance with Title IX of the Education Amendments of 1972. These items should not be submitted with the application but should be available upon request by RBCS.

(ii) The applicant and the ultimate recipient must comply with Title VI of the

Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, the Americans with Disabilities Act (ADA), Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Executive Order 12250, and 7 CFR part 1901, subpart E.

(b) 2 CFR part 417 – Governmentwide Debarment and Suspension (Non-procurement), or any successor regulations.

(c) 2 CFR parts 200 and 400 (Uniform Assistance Requirements, Cost Principles and Audit Requirements for Federal Awards), or any successor regulations.

(d) Subpart B of 2 CFR part 421, which adopts the Governmentwide implementation (2 CFR part 182) of the Drug-Free Workplace Act.

(e) Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency.” For information on limited English proficiency and agency-specific guidance go to <http://www.lep.gov/>.

(f) Federal Obligation Certification on Delinquent Debt.

## **V. Application Review Information**

### *A. Criteria*

A priority score will be afforded to complete applications deemed eligible to compete. Given the purpose of the HBIIP, higher priority will be afforded to projects deemed to increase significantly the sales and use of higher blends of ethanol and biodiesel on a gallons per dollar of requested funds, basis. Priority scoring and ranking of applications will be a function of the following criteria:

(1) *For Higher Blend Implementation Activities related to transportation fueling facilities.*

(a) Annual sales volume for the past 3 years (2017-19) or projected sales for fueling stations constructed during the grant period, for all fuels including E10 and/or B5;

(b) The incremental increase in HB fuel volume attributed to:

(i) The proposed change in percentage of refueling positions offering E15 and/or B20 or higher blends (the greater percentage of HB fuel refueling positions, the greater the HB fuel volume attribution);

(ii) The proposed new ratio number of fueling positions offering E15 and/or B20 relative to the number of fueling positions offering E10 and/or B5 (the greater the ratio of HB fuel refueling positions relative to E10 and/or B5, the greater the HB fuel volume attribution);

(iii) The proposed ratio number of fueling positions offering E85 relative to the number of fueling positions offering E10 (the greater the ratio of E85 refueling positions relative to E10, the greater the HB fuel volume attribution);

(iv) The proposed change in the number of fueling stations with at least one E15 fueling position (the greater the number of fueling stations, the greater the HB fuel volume attribution);

(v) Whether the applicant is an owner of 10 fueling stations or fewer (if yes, a Targeted Assistance Goal, HB fuel volume attribution);

(vi) The proposed number of fueling stations located along an interstate highway corridor;

(vii) The proposed number of fueling stations located as the sole station (within a 1-mile radius) in an area;

(viii) The proposed number of fueling stations located in areas under consideration for Geographic Diversity:

1. The New England States of -- Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island; and/or
2. The Western States of -- Arkansas, Arizona, California, Colorado, Idaho, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming;

(ix) A “Matching Funds” investment/commitment to higher blends signage and/or marketing is proposed (non-zero investment yields greater HB fuel volume attribution);

(c) The total amount of requested funds.

The HBIIP online application, “Project Worksheet with Priority Scoring Criteria for Transportation Fueling Stations/Facilities,” is interactive and designed to indicate an applicant’s priority score based on -- HBIIP activities (e.g., fuel dispensers, related equipment and infrastructure installations), Administrator’s geographic diversity priorities, Targeted Assistance Goals (if applicable), and the amount of requested funds. Applicants may directly influence their priority score by the activities they select in the worksheet and by the amount of grant funds they request.

Transportation fueling stations/facilities applications should take special care to provide evidentiary documentation in support of their proposed activities in the HBIIP Project Technical Report. In the event of suspect, overstated, or otherwise unsubstantiated claims, the Agency reserves the right to adjust an application’s priority score accordingly.

(2) *For Higher Blend Implementation Activities related to fuel distribution facilities.*

- (a) Annual throughput volume for past 3 years (2017-19), for all fuels;
- (b) The incremental increase in throughput of HB fuel, as substantiated by:
  - i. Validated demand;
  - ii. Market drivers;
  - iii. Documented incentives;
  - iv. Project sustainability;
  - v. Investment to consumer education and marketing; and
  - vi. Partnerships;
- (c) The total amount of requested funds.

Fuel distribution facility applications should take special care to provide evidentiary documentation in support of their throughput projections in the feasibility study/business plan/equivalent planning documents and in the HBIIP Project Technical Report. In the event of suspect, overstated, or otherwise unsubstantiated claims, the Agency reserves the right to adjust an application's priority score accordingly.

*B. Review and Selection Process*

All complete applications will be competed/ranked in accordance with Section V.A., as specified above. Applicants may work to complete the online application until the deadline specified in the **DATES** section of this Notice.

Due to the competitive nature of this program, applications receiving the same priority score will be competed/ranked based on submittal date. The submittal date is the date the RBCS receives a complete application. A complete application contains all information requested by RBCS and is sufficient to allow the determination of eligibility, score, rank,

and compete the application for funding, subject to funds available. Incomplete applications will not be competed and will not receive funding.

*C. Administrator Points*

The RBCS retains the discretion to award priority to applications that support HBIIP policy goals and that specifically promote economic development to improve life in rural areas that are most in need:

(1) *Targeted Assistance Goal* of up to 40 percent of funds made available for activities/investments related to higher blends of fuel ethanol to applicants (owners) owning 10 transportation fueling stations/locations or fewer.

(2) A *Consideration for Geographical Diversity* and markets underserved by higher blends is also afforded to applicants/participants based on location of the proposed transportation fueling stations/locations.

*D. Other Requirements*

In order to be considered for funds, complete applications must be received by the deadline specified in the DATES section of this Notice.

(1) *Insufficient funds*. If available funds are insufficient to fund the total amount of an application:

(a) The applicant will be notified and given the option to lower the grant request and accept the remaining funds. If the applicant agrees to lower the grant request, the applicant must certify that the purposes of the project will be met and provide the remaining total funds needed to complete the project.

(b) If two or more applications have the same priority score and the same submittal date, both applicants will be notified and given the option to lower the grant

requests and accept the remaining funds. If an applicant agrees to lower its grant request, the applicant must certify that the purposes of the project will be met and provide the remaining total funds needed to complete the project.

(2) *Award considerations.* All award considerations will be on a discretionary basis. In determining the amount of an award, the RBCS will consider the amount requested, subject to:

(a) the maximum cost-share amount of 50 percent of total eligible project costs, or a lesser amount when deemed appropriate, and/or

(b) the Maximum Award amount of \$5 million, and/or

(c) available funds; whichever is least, as applicable.

(3) *Notification of funding determination.* Applicants will be informed in writing by the RBCS as to the funding determination of the application.

## **VI. Federal Award Administration Information**

### *A. Federal Award Notices*

HBIIP grants will be administered in accordance with Departmental Regulations, and as otherwise specified in this Notice.

Applicants selected for funding, will receive a signed notice of Federal award containing instructions on requirements necessary to proceed with execution and performance of the award.

Applicants not selected for funding will be notified in writing and informed of any review and appeal rights. Awards to successfully appealed applications will be limited to available funding.

### *B. Administrative and National Policy Requirements.*

Additional requirements that apply to grantees selected for this program can be found in the Grants and Agreements regulations of the Department of Agriculture codified in 2 CFR parts 180, 400, 415, 417, 418, 421; 2 CFR parts 25 and 170; and 48 CFR 31.2.

In addition, all recipients of Federal financial assistance are required to report information about first tier subawards and executive compensation (see 2 CFR part 170). You will be required to have the necessary processes and systems in place to comply with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109– 282) reporting requirements (see 2 CFR 170.200(b), unless you are exempt under 2 CFR 170.110(b)). More information on these requirements can be found at <http://www.rd.usda.gov/HBIIP>. The following additional requirements apply to grantees selected for this program:

- (1) Grant Agreement – RD 4280-2 Rural Business-Cooperative Service Financial Assistance Agreement;
- (2) Letter of Conditions;
- (3) Form RD 1940–1, “Request for Obligation of Funds;”
- (4) Form RD 1942–46, “Letter of Intent to Meet Conditions;” and
- (5) Use Form SF 270, “Request for Advance or Reimbursement.”

### *C. Reporting*

After grant approval and through grant completion, grantees will be required to provide periodically the following, as indicated:

- (1) A SF-425, “Federal Financial Report,” and a project performance report will be required on a semiannual basis (due 30 working days after end of the

semiannual period). For the purposes of this grant, semiannual periods end on March 31st and September 30th. The project performance reports shall include the elements prescribed in the Grant Agreement; which for fueling stations will include point of sale reporting for up to 5 years post project completion and for fuel distribution facilities will include reporting of throughput volumes of all fuels including HB fuels.

(2) A final project and financial status report, as required per 2 CFR 200.343 “Closeout”, within 90 days after the expiration or termination of the grant.

(3) Provide project outcome/performance reports and final deliverables. Reported data will be used for program and policy evaluation. The proprietary nature and confidentiality of information collected from program participants is specified in 7 U.S. Code § 2276.

## **VII. Federal Awarding Agency Contacts**

For further information contact: Anthony Crooks: telephone (202)205-9322, email: EnergyPrograms@usda.gov. Persons with disabilities that require alternative means for communication should contact the USDA Target Center at (202)720-2600 (voice).

## **VIII. Other Information**

### *A. Paperwork Reduction Act*

The Information Collection and Recordkeeping requirements contained in this rule have been approved by an emergency clearance under **OMB Control Number 0570-NEW**. In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), RBCS invites comments on this information collection for which the Agency intends to request approval from the Office of Management and Budget (OMB). RBCS invites

comments on any aspect of this collection of information including suggestions for reducing the burden. Comments may be submitted regarding this information collection by the following method:

- Federal eRulemaking Portal: Go to <https://www.regulations.gov> and, in the lower “Search Regulations and Federal Actions” box, select “RBCS” from the agency drop-down menu, then click on “Submit.” In the Docket ID column, select Docket No. RBS-20-Business-0006 to submit or view public comments and to view supporting and related materials available electronically. Information on using Regulations.gov, including instructions for accessing documents, submitting comments, and viewing the docket after the close of the comment period, is available through the site’s “User Tips” link.

Comments on this information collection must be received by [INSERT DATE 60 DAYS FROM THE DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

The information collection is one-time activity for the applications, however, RBCS will need to submit a formal information collection request for the approval beyond the 6-month emergency approval to address the ongoing reporting requirement.

The burden for the HBIIP collection of information includes both the upfront one-time application and the on-going reporting, which will include mid-year and an annual reporting. The reporting may include additional reports for projects that run longer.

Comments are invited on (a) the accuracy of the agency’s estimate of burden including the validity of the methodology and assumption used; (b) ways to enhance the quality, utility, and clarity of the information to be collected; and (c) ways to minimize the burden of the collection of information on those who are to respond, including using

appropriate automated, electronic, mechanical, or other technological collection techniques on other forms and information technology.

*Title:* Higher Blends Infrastructure Incentive Program (HBIIP).

*OMB Control Number:* 0570-New.

*Type of Request:* New Information Collection.

*Abstract:* The purpose of the HBIIP is to increase significantly the sales and use of higher blends of ethanol and biodiesel. HBIIP is intended to encourage a more comprehensive approach to marketing higher blends by sharing the costs related to building out biofuel-related infrastructure.

Under the HBIIP, funds will be made directly available to assist transportation fueling and fuel distribution facilities with converting to higher ethanol and biodiesel blend friendly status by sharing the costs related to the installation, and/or retrofitting, and/or otherwise upgrading of fuel storage, dispenser/pumps, related equipment, and infrastructure.

Cost-share grants of up to 50 percent of total eligible project costs but not more than \$5 million will be made available to assist transportation fueling and fuel distribution facilities with converting to higher blend friendly status for ethanol (i.e., greater than 10 percent ethanol) and biodiesel (greater than 5 percent biodiesel) by sharing the costs related to the installation, and/or retrofitting, and/or otherwise upgrading of dispenser/pumps, related equipment, and infrastructure.

The information collected from applications as required by this NOFA include, but are not limited to determine whether participants meet the eligibility requirements to be a recipient of grant funds, project eligibility, conduct the technical evaluation, calculate a

priority score, rank and compete the application, as applicable, in order to be considered. Lack of adequate information to make the determination could result in the improper administration and appropriation of Federal grant funds to be a recipient of grant funds as well as other documents and information that may be relevant as determined by RBCS.

*Estimate of Burden:* Public reporting burden for this collection of information is estimated to average 78 hours per response.

*Estimated Number of Respondents:* 100.

*Estimated Total Annual Responses:* 200.

*Estimated Total Recordkeeping Hours:* 480.

*Estimated Total Burden Hours:* 15,600.

*Estimated Total Annual Burden (including recordkeeping) on Respondents:* 16,080 hours.

Copies of this information collection can be obtained from MaryPat Daskal, Regulatory Division Team 2, Rural Development Innovation Center, U.S. Department of Agriculture, 1400 Independence Ave., S.W., Stop 1522, Washington, D.C. 20250. Phone: 202-720-7853.

All responses to this information collection and recordkeeping notice will be summarized and included in the request for OMB approval. All comments will also become a matter of public record.

*B. Nondiscrimination Statement.*

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the basis of race, color, national origin, age, disability, sex, gender identity, reprisal and where applicable, political

beliefs, marital status, familial or parental status, religion, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or complete the form at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue S.W., Washington, DC, 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

Individuals who are deaf, hard of hearing or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

Persons with disabilities, who wish to file a program complaint, please see information above on how to contact us directly by mail or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotope, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

Signed:

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Robert Stephenson,  
Executive Vice President,  
Commodity Credit Corporation.

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Mark Brodziski,  
Acting Administrator,  
Rural Business-Cooperative Service.

[FR Doc. 2020-09685 Filed: 5/4/2020 8:45 am; Publication Date: 5/5/2020]