

Fueling Our Future 100

Iowa Program Guidelines

General Overview

Iowa's new "Fueling Our Future 100" initiative sets the ambitious goal of adding 100 new fueling sites in 2016/2017 to provide consumers with access to higher blends of ethanol. This initiative expands upon the existing state-funded Renewable Fuels Infrastructure Program (RFIP) at the Iowa Department of Agriculture and Land Stewardship (IDALS) through a recently-announced \$5 million grant award to the state from the US Department of Agriculture/ Farm Service Agency's (USDA-FSA) Biofuels Infrastructure Partnership (BIP). Iowa is one of 21 states utilizing these USDA funds to expand ethanol availability nation-wide. The Iowa Department of Transportation (IDOT) is the recipient of the grant and IDALS is administering the competitive application process.

Federal funding is available to any interested retailers or cooperative in Iowa to assist with the cost of purchasing and installing blender pumps and underground storage tank (UST) infrastructure for higher blends of ethanol.

For fueling sites that have not previously utilized RFIP funding, concurrently applying for both state RFIP and federal Fueling our Future 100 funding will result in a one-time opportunity to receive a higher percentage of incentive dollars by combining state and federal program dollars. It is important to note that while sites that have previously utilized Iowa's RFIP funding are not eligible to apply for state funding again, those sites are eligible to apply for incentive funding through the new federal Fueling our Future 100 program. An Excel worksheet included with the application calculates the total incentive request (of federal and state, if applicable) and private matching fund requirements for particular projects.

The application requires firm cost estimates for both equipment and installation expenses and the commitment of private matching dollars. However, businesses should wait to order equipment until notification from IDALS. USDA's expectation is for the infrastructure to be operational by the end of 2016, or in the case of Round 4 awardees, September 30, 2017.

Program Goals

The Fueling our Future 100 program seeks to utilize federal funding to achieve the following goals:

- Substantially increase the amount of higher ethanol blends sold at specific retail sites as well as statewide.
- Support the availability of higher ethanol blends in underserved and/or growing markets in both urban and rural areas.
- Identify and incentivize projects that are ready to proceed and can be completed in a timely manner.

Eligible applicants are owners of retail motor fuel sites in Iowa. This is a competitive program. Awards will be prioritized with applications that best meet the programs stated goals given preference. Details of the project should be outlined in the in the “project overview” section.

Review Criteria

The following review criteria will be used, up to five points for each:

- Completeness of application
- Confirmation of private matching dollars
- Leverage of additional ethanol infrastructure in planned project
- Demonstration of filling a geographic void in access to higher ethanol blends (*example metrics: distance from existing E85 retailers, Flex Fuel Vehicles in the county in comparison to available E85 stations, a gap on an interstate corridor in availability of higher ethanol blends*)
- Proximity to major highway corridors

A committee of state agency staff from IDALS, Iowa Department of Transportation, and Iowa Economic Development Authority will score the applications with these criteria and provide their results to the IDALS RFIP board.

Application Components

The Fueling our Future 100 application components are:

- Application for federal USDA BIP assistance.
- Detailed equipment list for all eligible major project components included in the application with firm cost quotes for all items.
- Excel worksheet completed with project information (Form W).
- Submission of federal environmental review Form FSA-850. Applicants may choose to submit the environmental review documents at time of application submission or upon conditional award of funds. See the Environmental Review section of this guide for further details.
- Applicant acknowledgement statement and signature page.
- Letter of financial support from external partners, if applicable.
- Supplemental application for state IDALS RFIP assistance, **if eligible**, and associated attachments.

Application and Award Schedule

Two rounds of awards are scheduled for the federal funding available. An amount not to exceed 50% of the available federal funds will be awarded in the first round. The remaining funds will be awarded in the second round. In the event that all funds have not been expended at that time, an optional third round may be scheduled, at the discretion of IDALS. The timing of application and award is as follows:

December 1, 2015	Fueling Our Future 100 application available
December 31, 2015	Round 1 application deadline*
January 1, 2016	Round 2 application period opens
January 15, 2016	Round 1 awards announced
January 31, 2016	Round 2 application deadline
February 15, 2016	Round 2 awards announced
June 20, 2016	Round 3 application deadline
July 1, 2016	Round 3 awards announced
October 14, 2016	Round 4 application deadline*
November 1, 2016	Round 4 awards announced

*Applications must be received at IDALS by 4:00 p.m.

To expedite processing for those applicants requesting both state and federal funding for the same project, the state and federal application packets should be submitted simultaneously.

Implementation Timeframe

Awards will be conditioned upon the completion of environmental review and approval of USDA-FSA. The USDA-FSA environmental review process will add a period of time after conditional awards and has the potential to take several months. **No equipment may be purchased or construction/site preparation work may occur prior to USDA-FSA environmental concurrence is received!** Such activities will likely disqualify a company from receiving funding.

Grant funds will be disbursed to recipients upon completion of the project and submission of all required documents.

Pumps and tanks funded through this program are currently required to be operational by December 30, 2016 and continue operations for the intended purpose of dispensing higher blends of ethanol through December 31, 2021. If an extension is provided by USDA for this requirement, program materials and any existing grant agreements between IDALS and retailers will be updated as necessary. For Round 4 awardees, the operational deadline is September 30, 2017, with a 5-year period of operation thereafter.

Eligible Costs

Tanks

- Capped cost at \$100,000, including associated components and piping, as applicable. Federal investment maximum is \$25,000 for projects reaching the cap.
- Underground Storage Tanks funded under this program must provide additional capacity, hold higher levels of ethanol, or be a necessary addition to the ethanol infrastructure at the site.
- Only 1 tank per site is eligible for federal BIP funding.

Pumps

- Only blender pumps are eligible for Iowa's federal funding, not dedicated E85 or E15. Blender pumps must meet or exceed federal and state standards and dispense a range of ethanol blends greater than E10.
- Capped cost at \$40,000 per pump, including associated hanging hardware and piping. Federal investment maximum is \$23,400 per pump for projects reaching the cap, and limited to 4 pumps per site.

Ineligible Costs

- Payment for any cost of fueling station canopies.
- Payment for compliance with environmental documentation requirements.
- Payment for any cost of replacement of existing tanks, except if tanks provide additional capacity or hold higher levels of ethanol.
- Duplication or replacement of current services; however, grant funds may be used to expand the level of effort or service beyond what is currently provided.

Match requirements

Match funding for the project cannot come from federal sources. For match funds that will be provided from project partners, an applicant must document partner cost-share commitment in a letter of support from external partners indicating the amount of support provided.

Reporting Requirements

Reports are required through December 30, 2021, or in the case of Round 4 awardees, through September 30, 2022, to IDALS including average ethanol price(s) per month and gallons of ethanol sold per month, pertaining to the infrastructure installed. The timing and format of reports will be determined at a later date and reflected in the grant agreement. While monthly data may be required, only quarterly reporting is anticipated.

Environmental Review

Compliance with National Environmental Policy Act (NEPA) will require each applicant to document environmental related information on each site for USDA to make a determination on compliance and funding availability.

All approved applicants must complete FSA-850 Environmental Evaluation Checklist (see attachments for the form) per the following guidelines.

- **Existing Sites**
 - Pumps: Pumps installed on previously disturbed land with no new ground disturbance or removal of existing vegetation require a FSA-850 form. If an applicant is requesting federal funding for multiple sites, these locations can be grouped and addressed on a single FSA-850 Form. Note that an individual application is still required for each site.
 - Replacement Tanks: Completed FSA-850 is required for each station with a replacement tank. Following review, additional environmental documentation, including State Historic Preservation Officer (SHPO) review, may be required prior to project approval.
- **New Sites**

Pumps and/or tanks installed on new sites require a FSA-850 form. Following review, additional environmental documentation, including State Historic Preservation Officer (SHPO) review, will likely be required prior to project approval.

In all cases, a certified environmental/engineering professional must complete the FSA-850 and follow instructions per USDA Handbook 1-EQ. The applicant is responsible for all costs associated with the completion of the FSA-850 and any subsequent environmental documentation required.

The applicant may submit the FSA-850 form with the program application packet. Alternatively, the applicant may wait and submit the form within 45 days of a conditional award of federal funds. A contract for award of funds will not be executed until the environmental form(s) required have been submitted to IDALS and reviewed and approved by USDA. Organizations with completed environmental review forms at the time of application will therefore expedite the timeline for review and can anticipate a more timely execution of a contract.

No equipment may be purchased or construction/site preparation work may occur prior to USDA-FSA environmental concurrence is received! Such activities will likely disqualify a company from receiving funding.

Additional Information

All application materials can be found at www.iowaagriculture.gov/agMarketing/IRFIP.asp

Program Inquiries should be directed to:

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