

Advanced Biofuel Payment Program

What does this program do?

Support and ensure an expanding production of advanced biofuels by paying advanced biofuel producers for finished advanced biofuel products.

Who may apply for this program?

- **Any entity that produces and sells advanced biofuel is eligible to apply. Eligible advanced biofuels:**
- **Meet the definition of an advanced biofuel in [7 CFR Part 4288](#) and [102](#);**
- **Are a liquid, gas, or solid;**
- **Must be a final product;**
- **Are produced in the United States; and**
- **Are ones where the buyers and sellers act independently and have no relationship to each other.**

What funding is available?

- Quarterly payments for actual quantity of eligible advanced biofuel produced during the quarter.
- Annual incremental payment for producers who increase production over the previous fiscal year (excludes forest biomass advanced biofuel production).

Are there other requirements?

To be eligible for the incremental payment, an advanced biofuel facility must have:

- produced advanced biofuels in the year prior to the fiscal year in which the payment is sought, and
- had less than 20 days (excluding weekends) of non-production in the year prior to the fiscal year in which the payment is sought.

What are the payment terms?

Producers will be paid on a quarterly basis for the actual quantity of eligible advanced biofuel produced during the quarter.

- For each producer, the Agency will convert the production into British Thermal Unit (BTU) equivalent.

- The payment amount depends on the number of eligible producers; the amount of advanced biofuel produced; and the amount of funds available during the Fiscal Year.
- There is no minimum or maximum payment.

How do we get started?

Applications are accepted in October of each year. To enroll, a producer must file an application and information by October 31st.

Who can answer questions?

Contact your [State Rural Development Energy Coordinator](#).

What governs this program?

[Code of Federal Regulation, 7 CFR Part 4288, Subpart B](#)

This program is authorized by 7 U.S. C. 8105.

Why does Rural Development do this?

This program helps increase American energy independence by increasing the private sector supply of renewable energy and decreasing the demand for fossil fuels.

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.*