

Higher Blends Infrastructure Incentive Program

Applicant Stakeholder Checkin Webinar Transcript

June 02, 2020

Please stand by for real time captions.

Good afternoon. Welcome everyone to the Higher Blends Infrastructure Incentive Program (HBIIP). This is our applicants and stakeholders check in. I am Tony Crooks and with me is Kelly Bogle are director of operations who was formally with biofuels infrastructure program. Let's do a microphone check to make sure things are running as they should.

Tony, you are coming clear very clear.

All right. Let's get on with it then. So I'm trying to get my presentation view up.

[pause]

I'm just having a little issue here. There we go. And it may take a second for me.

[pause]

All right. I'm just going to proceed as we otherwise tried to plan. I'm having a little trouble seeing my slides.

Tony, I can move the slides as you speak if you are able to see the slides at all.

Okay. There we go. So, I'm in good shape now so let's start with an overview and get right into it. What's this program do? The purpose of the HBIIP is to increase significantly the sales and use of Higher Blends of ethanol and biodiesel. We do that by expanding the infrastructure for printable fuel to write from U.S. agriculture products. I am showing a lack. If I click -- [pause]/-- all right. Are you all seeing this? This just a little bit of a delay. Go ahead.

Tony, we are seeing what is the funding available slide. Slide 4.

All right. Let's just get to that. What funding is available? Up to \$100 million for two eligible participants, \$86 million is available to transportation fueling facilities. For activities related to Higher Blends of fuel ethanol greater than 10% ethanol and that includes E15 and E85. And approximately \$14 million available to transportation fueling facilities and biodiesel distribution facilities. For activities related to Higher Blends of biodiesel greater than 5% including be 20 or higher. What are the terms, this is the grant and grants are available for up to 50% of total eligible project costs but not to exceed \$5 million. Whichever is less. The funds must be used and made available under HBIIP only be used for eligible equipment, infrastructure and related expenses to support the sales and use of higher biofuel blends. We are going to, we have tailed -- trailered the agenda to talk about issues important to all and to talk about with respect to enrollment, to talk about things you can be waiting for HBIIP access. We want to go through a few worksheet templates and then as time permits, get to some other important documents in the application. Let's talk about enrollment. In order to enroll, and the Higher Blends infrastructure incentive program, you must have your tax identification number. Your DUNS unique identifier, your Sam Cage code and your DUNS you EI hook credential. You can request the online application system and obtain access. The way to obtain that is two to our program page under the, to apply tab and open the checklist for the online application. You will be presented with the web address, or how to obtain a Dun & Bradstreet universal number. And the web address to register the DUNS in order to obtain the Cage code and expiration date. And the web address for the UST USDA customer authentication account. This is the webpage for Dun & Bradstreet. You go there and follow

the directions and want to obtain the Dun & Bradstreet number, you take that to SAM. And you follow their directions. And then you get your authentication credential and create an account if you don't already have one. And you bring that information first go back to our program page and click the to apply tab. You will see again, the HBIIIP online access request. Open that up. And you must complete this. In order to complete this, you must first select the company account and the user account. Provide your company's legal name, the company TIN. I apologize. I'm having some static -- it may just be me jiggling the mouse. Provide your company's legal name, the company tax identification number, the UEI number, the Sam Cage code. You must also, select the applicant type which you intend to apply. Are you an owner of 10 fueling stations or fewer? RN owner greater than 10 fueling stations? Are you applying as a fleet facility or a fuel distribution facility? You must also provide information for at least one authorized user. We recommend if you have additional parties assisting you with this application, you also provide them -- the way you provide access to your application, is to list them as an authorized user. So then you would want to also -- all right, I'm listing the Google web browser because we want to talk about some issues we are having with respect to access requests. I discovered this morning, that sometimes access requests information is being stripped away by our security system. So I want to offer to suggest a way of working around that. When you use your Google Chrome browser to upload the access request and complete the information and then save it as a PDF. In Google Chrome. To do that by control print and saving it in a landscape formed this way. When you hit save, you will be have a chance to provide a name for the file and then submit that in your company email. Completed and we recommend encrypted and send it with the subject, HBIIIP online access request to Higher Blends grant-access at USDA.gov. Allow at least two business days to process your request. We are working through a backlog now. And largely having to do with submissions that are incomplete. So we have to provide that back to you to complete it. And or returned to you so you can complete it and then provided back to us. As I said earlier, we are working with you on an individual basis trying to obtain that information. Because we are finding sometimes our security is not allowing all of the information to go through. So we are working with you as you can. If you're having issues, if you would contact this email address, Higher Blends grant access@USA.gov and explain the circumstances you are recognizing. And we will work with you to get you through to access. If you decide to encrypt your email, please immediately following the first email the second one with the encrypted password. Upon approval, your company authorized rightful users will each receive an email from RD admin support@USDA.gov. With URL on the web access and instructions to online application system. We recommend you copy that the URL and paste it into the address of your Google Chrome Internet browser or equivalent and bookmark the URL for future use. All right we will pause right here and Kelly, let's take a few questions on enrollment to see if there are some things we need to work through. I would imagine given the explanation I gave, there are probably a number of questions.

[laughter]. Okay, let's work some of these. Some of these may be repeat questions we've had on previous webinars but now that people are in the application process, they have probably come up with these questions as they are moving through the process. The first question: they have three locations but they want some help. They are the grant write and the applicant is station owner is their client, they are gaining access for them to HBIIIP. Will they classify the operation as the owner of 10 or fewer stores?

That's what they want to know.

Me to understand who is applying here. Is the owner of the fueling stations trying to apply?

Yes. It appears that's the way.

If you are wanting to include a third-party, any third-party on wanting them to assist you and maybe help you with your applications to complete your applications. You would have to include them on the access request form. Let's go back and look at that. You would provide their information under the authorized user information. You would include your company Tran 19 and DUNS code, the eligible applicant is what I am talking about with respect to your company. And your company SAM CAGE code. You would list their first name and last name, their email address and their E authentication ID, there credential for that. And you dashed that way they would have access to your application because you granted that to them. And they can assist you in the application. All right. Another question?

Yes. We've got several questions. On trying to find those that would pertain to this. If we have numerous locations, how do we reflect that on the application? I think you will be getting to that

I well.

We will go through that in particular on adding a station in what we call the stations worksheet.

Okay. A couple of people have reported the web page is denying access. Have we had other reports of this? Is there a reason they would be denied access?

To the webpage? The program page?

Yes.

That should be publicly available. Sometimes this taken down because they are working on. I've had that happen to me but no. As a general rule, that should always be available.

[Indiscernible - multiple speakers]

Should we be using the chrome browser for everything?

Absolutely. As best you can. Or some equivalent to chrome. We found certain browsers do not work well with either the website -- they certainly work well with the online application system.

Okay. I think we can move on to the next phase. I do have one question here. About the SAM and delay forgetting the cage code.

Think you. That's such a good question. In normal times, it takes at least 10 working days to get a SAM CAGE code . These are not normal times. We are discovering, we have been advised it takes at least 15 working days now to get a SAM CAGE code. It may take longer. So that's particularly the reason we frame this webinar today to talk about things you can do for your application or with your application. Things you can work on while you are waiting for access. So just as a general word of advice, your DUNS number is taking longer and your SAM CAGE number is taking longer. In certain circumstances, the art E authentication is taking longer to get. There was one thing I should have mentioned a little bit earlier. And I want to emphasize that before I move on because I think I just kind of glanced over it. On this one. With respect to the USDA E authentication customer account. We started off requiring level to excess. Right now because of the difficult circumstances, we are only recommending level to access. The online application system will be available to you with a level I access. So get what access you can in USDA E authentication. We will work with that and work to get you upgraded as soon as possible. All right. Can we move on now?

I think you are ready to move on to the next phase of the presentation.

All right. Let's talk now about what you can do until you get HBIIP access. The next thing to go to on our program page, is under to apply, you will see in the important documents list, the HBIIP online application instructions and users guide. So download that. And plan to follow the instructions. This will take you step-by-step through the application system. Like I said in a stepwise fashion. And so in the meantime, but while you are waiting access. I recommend you download it and become familiar with the table of contents. Read through certain elements to become familiar with them. And get more oriented while you are working on access. The next thing to talk about is the single point of contact list for Executive Order 12372. And the requirements associated with that. When you go to the webpage and download that, you will see these two pages. These are 16 states participating in the intergovernmental review, single point of contact. This is an executive or order that requires the federal government to coordinate with state government and state government to coordinate with federal government to the extent

they wish to participate. This single point of contact list, will help you to if your state is participating, will provide a single source for you to go to, to understand the way the state is participating in HBIIIP and whatever requirements the state may have if you participate in . You check to see if the state where your company is located is participating. As it turns out, we are here, you will see this is located in your online application under the application information tab. And there is a box, not a box, you will see there is a choice to make as to whether or not your state is subject to review by the state under -- or your application is subject to review under Executive Order 123 47. If your state is participating, then you have a set of requirements. If not, you just simply click the no or the bottom option and save the application. That page in the application. Just however, if your state is a participant, and there is some contact information here if this example is the state of Iowa. Then the first thing you do is contact in this case Ms. there Brittany at her email or you can call her directly and ask how the state of Iowa maybe participating with HBIIIP and any opportunities there are four HBIIIP in Iowa and what requirements there may be. So if yes, then you want to select the top option. And then contact the state single point of contact to discuss opportunities and requirements. Then you will use the calendar function indicated by the red arrow to select the day you will be sending the email. I'm not sure why that keeps moving back. I'm not touching anything. Send the email I beg your pardon. Select the date you will be sending and emailing the state submittal PDF to the state. Save the application information and when you submit the federal application, at the end of it, when you've completed it you will also print the state submittal and you will email that to the state either to miss [name unknown] and I was case or wherever she directs you to submit them. The next thing you can do is look under the Spencer feeling equipment guide and download that. You will see just some pictures of what -- and definitions of what we are using in the application itself so we all have a common language. And an understanding. In particular, I want to call your attention to some specific types of dispensers and related equipment. For example, on the left diagram I have a dedicated E 85 dispenser and it has a dedicated hose to dispense E85. In the middle picture I have a shared dispenser with a shared hose for E85 and E 30 and a shared hose for E15, 87 and 91. And finally in the third one on the right, I have a flex fuel dispenser which is a shared dispenser with E85 dedicated hose, a diesel dedicated hose and one shared hose for three standard fuels. We've also provided this helpful chart picture or diagram of a typical fuel dispenser and understood down underground storage piping. With the associated levels. We have this from the handle handbook from handling and dispensing E85 and other ethylene gasoline blends. If it's in this picture and in this table, then you have some certainty this is eligible equipment. Underground storage, dispensers and related equipment. Next you can download the project technical report guide. Now this, this technical report guide in particular has two purposes. First, it is intended to take you through in the form of planning your project. And help you to think about all of the requirements that are associated with your project. And also, it is a place for you to provide evidentiary support, supporting information and documentation about your project that you are listing in the activity section of the application. So you will see there are 10 elements in the project technical report. It asks you about the qualifications of your product team. It asks you to list the agreements and permits and certifications that are required. It requires a resource assessment. Some information about design and engineering. And I will say just a word about that in a second. Let's just do it right now. I have been asked if a professional engineer is required for these projects. And the answer to that, you must determine your self after inquiring about as to whether your state requirements are and the level of complexity of your project. If your state requires professional engineer, then that is what is required. If however, there are authorities your state recognizes that are not professional engineers, then you can of course include that in your project. Let's talk about the project development schedule. You must also provide an economic assessment. We require you to put a pencil to your project and demonstrate to us that it is a worthwhile, in terms of profitability, for you to make this investment. Because this is federal funds but also your matching funds that are provided so we ask you to demonstrate to us, this is meritorious in terms of the financial viability. You have to think about the equipment procurement and tell us what you are doing there. Provide and tell us who's installing your equipment and how they are going about it. Tell us about the operation and maintenance of this equipment. And they also have to plan for dismantling and disposal of project components. So now let's pause here and talk about I'm asking if you have some questions about HBIIIP axis and what to do while you are waiting on it. That I lose everybody?

Tony?

Sorry I had a delay on my end. So we've got a lot of questions here just about eligibility as well as how to make the application fit for maybe somebody who is filling it out for another party. The questions are a lot from people who are grant writers. For example, can grant writers appear on multiple applications for different projects or clients or mini grant writer only work on one project?

That's a very good question. We have allowed for you for grant writers to appear on many projects. Many company application. When the company grant you access, you will be able to see their application in your, on your screen as you are working through

it. As many companies as you are working on as a packager or grant writer, you will be allowed to view their information. And only their information as you are granted access by that company.

Tony, along those lines, kind of a follow-up question, if you are writing the application for another entity, whose information do you use?

I'm not sure what the reference is and whose information? Are you talking about company information or are you talking about user authorization?

I believe they are talking about user authorization. Several people have asked, what is E authentication?

Oh okay. Let's go back up and look at that. So E authentication is the USDA's authentication system. And it is the way for, it's a system used by USDA agencies to enable individual customers and employees to obtain accounts that will allow them to access UST USDA web applications and services via the Internet. That's what the E authentication . So you have to create your own account if you don't already have one. You have to manage your account if you have one. That would be -- the way this is one of the required elements for you to have access if you will see on this form, in the fourth column, your E authentication ID -- let's talk about packagers and grant writers. In particular right now. So you may like I said, the system allows you to work on as a packager or grant writer, to work on several applications at one time provided those companies give you access to their information. To their application. And the way that they do that is by listing you as an authorized user. In their application request. Okay?

Okay. Okay very good. I think that's well stated. And if we have follow-up questions for that, I think we will try to address those later on. I did have a question here about a distribution terminal. The question reads, can one entity apply for both E85 at retail stations and be 20 at distribution terminals?

No sir or no ma'am. You may not. You may apply for one. You may submit one application. Your company and all of its affiliates. When you submit this access request, you must identify the applicant type. The type of application you were requesting will be driven by your selection here. It identifies you as the type of applicant. It identifies and allows us to provide to you, the specific application to that owner. So you applying of as an owner of 10 fueling stations? If you are applying as an owner of 10 fueling stations or fewer, -- I don't have any idea why that paws you may only apply as an owner of 10 fueling stations or fewer. If you're applying as an owner of greater than 10 fueling stations. You may only apply as an owner of greater than 10 fueling stations. If you have,, if you are affiliated with another company, or if you have your company has affiliates or joint ventures, those affiliates and joint ventures may only participate in your application. If you submit an application, they may not. So if you apply as an owner of 10 fueling stations or fewer, you may not apply as a fleet facility. Your affiliates may not apply as a fleet facility. Your joint ventures may not apply as a fleet facility.

Okay. Alright. Thank you for that. Again, I will just recap what Tony has said. You have to choose a type of application that you are going to be submitting under. And you have 1, 2, 3, 4 types or is it 5:-- it's 4. That leads to one other question. That I didn't think we would see but if you have more than one terminal, how would you do your application?

With respect to the fuel distribution facility, you can tell us again as with all -- as with all applications. You can submit one application but within that, you can have a number of locations. We are not limiting to a single location. Even for fuel distribution still. The limit on any project. Has to do with the amount of money that's available in grant funds and the total project available with respect to the required matching funds. Is 50% of total project costs. Up to \$5 million. So I want to talk about that question in particular. When we get to the worksheet. And we will talk about the fuel distribution facility worksheet.

Okay. I think we are ready to move on. We've got a lot of questions there. We can come back to those and follow-up in more detail.

All right rate. Thanks. All right let's move on to the HBIIP worksheet template. Now, when we had the fueling station and fleet facility presentation. I provided two examples and we will free Those right now. The first one is the least common but simplest type of worksheet. It has to do with the owner of 10 or fewer fueling stations. It is an existing station and because it's an owner of 10 stations or fewer is eligible for targeted assistance. And this particular station, there are four islands under canopy in the forecourt. There two dispensaries for island and two fueling stations. It's really feel real during why it's doing that. Two dispensers per island, two fueling and two hoses per dispenser. We are upgrading the existing dispensers to pump rack blended E15 and selling it as 88. And we are installing the underground storage tank and system for E15. So we're completing the basic information for the worksheet here. It's an existing station. You are telling them that upfront. There is a congressional tooltip that tells you how to discover your congressional district for that location. And to include that information. There is also what I've identified in this box in the administrative priorities. This particular station is located in the interstate Corridore. Along I-35. It's the stole -- not the sole station, it's in located in the Western states west of the Mississippi. So I want to talk about that in a minute while I'm here. About administrator priorities. It's been brought to our attention when we listed the states west of the Mississippi River, that we listed 22 states in the continental United States but we did not include Hawaii and Alaska. I appreciate that being brought to our attention. We are making a correction. In the notice. Publishing the notice of correction to the Notice of Funding Availability that we published on 5 May. We are also going to correct the tooltip when you wave your cursor across that little I, it would list the states included. And so we will include the states of Alaska and Hawaii. We are working to include U.S. territories to make sure they are a part of this geographic diversity or administrator priority. It also includes the contact information and be sure to save that. And then we are brought to the historical data for this existing station. And it requires us to put in the total gallons of all fuel sold for 2019, 2018 and 2017. And also, the total gallons of E 10 fuel sold in those years. And the total number of fuel sales revenue for those years. The other gallons -- if we have sold those things, we would want to provide those as well. But in this case, every element or field requires you to do, requires you to provide at least something. So we are zeroing out those aren't applicable to this station. We also have to provide the total number of existing fuel dispensers, the total number of existing refueling positions, the number of HBIIP fueling positions proposed and the number of E85 fueling positions proposed and the number of E 20 if there are E 20 refueling position. I want to make sure to save that and then I am presented with the worksheet that identifies the activities I'm proposing for this existing station. Let's get a closer look at that. You will see in the fourth column over, there is an opportunity to identify retrofitting existing dispensers to sell rack wanted E15. That's exactly what we are doing here. And so we have identified the eight dispensers. As the total number of dispensers. And we have identified the shared dispensers as opposed to dedicated dispensers. We have identified shared fueling positions or shared hoses in fueling position for E 87, E 88 and 91. We are -- I apologize. I wanted to list the average camp cost associated. We have an upper limit we are placing. We have an upper limit we have provided to you if you will waive your cursor over the little tooltip on the far left column, it will tell you the limit that you can -- or the amount we will pay for that equipment installation. The limit in this particular activity is \$25,000 per dispenser. We are also providing a matching fund, marketing commitment of \$10,000. And so our total cost now is \$200,000 for the 25 eight dispensers at \$25,000 each the federal share amount is 25,000 and the nonfederal is 50% so that would be 100,000. All right. We are also installing underground storage tank and system. We've established the price of \$80,000 for that. There's a Cost set at 100,000 for ethanol and gasoline and related tanks. The total cost of this these proposed activities are 280,000 with \$120,000 federal cost share amount and in nonfederal cost share amount of \$160,000. With the federal cost share percentage of 43% and in on federal cost share percentage as 57%. We have also identified our matching fund for marketing. \$10,000. We are saving this and now we are refreshing and you are presented in this stations tab, here. The stations tab, the application roll up totals. Since we only have one station to roll up, it's all of the information of that station is what we see in the roll up. We have identified our amount of grant requests of 120,000 and the nonfederal cost share of 160. That total is 280,000 the eligible project costs. We have identified that as \$200,000 in equipment, dispensers and non-underground storage systems. And also 80,000 in underground storage tanks systems. And so let's talk a minute about how our priorities score is calculated. With these activities, we are generating 72,000 in HBIIP project contribution. We have 40,000 in administrator priorities. And 80,000 assistance priorities for a total of 192,000 estimated gallons going -- HBIIP gallons contributed to the fuel stream. We are requesting 120,000 in grant requests. So 192,000 divided by 122,000, is 1.6. And we are carrying out that to four decimal places in the event of a tie with another application. So we now apply those equipment and underground storage costs to our 420 4C. And 10 A and 10 B respectively. Our total equipment cost \$280,000. We work out with the federal funding, what costs are not allowed with respect to the underground storage. And we break down total allowable costs of \$240,000 which you see in row 16, column C. And we take half of that and we arrive at the federal assistance requested of 120,000. So let's just talk now about how we might add a station to those activities. So if you look in the lower right-hand side of the application roll up total you will see add station. You click on that button. We will talk about the station a new fueling station that is also one of the 10 or fewer since I'm the owner of 10 or fewer. I also am eligible for targeted assistance in this station. It has -- since it's the new station, we are proposing for islands under canopy, to

dispensers per only, to fueling positions with hoses, 22 hoses per dispenser. We will install dispensers with shared capacity to pump E15 which is blended E85 with 87. To sell as 88. With 87, 89 and 91. Configuration with those fuels. And a dedicated host for E85 flex fuel. We make a special note, yes, we are installing an underground storage tank system. At construction. But it is not considered eligible project for new stations. This is basic information for fueling stations. We have new station which means it is construction during the grant period. Just before I call it, I'm sure to save here, just a reminder, we are updating both the tooltip and the notice to include Alaska and Hawaii and the U.S. territories among the Western states for priority scoring criteria under administrative priority. So let's talk about this being a new station. So we don't have any history here. So we are talking about projected data in terms of total gallons of fuel sold. And projected total gallons of E 10 fuel sold and projected total fuel sales revenue. And proposed fueling positions for E15, for E85 and the total number of refueling positions. Now as I'm talking about this, I'm thinking about the technical report and what is required as documentary information. So there's something called a resource assessment. If you recall, back to what we talked about earlier. There is also, you will be looking at the financial, the economic assessment of this and you will provide some evidence Sherry basis for providing these projections. In the technical report. So, we have already discussed what our proposed activities are. We have E15 dispensers to install. We have E85 dispensers to install. We are installing this in a shared arrangement where E85, E15, is shared in the dispenser with 87 and dispensed E15 dispensers 88, 89 and 91. And because we are doing that, we can share the cost and split the cost between those two. At 19,000 apiece. So we have a total cost of 304,000 associated with that and the federal cost year amount of 152,000. And we are splitting the federal quest, total cost is 50% federal cost share and 50% nonfederal cost share. And we are also providing in this the \$12,000 matching fund marketing contribution. You see in the application roll up totals, that are priority score has increased significantly and it has to do with the significant contribution to HBIP project contribution and administrator priorities are pretty much the same. In the target assistance is pretty much the same. The total cost of equipment now reflects all of the above ground equipment. All of the above ground equipment of \$504,000 and the one underground storage tank that we did in the first station of \$80,000 but are priority score now is 2.5368 we are going to include the costs of the above ground equipment to 504,000 in our updated budget costs. The standard form for 24 C. You see the underground storage tanks and system hasn't changed. And so we now have a total project cost of \$544,000 and a federal assistance requested of \$272,000. So we put that in the estimated funding for under federal for \$272,000. Report or we see this number cannot exceed the value listed in 17 C. Here. 17 C. And the sum of the applicant state, local and other cannot be less than the federal amount let's talk about a fuel distribution facility. Have no idea -- I must be doing something I don't realize.'s let's talk about fuel distribution facility. We have an average throughput volume of 2 million gallons per year. For years 17 through 19. Let's talk about if it happens to be this fuel distribution facility has more than one location. Then you would include throughput volume for both locations. And in your estimate here or in your evidence. And also, you would include whatever projected increase accounting for both of those facilities. So in my example, I have a validated demand of increase of 200,000 market drivers for simplicity sake. For all of these I'm adding 200,000 gallons. I have documented incentives for that project, sustainability, vestment and consumer education and partnerships. Now, along with this, these activities, that I'm identifying, I have to provide evidence Sherry information that is supported by the feasibility study and/or business plan or equivalent planning documents that are required of the fuel distribution facility. So this is the very straightforward worksheet under the facility information. You have a basic information tab and a contact information tab which is similar to what is the fueling station. Under fuel data, you are talking about annual throughput volume for the past three years. Identified through for all fuels. 2017 through 2019. I have a simple example here. A total of \$6 million or 6 million gallons for three years. An average of 2 million gallons per year. I'm identifying the incremental increase for each one of these fields, validated demand, market drivers, documented incentives, project sustainability. Investment to consumer education and partnership now this information must be also supported in the technical report and as I said, in the feasibility study under business plan or the equivalent documents. These have to be recently either recently written or recently updated. By that I mean within the last three years. So if you some all these incremental increases, we arrive at 1.2 million. So with the average throughput volume of 2 million plus the total incremental increase of 1.2, and a federal request of \$1 million, we have identified, and you arrive and divide the HBIP contribution , throughput volume and the total incremental increase, add those together and divide by your federal funds request, you arrive at a priority score of 3.2. Now, this number and your requested funds should match the number in the estimated tab funding. This is the 424 C. We have the equipment and associated expenses we are identifying, totaling \$2 million. Federal project costs of 2 million in our federal request is 1 million. We have here in the estimated funding again, this number cannot exceed the value of the previous tab. And these applicants state, local and other, cannot be less than the federal request. So let's take a minute now and ask questions about the worksheet. And try to provide you guys with some answers.

[pause]

Okay. Okay we have a lot of questions popping up about eligibility of different activities happening. At different sites. One of the questions that was repeated several times, dealt with your distribution facilities. They would like to know, if extending rail spurs or any type of rail activity is eligible as an eligible cost?

[pause]

So we have said no when others have inquired. That's probably something I need to pursue with my General Counsel. Before I give a definitive answer. Can I table that please? I want to make sure I'm right about that but I have said no to others about rail spurs. And about okay -- the important thing to consider is, your project is going to be evaluated by your peers in the industry. And they are going to look to see how your project is contributing Higher Blends gallons to the fuel stream. The fuel distribution case, it has to do strictly with biodiesel. So how are you facilitating the delivery of Higher Blends? Into the fuel stream? Now if you are going to spend two or \$3 million on a rail spur, to deliver 1 million gallons of Higher Blends biodiesel. That's not going to score very well. But as to whether it's an eligible project costs, I want to get a definitive answer on that. And we will provide that on the website in the Q&A session.

Okay thank you Tony.

[Indiscernible - multiple speakers]

If I can just interrupt. If you need to ask me directly later for clarification on that, I will welcome your email and we will respond directly. So thanks.

Thanks Tony. Another question of eligible costs above ground storage tanks are they eligible? And how does the cost share tank work?

So the cost share on any storage tank has to do for fuel ethanol facilities or rather fueling station. For fueling stations and fleet facility. Whether it's aboveground or underground, the eligibility and cost share matching cost share requirements are the same. If it's an existing station, it's 25% of total project costs up to 1 1/4 million dollars. But for new stations, there is -- those are not eligible. Since we already looked at that and determined if you're constructing a new fueling station, will already have to have upgraded storage tanks. So we are not providing any federal cost share for that or any federal grant funds for a new station underground or aboveground storage. Okay.

Okay thanks Tony.

Or talk about fuel distribution fuel storage.

That's the next question.

[laughter]

So for rule distribution facilities, storage is eligible for up to 50% match. Because, we consider that to be an integral part of any throughput so, it's a 50% match for fuel distribution facilities, 25% match for existing fueling station and a 0% match for new fueling stations. Now we treat fleet facilities as if they are fueling stations with respect to storage systems. Storage tanks and systems.

All right, Tony, adding on to your fleets type of applicant, are truck stops considered fleet stations?

Yes. We recommend you do that you apply as a fleet station if you have truck stops. Even multiple truck stops. You should be able to apply for different locations under a fleet facility application. This has to do with recognition, by recognizing the difference between a retail, the amount of diesel that sold at a retail convenience store and disproportionately larger amount of

diesel fuel and potentially B20 fuel sold at truck stops. We want to recognize the Higher Blends contribution of a truck stop in identifying that in the fleet facility application.

Okay. Thank you. I will put in one more question at this spot in your presentation because it's a little bit more pointed about the application itself. The question reads, can you discuss more fully the section G of the technical report. What type of procurement documentation will be required to demonstrate open and free competition?

[laughter]

So, tell us what you did in the technical report. So if you put it out to open bid, then tell us what you use to advertise. It wasn't intended to be complicated. So -- a word of admission here. Let me go back to that. So it will remind me.

[pause]

Equipment okay. Let's talk about equipment procurement. When we, we had in mind, -- we drafted this technical report guide based on what was provided under the ruling [Indiscernible] America program. We adapted it to what we thought was applicable to lender pumps which we were allowed to do for a couple of years back in 2009, 10 and 11. Sometime around there. And we had in mind that for project developers, there is a certain -- certain number of requirements for larger projects with respect to free and bear procurement requirements. But for the smaller projects, they simply are working with an installer or a developer and it's pretty much -- they are pretty much relying on them to provide that information. So depending on the complexity of this project, I would just suggest the evidence -- if you can support what you are saying in a statement. Remember you are having to certify certain elements of this technical report. So that should be enough to support your claim what was the word? Free and fair or open and fair?

Open and free competition.

Open and free competition. Before I dig myself to big of a hole here, when I can't get out of. Let me just say, I will follow up on what's required here. And I perhaps should have said that early on in this answer. Let me get back to you on what's required here before I dig a hole I can't get out of.

Okay. Alright. Tony, you have further slides to go through? Is that correct?

I have just a few more.

I have just a few more.

Let's keep going with the presentation and maybe we will catch one or two more questions as you wrap it up.

So we have some other important documents we want to talk about. The environmental review documents guide. If you open that up, you will see the most important piece of information is at the bottom in the square and we are recommending, advising, the coordinator to determine what the environmental requirements are as soon as practical. We have some kind of guidelines about the environmental review. But the important thing is, to contact your authorities early and understand them for yourself. And because you -- all of the environmental review documents with supporting documentation, must be provided with your application in order for it to be deemed complete. So get to work on that early. Let's also talk about matching funds and the verification here. So I am providing a guide an example, from the fueling station examples that I have and also for the fuel distribution example of the facility. I am listing, I worked out in this table, the federal requests and was providing in matching funds for the applicant and the state support they have solicited and other support from perhaps a renewable fuel promotion organization. Or some state commodity affiliate or commodity organization producer group. These are broken down in kind and value and cash value. So letters from each one of those supporting groups, from the state and from the other parties, to certify the cash will be made available and provided to the applicant. And for in-kind value, they need to have letters of commitment to certify the in-kind value and the type of assistance to be provided to the applicant during the grant period. And finally, let's talk about the 424 D assurances. You can download that again from our program website and you will be required to take this document and put it in front of a notary, were equivalently recognized officer to and they will for our you to swear before them you will adhere to all 19 of these requirements. And then, after you have so sworn, they will sign this and then you can -- this

must be certified and you can upload this into the attachment section of the application. So if there is any remaining questions about the important documents or other questions, that we want to ask, we have a little bit of time now.

Okay Tony. I'm going to follow up with a question that relates to the environmental review. It's a tank question. Reads, if a customer is replacing tanks and not asking for funding from USDA for that portion, does USA USDA still requires the station to show an environmental review of the tanks?

Well if it would be a part of the project, yes. The environmental review would be required.

Okay. Thank you.

I'm going to stick with another tank question since we are on the subject. This is somewhat of a creative question. But definitely a viable one. What about new stations installing three instead of two tanks because they want to have E15 or E85? Is there allowance as an eligible cost for that third tank?

We put a cap on \$100,000. Of eligible project costs.

It's a new construction. It's a new station.

Oh a new construction so no no. There is no match for new construction.

Okay. Making the point that -- go ahead.

Making the point there that even though, we know a new construction will require tanks, even if you're putting above and beyond the tank capacity, necessary, it is still not an eligible cost.

Correct.

Okay. And we probably have time for one more question. And this is just to clarify a statement about the geographic diversity priority. The question is, do Western states have priority scoring in the fuel distribution grant side of the program?

No. They do not. Fuel distribution facilities do not have geographic consideration.

Okay. Thanks for the clarification.

And with that, we have a lot of repeat questions. And I think that we can answer those and a lot of people have been asking, are we going to be posting the Q&A? We have been promising that May 12. We are working on them to make sure we've got you the right answers. And you brought up questions like the rail spur question. We do need to follow up on and make sure we've got the right answer for you. So that has been the delay somewhat. But you are always open to continue to send us questions. We will respond to those as, as we are able to. We do have frequently asked questions. That we want to get cleared. We will have them posted on the website as well. And we do apologize for any web access issues that you've been having over the last day on the HBIP website. It appears to be a Rural Development white issue with accessing webpages. I am getting reports in from other people who have been trying to get on to different webpages at Rural Development. We apologize but we hope everything will be in working order soon. I will pass it back to Tony. If you have any last housekeeping appoints to. We thank everybody for attending today.

Thank you, Kelly. That wraps it up for me too. Again, just as you have things that you need clarification on, we are happy to respond to you directly.

Great. Thank you. With that, we will be ending the webcast. Good day.
