

## Higher Blends Infrastructure Incentive Program (HBIIP)

### Project Technical Report

The technical requirements specified in this section apply to HBIIP Fueling Station Projects and to HBIIP Biodiesel Distribution Facility Projects.

This Report is to be submitted concurrently with the HBIIP Application. Only one HBIIP application may be submitted per HBIIP applicant and all affiliates, as applicable. An application may request HBIIP assistance for more than one location. 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.

(a) **Qualifications of project team.** The HBIIP project team is expected to consist of a project manager, an equipment supplier of major components, a project engineer, and a construction contractor or system installer. One individual or entity may serve more than one role. Agency regulations require for engineers to be licensed in the State where the project is to be constructed. However, the Agency may grant an exception provided: State or Tribal law does not require the use of a licensed PE; and the project is not complex, as determined by the Agency, and can be completed to meet the

requirements of this program without the services of a licensed PE. In all cases, authoritative evidence that project team service providers have the necessary professional credentials or relevant experience to perform the required services must be provided. Authoritative evidence that vendors of proprietary components can provide necessary equipment and spare parts for the system to operate over its design life must also be provided.

The application must:

(1) Discuss the proposed project delivery method. Such methods include a design, bid, build where a separate engineering firm may design the project and prepare a request for bids and the successful bidder constructs the project at the applicant's risk, and a design/ build method, often referred to as turnkey, where the applicant establishes the specifications for the project and secures the services of a developer who will design and build the project at the developer's risk;

(2) Discuss the fuel system equipment, manufacturers of major components being considered in terms of the length of time in business and the number of units installed at the capacity and scale being considered;

(3) Discuss the project manager, equipment supplier, system designer, project engineer, and construction contractor qualifications for engineering, designing, and installing fuel dispensing systems, including any relevant certifications by

recognized organizations. Provide a list of the same or similar projects designed, installed, or supplied and currently operating with references, if available; and

(4) Describe the system operator's qualifications and experience for servicing, operating, and maintaining fuel dispensing equipment or projects. Provide a list of the same or similar projects designed, installed, or supplied and currently operating with references, if available.

(b) **Agreements, permits, and certifications.** Identify all necessary agreements and permits required for the project and the status and schedule for securing those agreements and permits, including the items specified in paragraphs (b) (1) through (b) (8).

(1) Include all certifications such as Underwriters Laboratory or similar type, for any installed fuel dispensers/flexible fuel pumps, related equipment, and/or infrastructure, as applicable.

(2) Identify zoning and code issues and required permits and the anticipated schedule for meeting those requirements and securing those permits.

(3) Identify licenses where required and the schedule for obtaining those licenses.

(4) Identify land use agreements required for the project and the anticipated schedule for securing the agreements and the term of those agreements.

(5) Identify any permits or agreements required for solid, liquid, and gaseous emissions or effluents and the schedule for securing those permits and agreements.

(6) Identify available component warranties for the specific project location and size.

(7) *Environmental Review Documents.* Identify all environmental issues, including environmental compliance issues, associated with the project. Include all environmental review documents with supporting documentation in accordance with 7 CFR part 1970. Any required environmental review must be completed prior to obligation of funds. Applicants are advised to contact the RD State Environmental Coordinator to determine environmental requirements as soon as practicable to ensure adequate review time.

(8) Submit a statement certifying that the project will be installed in accordance with applicable local, State, and national codes and regulations. In particular, the project must conform to all applicable Federal, State and local regulatory requirements pertaining to:

- i. Technical Standards and Corrective Action Requirements for Owners and Operators of Underground Storage Tanks (UST), 40 C.F.R. Part 280 and Part 281;
- ii. Regulation of Fuels and Fuel Additives, 40 C.F.R. Part 80;

- iii. Occupational Safety and Health Standards Subpart H—  
Hazardous Materials Section 106—Flammable Liquids, 29  
C.F.R. §1910.106;
- iv. Safety and Health Regulations for Construction Subpart F—  
Fire Protection and Prevention Section 152—Flammable  
Liquids, 29 C.F.R. §1926.152; and
- v. (5) Automotive Fuel Ratings, Certification, and Posting,  
16 C.F.R. Part 306.

(c) **Resource assessment.** Provide adequate and appropriate data to demonstrate the volume/amount of renewable fuels available. Indicate the type, quantity, and quality and the demand for that fuel in its service area.

(d) **Design and engineering.** Provide authoritative evidence that the system will be designed and engineered so as to meet its intended purpose, will ensure public safety, and will comply with applicable laws, regulations, agreements, permits, codes, and standards.

Projects shall be engineered by a qualified party. Systems must be engineered as a complete, integrated system with matched components. The engineering must be comprehensive, including site selection, system and component selections, and system monitoring equipment. Systems must be constructed by a qualified party.

(1) Provide a concise but complete description of the HBIIP project, including locations of the project, resource characteristics, system specifications, electric power

systems, fire suppression systems, and monitoring equipment. Identify possible vendors and models of major system components. Describe the system capacity, storage tank(s), and dispensing apparatus of the proposed system as rated and as expected in actual field conditions.

(2) Describe the project site and address issues such as site access, foundations, backup equipment when applicable, and environmental concerns with emphasis on land use, air quality, water quality, soil degradation, habitat fragmentation, land use, visibility, odor, noise, construction, and installation issues. Identify any unique construction and installation issues.

(e) **Project development schedule.** Identify each significant task, its beginning and end, and its relationship to the time needed to initiate and carry the project through startup and shakedown. Provide a detailed description of the project timeline, including resource assessment, system and site design, permits and agreements, equipment procurement, and system installation from excavation through startup and shakedown.

(f) **Project economic assessment.** Provide a report that describes the costs and revenues of the proposed project to demonstrate the financial performance of the project (the projected increase in annual net income resulting by the installation of the project) and include the calculation of return on investment; as defined below:

Return on Investment = Net Return on Investment / Cost of Investment \* 100%.

Provide a detailed analysis and description of project costs, including project management, resource assessment, project design, project permitting, equipment, site preparation, system installation, startup and shakedown, warranties, insurance, financing, professional services, and operations and maintenance costs. Provide a detailed analysis and description of annual project revenues and expenses. Provide a detailed description of applicable investment incentives, productivity incentives, loans, and grants. In addition, provide other information necessary to assess the project's cost effectiveness.

(g) **Equipment procurement.** Demonstrate that equipment required by the system is available and can be procured and delivered within the proposed project development schedule. HBIIP flexible fuel systems may be constructed of components manufactured in more than one location. Provide a description of any unique equipment procurement issues such as scheduling and timing of component manufacture and delivery, ordering, warranties, shipping, receiving, and on-site storage or inventory. Identify all the major equipment that is proprietary and justify how this unique equipment is needed to meet the requirements of the proposed design. Include a statement from the applicant certifying that "open and free" competition will be used for the procurement of project components in a manner consistent with the requirements of 7 CFR part 3015.

(h) **Equipment installation.** Fully describe the management of and plan for site development and system installation, provide details regarding the scheduling of major installation equipment needed for project construction, and provide a description of the startup and shakedown specifications and process and the conditions required for startup and shakedown for each equipment item individually and for the system as a whole. Include a statement from the applicant certifying that equipment installation will be made in accordance with all applicable safety and work rules.

(i) **Operations and maintenance.** Identify the operations and maintenance requirements of the system necessary for the system to operate as designed over the design life. In addition:

(1) Provide information regarding available system and component warranties and availability of spare parts;

(2) Describe the routine operations and maintenance requirements of the proposed system, including maintenance schedule for the mechanical, piping, and electrical systems and system monitoring and control requirements. Provide information that supports expected design life of the system and timing of major component replacement or rebuilds. Discuss the costs and labor associated with the operation and maintenance of the system and plans for insourcing or outsourcing. Some examples of routine operations and maintenance requirements might include: Water infiltration should be checked daily. Replace filters if pump/dispenser is running

slowly. Check/calibrate pump two weeks after initial load conversion.

(j) **Dismantling and disposal of project components.** Describe a plan for dismantling and disposing of project components and associated wastes at the end of their useful lives. Describe the budget for and any unique concerns associated with the dismantling and disposal of project components and their wastes.