

118TH CONGRESS
1ST SESSION

S. 2987

To amend the Farm Security and Rural Investment Act of 2002 to improve biorefinery, renewable chemical, and biobased product manufacturing assistance, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 28 (legislative day, SEPTEMBER 22), 2023

Ms. KLOBUCHAR (for herself and Mr. MORAN) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Farm Security and Rural Investment Act of 2002 to improve biorefinery, renewable chemical, and biobased product manufacturing assistance, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Agricultural Bio-
5 refinery Innovation and Opportunity Act of 2023”.

1 **SEC. 2. BIOREFINERY, RENEWABLE CHEMICAL, AND**
2 **BIOBASED PRODUCT MANUFACTURING AS-**
3 **SISTANCE.**

4 Section 9003 of the Farm Security and Rural Invest-
5 ment Act of 2002 (7 U.S.C. 8103) is amended—

6 (1) in subsection (a), in the matter preceding
7 paragraph (1), by striking “to assist” and inserting
8 “to develop advanced biofuels (which, for purposes
9 of this section, shall include ultra-low-carbon bioeth-
10 anol and zero-carbon bioethanol), renewable chemi-
11 cals, and biobased product manufacturing and as-
12 sist”;

13 (2) in subsection (b)(1)—

14 (A) by striking “technologically new”; and

15 (B) by striking “end-user products” and
16 inserting “end-user products, renewable chemi-
17 cals, and biobased products”;

18 (3) in subsection (c)—

19 (A) by striking “The Secretary shall make
20 available to eligible entities guarantees” and in-
21 serting the following: “Subject to the avail-
22 ability of funding, the Secretary shall make
23 available to eligible entities—

24 “(1) on a year-round basis, guarantees”;

1 (B) in paragraph (1) (as so designated), by
2 striking the period at the end and inserting “,
3 in accordance with subsection (d); and”;

4 (C) by adding at the end the following:

5 “(2) grants, on a competitive basis, to develop,
6 construct, or retrofit pilot or demonstration-scale
7 biorefineries to demonstrate the commercial viability
8 of 1 or more processes for converting renewable bio-
9 mass to advanced biofuels, renewable chemicals, and
10 biobased products in accordance with subsection
11 (e).”;

12 (4) in subsection (d)—

13 (A) in paragraph (1)—

14 (i) by striking subparagraphs (A) and
15 (C);

16 (ii) by redesignating subparagraphs
17 (B) and (D) as subparagraphs (A) and
18 (B), respectively;

19 (iii) in subparagraph (A) (as so redesi-
20 gnated)—

21 (I) by striking “In approving a
22 loan guarantee application” and in-
23 serting the following:

1 “(i) IN GENERAL.—In approving an
2 application for a loan guarantee under sub-
3 section (c)(1)”; and

4 (II) by adding at the end the fol-
5 lowing:

6 “(ii) WAIVER.—The Secretary may
7 waive the feasibility study under clause (i)
8 for proven or otherwise commercially avail-
9 able technologies.”; and

10 (iv) in subparagraph (B) (as so redesi-
11 gnated), by striking “loan guarantee ap-
12 plications” and inserting “applications for
13 loan guarantees under subsection (c)(1)”;
14 and

15 (B) in paragraph (2)—

16 (i) in subparagraph (A), by striking
17 “\$250,000,000” and inserting “10 percent
18 of the total amount made available under
19 subsection (g) for the fiscal year in which
20 the loan is guaranteed;”; and

21 (ii) by striking “subsection (c)” each
22 place it appears and inserting “subsection
23 (c)(1)”; and

24 (5) by redesignating subsection (e) as sub-
25 section (k);

1 (6) by inserting after subsection (d) the fol-
2 lowing:

3 “(e) GRANTS.—

4 “(1) SELECTION CRITERIA.—

5 “(A) IN GENERAL.—In approving applica-
6 tions for grants under subsection (c)(2), the
7 Secretary shall establish a priority scoring sys-
8 tem that assigns priority scores to each applica-
9 tion and only approve applications that exceed
10 a specified minimum score, as determined by
11 the Secretary.

12 “(B) FEASIBILITY.—

13 “(i) IN GENERAL.—In approving an
14 application for a grant under subsection
15 (c)(2), the Secretary shall determine the
16 technical and economic feasibility of the
17 project based on a feasibility study of the
18 project described in the application con-
19 ducted by an independent third party.

20 “(ii) WAIVER.—The Secretary may
21 waive the feasibility study under clause (i)
22 for proven or otherwise commercially avail-
23 able technologies.

24 “(C) SCORING SYSTEM.—The priority scor-
25 ing system established under subparagraph (A)

1 shall consider, with respect to a project pro-
2 posed in an application for a grant under sub-
3 section (c)(2)—

4 “(i) the potential market for the ad-
5 vanced biofuel, renewable chemical, or
6 biobased product, and the byproducts pro-
7 duced under the project;

8 “(ii) the level of financial participation
9 by the eligible entity, including support
10 from non-Federal and private sources;

11 “(iii) whether the eligible entity is
12 proposing to use—

13 “(I) a feedstock not previously
14 used in the production of advanced
15 biofuels; or

16 “(II) a feedstock, process, or
17 technology in an innovative manner in
18 the production of renewable chemicals
19 or biobased products;

20 “(iv) whether the eligible entity is pro-
21 posing to work with producer associations
22 or cooperatives;

23 “(v) whether the eligible entity has es-
24 tablished that the adoption of the process
25 proposed in the application will have a

1 positive impact on resource conservation,
2 public health, and the environment;

3 “(vi) the potential for rural economic
4 development;

5 “(vii) whether the project can be rep-
6 licated;

7 “(viii) scalability for commercial use;
8 and

9 “(ix) in the case of an advanced
10 biofuels project, the contribution of the
11 project to domestic energy security.

12 “(2) COST SHARING.—

13 “(A) LIMITS.—The amount of a grant
14 awarded under subsection (c)(2) shall not ex-
15 ceed an amount that is 60 percent of the cost
16 of the project carried out using the grant.

17 “(B) NON-FEDERAL SHARE.—The non-
18 Federal share of the cost of a project may be
19 provided in the form of cash or material, sub-
20 ject to the condition that the material provided
21 does not exceed 30 percent of the non-Federal
22 share.”;

23 (7) in subsection (g)—

24 (A) in paragraph (1)—

25 (i) in subparagraph (A)—

1 (I) in the matter preceding clause
2 (i), by inserting “and grants” after
3 “loan guarantees”;

4 (II) in clause (iii), by striking
5 “and” at the end;

6 (III) in clause (iv), by striking
7 the period at the end and inserting “;
8 and”;

9 (IV) by adding at the end the fol-
10 lowing:

11 “(v) \$40,000,000 for each of fiscal
12 years 2024 through 2028.”; and

13 (ii) in subparagraph (B), by striking
14 “Of the total” and all that follows through
15 “subparagraph (A)” and inserting “Of the
16 total amount of funds made available for
17 each of fiscal years 2024 through 2028
18 under subparagraph (A)”;

19 (B) in paragraph (2), by striking “2023”
20 and inserting “2028”;

21 (8) in subsection (h)(1), by striking “sub-
22 sections (a) through (e), and (g)” and inserting
23 “subsections (a) through (e), (g), and (k)”;

1 (9) in subsection (i)(1), by striking “subsections
2 (a) through (e) and subsection (g)” and inserting
3 “subsections (a) through (e), (g), and (k)”; and
4 (10) in subsection (j)(1), by striking “sub-
5 sections (a) through (e) and (g)” and inserting
6 “subsections (a) through (e), (g), and (k)”.

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