

The Renewable Fuel Infrastructure Program – Program Information

The Renewable Fuel Infrastructure Program is a cost-share grant program designed for motor fuel retail sites and biodiesel terminal facilities. A primary goal is to improve motor fuel retail sites by installing, replacing, or converting motor fuel storage and dispensing infrastructure for E85, registered E15 and/or biodiesel from E85 and/or B20 compatible equipment. Another goal is to provide grant incentives to biodiesel terminal and storage facilities that store and dispense biodiesel fuels or store, blend and dispense biodiesel or biodiesel blended fuel. The program also makes available supplemental awards to retailers that receive multiple RFIP awards and complete their projects within twelve months.

The Renewable Fuel Infrastructure Board (RFIB) consists of 11 voting members appointed by the Governor of the State of Iowa. Six voting members constitute a quorum. Action taken by the Board on renewable fuel infrastructure projects is final. Administrative support for the Board is provided by the Iowa Department of Agriculture and Land Stewardship (IDALS). Successful applicants will be notified by the Department of the Board's award, including any conditions and terms of approval. The Department, under the Board's direction, will prepare cost-share agreements (contract) for the successful applicants that will include the terms and conditions of the financial incentive established by the Board. The RFIP Board will meet to review and approve applications on a quarterly basis or as dictated by the Board.

Application Instruction and Guidelines

An eligible applicant must be an owner or operator of a retail motor fuel site or of a biodiesel terminal who submits a completed application, including the installer's cost estimate and other required documents, to the Iowa Department of Agriculture and Land Stewardship (IDALS)

The board may approve multiple awards at a single site if the awards do not exceed the maximum dollars allowable.

All awarded projects are to be completed within eight (8) months of the award date. If not completed, the Board may approve an extension upon receipt of a written request otherwise the funds will revert to the Renewable Fuels Infrastructure Program.

If an application for a "proposed" project or one which is "under construction" incurs significant and unexpected cost overruns, applicants may request those additional costs be included in determining the final award. Such requests must be made in writing and accompanied by supporting evidence of the additional costs. The board may consider such requests at their next scheduled meeting. In no case shall the State's total investment exceed the maximum dollars allowable.

An applicant shall not use the infrastructure to store and dispense motor fuel other than the type approved in the cost-share agreement for a period of no less than five (5) years, from date of project completion, unless one of the following applies:

- The business is granted a waiver by the RFIP board.
- The business pays back the money awarded with an additional 25 percent penalty.

An applicant in violation of an executed agreement with the Department will be subject to a civil penalty of no more than \$1,000 a day for each day of the violation.

For retail motor fuel sites, financial incentives are on a cost share basis in the form of a grant. An applicant must have separate applications for ethanol (E85 or registered E15) and biodiesel dispensers

at a single site with the costs broken out. Applications for ethanol (E85 dispensers or registered E15) and biodiesel dispensers at the same site must be on separate application forms to be considered.

Ethanol

Ethanol applications will be assigned a tier. Tiers are based on:

- Total number of retail motor fuel sites owned or operated in Iowa on date of application
- Fuel site's average total gasoline gallonage that includes the three calendar years immediately prior to the year person submitted the application
 - IDALS can/will request Dept of Revenue to certify the average total gallonage

Tier I – all apply:

- Retailer owns or operates ten or fewer retail fuel sites
- The retailer has not stored and dispensed E-15 at this site at any time prior to submitting the application
- The site's average total gasoline gallonage must not be more than 140,000 gallons
- The amount of standard financial incentive awarded is 90% of the actual cost of making the improvement or \$63,900, whichever is less

Tier II – all apply:

- Retailer owns or operates ten or fewer retail fuel sites
- The retailer has not stored and dispensed E-15 at this site at any time prior to submitting the application
- The site's average total gasoline gallonage must be more than 140,000 gallons but not more than 450,000 gallons
- The amount of standard financial incentive awarded is 75% of the actual cost of making the improvement or \$53,200, whichever is less

Tier III

- The RFIP Board shall award standard financial incentives to improve a retail fuel site by installing, replacing, or converting ethanol infrastructure as designated by the department.
- Any retail motor fuel site not designated as a tier I or tier II site shall be designated a tier III site.
- The amount of standard financial incentives awarded to improve tier III sites is 70% of the actual cost of making the improvement or \$50,000, whichever is less.

Further, the RFIP Board shall establish a ranking system for ethanol projects as follows:

- 1st Priority – retail sites assigned as special status as provided in subsection 2 of the 2022 Iowa Biofuels Act. Special status is assigned to those retailers whose cost estimate to replace, convert, or install equipment to comply with the law is at or below the “base amount” – the amount that equals the maximum cost necessary to be incurred by the retailer in order to receive the total amount of standard financial incentives that could be awarded under the tier III of the RFIP (\$71,428.57). A special status site may fall within any of the three tiers but receive first priority.
- 2nd Priority – retail sites assigned tier I status but not special status
- 3rd Priority – retail sites assigned tier II status but not special status
- 4th Priority – retail sites assigned tier III status but not special status. Among these sites, the board shall prioritize sites that included motor fuel storage and dispensing infrastructure used to store and dispense gasoline prior to January 1, 2023.

Biodiesel

All biodiesel awards for bulk storage tanks and terminal facilities are obligated to a five (5) year contract. The financial incentives are on a cost share basis in the form of a grant.

For biodiesel terminal awards:

- For improvements to store, blend or dispense B2-B98 the maximum award shall not exceed 50% of the actual cost of making the improvement or \$50,000, whichever is less.
- For improvements to store, blend and dispense B99/B100, for year-round distribution, the maximum award shall not exceed 50% of the actual cost of making the improvement or \$100,000, whichever is less.

For biodiesel retail awards:

- Beginning January 1, 2023, awarded applicants for biodiesel projects must comply with the new biofuels law including installing, replacing, or converting equipment to dispense biodiesel blends from equipment that is B20 compatible. While dispensing B20 is not required, installing equipment compatible with dispensing B20 is required.
- For the term of the RFIP financing agreement to improve a retail motor fuel site by installing, replacing, or converting biodiesel infrastructure, the retailer must use the biodiesel infrastructure to store and dispense, or store, blend, and dispense, biodiesel blended fuel classified as B5 or higher. However, at least for the period beginning April 1 and ending October 31 of each year, the participant must use the infrastructure to store and dispense, or store, blend, and dispense, biodiesel blended fuel classified as B11 or higher.

More information can be found by visiting the IDALS RFIP website at [Iowa Renewable Fuels Infrastructure Program | Iowa Department of Agriculture and Land Stewardship \(iowaagriculture.gov\)](https://www.iowaagriculture.gov/IDALS-RFIP)