



## **BCAP Q&A**

### **1. CHST of Materials from Private Lands**

**What requirements does USDA place on the collection, harvest, storage and transportation of eligible materials from private lands?**

If removed from non industrial private forest land, the eligible material collection and harvesting activities must be done according to a new or amended Forest Stewardship Plan (FSP), or other practice plan approved by the State forester. FSP's need to be created or amended at no expense to CCC.

### **2. Eligible Material Owner Next Steps**

**I am an Eligible Material Owner. What should I do once I identify a CHST qualified BCF in my area?**

After a BCF becomes qualified for CHST by having an Agreement signed by the State FSA Office, and assigned a facility identification number, an eligible material owner may apply for CHST Matching Payments at the county office before delivery and provide information about the sale.

The eligible material owner should bring in copies of any contracts or letter of intent to sell products to the qualified biomass conversion facility.

After delivery, eligible material owners may submit payment requests to their county office. Then the county office will authorize payment to be made through the United States Treasury.

Detailed information about these steps can be found on the [BCAP Website](#) in the [BCAP - CHST Matching Payment Program Fact Sheet](#) and in the [BCAP-2 Notice](#).

### **3. Limitations on Matching CHST Payments**

**Are there any limitations on the number of CHST Matching Payments an Eligible Material Owner can apply for or receive during the 2 year period?**

USDA is an equal opportunity employer and provider.

An eligible material owner can apply for a CHST Matching Payment for each agreement with a CHST-qualified BCF for sale and delivery of eligible materials. He or she may apply for multiple CHST matching payments if he or she has agreements for sale and delivery with more than one facility or if he or she has multiple agreements with a single facility. Once a Matching Payment application is approved by the FSA county office, the eligible material owner can deliver the eligible material to that facility all at once or multiple times over a given period. A "Request for Payment" must be submitted to the FSA county office for each sale and delivery of Eligible Material that is approved for a Matching Payment.

## **4. CHST Ineligible Materials**

### **Are any materials ineligible for the program?**

The following materials are ineligible for financial assistance under 2009-CHST:

- Animal wastes and byproducts including:
  - Fats
  - Oils
  - Grease
  - Manure
- Yard wastes
- Food waste
- Algae
- Harvest grains, fiber or other crops from crops eligible to receive Title 1 payments under the 2008 Farm Bill

## **6. Becoming CHST Qualified**

### **I own or operate a BCF. How can it become CHST qualified?**

If your facility converts or plans to convert eligible material into heat, power, biobased CHST products, advanced biofuels, or any combination of these, please download an Agreement template from the BCAP Website (<http://www.fsa.usda.gov/bcap>) and follow the instruction for submitting it to your State FSA Office.

## **7. Collecting Material from Federal, State, County or Other Government Lands**

**Can Eligible Material be collected or harvested from Federal, State, County or other government lands?**

Yes, eligible material can be harvested and collected from all State, county or other government lands provided it is done in a manner consistent with the appropriate environmental and other regulatory requirements, including contracts for biomass collection and harvesting. Eligible Material can only be collected or harvested from certain Federal lands including NFS land, BLM land, and land held in trust by the Federal government for Indian Tribes.

## **8. CHST Matching Payments for By-Products**

**I own or operate a facility that produces Eligible Materials as a by-product of my primary production process. Can I receive CHST Matching Payments for those Eligible Materials if I sell them to a CHST qualified BCF?**

Yes, Intermediate ingredients or feedstocks are an ingredient or compound made in whole or in significant part from biological products, including renewable agricultural materials or forestry material that are subsequently used to make a more complex compound or product. For example, sawdust generated at a sawmill can be sold to a CHST qualified BCF and possibly receive a CHST Matching Payment.

## **9. CHST Matching Payment Disbursement**

**An entity has 2 or more owners. Can CHST Matching Payments be disbursed to multiple individuals by FSA?**

Yes, FSA can disburse CHST Matching Payments to multiple individuals or to the entity itself.

## **10. CHST Matching Payment Eligibility - Multiple Entity Interest**

**An Eligible Material Owner has interests in two or more separate entities that intend to deliver eligible material to a CHST qualified BCF. Can all the entities that the Eligible Material Owner has an interest in receive CHST Matching Payments?**

All three companies that deliver eligible material to CHST-qualified biomass conversion facilities are eligible for payment.

## **11. Biomass Conversion Facility Agreement**

USDA is an equal opportunity employer and provider.

## **What does the Agreement require a BCF to do?**

The Agreement provides for submission of information on the location and type of eligible material that the facility requires for their operation. In addition, the Agreement provides the operating criteria for the facility in relation to the CHST matching payment program. USDA uses this information to match willing owners of eligible material with willing purchasers. The owner of the eligible material could be eligible for a dollar for dollar match on the payment made by the CHST-qualified biomass conversion facility.

The facilities will be required to maintain certain record keeping requirements, providing USDA access to pertinent 2009-CHST records, permitting USDA permission to provide certain data to the general public and to ensure the plant operations are consistent with all federal, state and local environmental, health and safety requirements. A more detailed description of the Agreement requirements can be found under the "Qualifying BCF's" step in the [BCAP-2 Notice](#) posted on the FSA Website.

The template of the Agreement is available on the BCAP website at <http://www.fsa.usda.gov/bcap>

## **12. Receiving Matching Payments on Source Material**

**My CHST qualified BCF produces an advanced biofuel, such as wood pellets, that are sold to another CHST qualified BCF. Can I receive a CHST Matching Payment if my source materials received a CHST Matching Payment? Can I receive a CHST Matching Payment if my source material did NOT receive a CHST Matching Payment?**

CHST Matching Payments shall only be made one time for a given material. If your source material received a CHST Matching Payment, your Eligible Material (advanced biofuel) cannot receive a subsequent CHST Matching Payment even if it is sold to a CHST-qualified BCF. If the source material did NOT receive a CHST Matching Payment, your Eligible Material (advanced biofuel) can receive a CHST Matching Payment if it is sold to a CHST qualified BCF.

## **13. Crop Residue from Title 1 Crops**

**Can crop residue from Title 1 crops such as corn cobs or corn stover receive CHST Matching Payments?**

Although "Title I" commodity crops themselves are ineligible for CHST matching payments, crop residues from crops such as corn, wheat, cotton, sugar, etc. are eligible. However, no more than 20 percent of the total funds available (under this notice of funds availability) for the CHST Matching Payments for Title 1 crop residues. Please see the [BCAP Website](#) for a list of "Title I" commodity crops in the Eligible Materials List.

## **14. CHST Matching Payment Program Payment Limitations**

### **Are there any payment limits associated with the CHST Matching Payment Program?**

There is no per person payment limit or adjusted gross income payment eligibility requirement for the 2009 CHST Matching Payment Program.

CHST matching payments are available to an eligible material owner for maximum duration of 2 continuous years. Eligible material owners will be allowed to request CHST matching payment for eligible material delivered to and purchased by a CHST qualified biomass conversion facility. Under the 2-year limit duration, the time 2 year period will begin immediately after form AD-245 is first approved by the FSA county office for the CHST matching payment and will end 24 months later.

For example: Eligible material owner, Mike, makes a payment application and is approved by the county office on July 1, 2009. He can continue to make payment applications so long as payment is made by June 30, 2011.

## **15. Harvesting Eligible Material from CRP (BCAP)**

### **Can I harvest eligible material from my CRP contract?**

Eligible material may be derived from CRP provided the material is consistent with the terms and conditions of the CRP contract.

## **16. Biomass Conversion Facility with Satellite Delivery Sites**

### **I own or operate a biomass conversion facility with satellite delivery sites. Do I need to submit an Agreement for each satellite site as well?**

No, as long as the delivery site does NOT convert or propose to convert biomass into power, heat, biobased products, advanced biofuels, or any combination of these.

## **17. CHST Eligible Materials**

### **Where can I find the list of Eligible Materials?**

USDA is an equal opportunity employer and provider.

The Farm Service Agency has the list of eligible material at its website <http://www.fsa.usda.gov/bcap>

## **18. CHST Matching Payment Eligibility**

Who is eligible to receive CHST Matching Payments?

Person(s) or an entity with the right to collect or harvest eligible material and plans to sell and deliver such materials to a CHST-qualified BCF should apply for a CHST Matching Payment at the FSA County Office ([see website for locations](#)) from which the eligible material is to be collected or harvested. Federal agencies may not receive CHST Matching Payments; however, eligible material may only be collected or harvested from National Forest System land and Bureau of Land Management land according to all applicable laws and ordinances including all required permits.

## **19. Buying both Ineligible and Eligible Materials**

**I am a qualified BCF. Can I also buy ineligible materials in addition to the eligible materials that I purchase?**

Yes. Qualified BCFs can purchase ineligible material in addition to eligible material.

## **20. CHST Qualified BCF Preference**

**Does USDA have a preference on which CHST qualified BCF I use?**

USDA has no preference which facility an eligible material owner conducts transactions with. The eligible material owner should select facilities that best fit their needs.

## **21. CHST Matching Payment on NFS and BLM Lands**

**I have a contract to collect or harvest eligible materials from National Forest System (NFS) land or Bureau of Land Management (BLM) land. Can I receive a CHST Matching Payment for the Eligible Materials that I sell and deliver to a CHST qualified BCF? And does FSA need to keep a copy of my contract on file?**

Yes, Eligible Material Owners can receive a CHST Matching Payment for Eligible Material (see the Eligible Material and Renewable Biomass definitions on the Eligible Materials List) collected and harvested from NFS and BLM lands when the appropriate agency has issued a contract

permitting such activities. A copy of the contract must be submitted to the FSA county office in which CHST Matching Payments are requested.

## **22. Biomass Conversion Facility Notification Timeframe**

**How long will it take after a BCF applies to be notified if it meets the qualification requirements?**

In most cases, FSA expects to make determinations within 15 days after a complete Agreement is received.

## **23. CHST Qualified Facility List**

**Where do I find a list of CHST qualified BCF's?**

FSA will maintain a list of qualified biomass conversion facilities on its web site at <http://www.fsa.usda.gov/bcap>. Eligible material owners can also stop by their local FSA field office for the most current listing of sites for their area.

## **24. Owner of Multiple Biomass Conversion Facilities**

**I own or operate more than one biomass conversion facility. How many Agreements must I submit?**

One Agreement is required for each individual BCF. A BCF is defined as a facility that can or proposes to convert biomass into power, heat, biobased products, advanced biofuels, or any combination of these.

## **25. Explaining BCAP**

**What is BCAP?**

The Biomass Crop Assistance Program (BCAP) was authorized by Title IX of the Farm Security and Rural Investment Act of 2002, as amended by Title IX of the Food, Conservation, and Energy of 2008 (2008 Farm Bill). BCAP:

- assists agricultural and forest land owners and eligible material owners with collection, harvest, storage, and transportation (CHST) of eligible material for use in CHST qualified Biomass Conversion Facilities (BCF). This is the CHST Matching Payment Program.
- supports establishing and producing eligible crops for the conversion to bioenergy through project areas and through contracts on land of up to 5 years for annual and non-woody perennial crops or up to 15 years for woody perennial crops. This provision will be implemented in the future.

The CHST Matching Payment Program will provide eligible material owners matching payments for the sale and delivery of eligible material to a CHST-qualified BCF. These payments will be available to eligible material owners at the rate of \$1 for each \$1 per dry ton paid by the CHST-qualified BCF to the eligible material owners, limited to a maximum of \$45 per dry ton and limited to a 2-year payment duration.

On May 5, 2009, President Obama issued a Presidential directive to Agriculture Secretary Tom Vilsack to aggressively accelerate the investment in and production of biofuels. The directive included an instruction that Secretary Vilsack take steps to the extent permitted by law to expedite and increase production of and investment in biofuel development efforts which includes issuance of guidance and support for collection, harvest, storage, and transportation assistance of eligible materials for use in biomass conversion facilities.

On June 11, 2009, the USDA Commodity Credit Corporation published a Notice of Funds Availability (NOFA) announcing the implementation of the 2009 CHST Matching Payment Program (74 FR 111).

## **26. Explaining CHST**

What are the common definitions used in the CHST Matching Payment Program?

CHST-qualified Biomass Conversion Facility (BCF) means a biomass conversion facility that meets all the requirements for qualification outlined in the NOFA, for which the facility owners enters into an Agreement for such facility qualification with the Deputy Administrator.

Eligible Material is, for purposes of the CHST matching payment program, renewable biomass with the following exclusions: (1) Harvested grains, fiber, or other commodities eligible to receive payments under Title I of the 2008 Farm Bill; (2) Animal waste and animal waste-byproducts including fats, oils, greases, and manure; (3) Food waste and yard waste; or (4) Algae.

Eligible material owner for purposes of the CHST matching payment program, means a person having the right to collect or harvest eligible material and that has delivered the eligible material to a CHST-qualified biomass conversion facility and including: (1) For eligible material collected from private lands, including cropland, the owner of the land, the operator or producer conducting farming operations on the land, or any other person designated by the owner of the land and (2) For eligible material collected from public lands, those persons with the right to collect eligible material pursuant to a contract or permit with the Forest Service or other appropriate Federal agency, such as a timber sale contract, stewardship contract or agreement, service contract or permit, or related applicable Federal land permit or contract, and who have submitted the permit or contract authorizing such collection for reproduction by FSA.

## **27. Finding and Reading BCAP Programmatic EIS**

**Where can I find and read the draft BCAP Programmatic Environmental Impact Statement or PEIS? How can I comment on the draft?**

You can read the draft BCAP PEIS Federal Register Notice at:

[http://www.fsa.usda.gov/Internet/FSA\\_Federal\\_Notices/noa\\_bcap\\_8\\_10\\_2009.pdf](http://www.fsa.usda.gov/Internet/FSA_Federal_Notices/noa_bcap_8_10_2009.pdf) . Comments are due by September 24, 2009.

For more information on BCAP, view the [Biomass Crop Assistance Program Web page](#).

## **28. Biomass Crop Assistance Program Website Location**

**We were researching some information for the USDA Biomass Program and could not locate the list of eligible and ineligible materials as pointed out in the TITLE-IX-ENERGY-Biomass Crop Assistance Program. A section of that information indicates "See the BCAP CHST Eligible and Ineligible Materials List on FSA's BCAP website". I cannot locate the web site.**

The BCAP website is located at <http://www.fsa.usda.gov/bcap> or can be reached via the Energy Programs link from our FSA Home Page.

## **29. Section 9005 - Payments to Eligible Advanced Biofuel Producers**

**Could you please tell me how to obtain an application for Section 9005 - Payments to Eligible Advanced Biofuel Producers?**

The USDA Rural Development (RD) Agency administers the 9005 program.

You may obtain information directly via their website at:

<http://www.rurdev.usda.gov/rbs/busp/9005Biofuels.htm>

### **30. Getting started with BCAP**

**What forms do I need to get started with BCAP assistance?**

The BCAP web site provides a list of forms to get your started.

Visit the web site for more assistance: <http://www.fsa.usda.gov/bcap>

### **31. Locating information and rules for BCAP**

**What is the background of the Biomass Crop Assistance Program? Where can I find the rules and regulations?**

Information about BCAP including rules and forms, can be found on the BCAP web site: <http://www.fsa.usda.gov/bcap>