
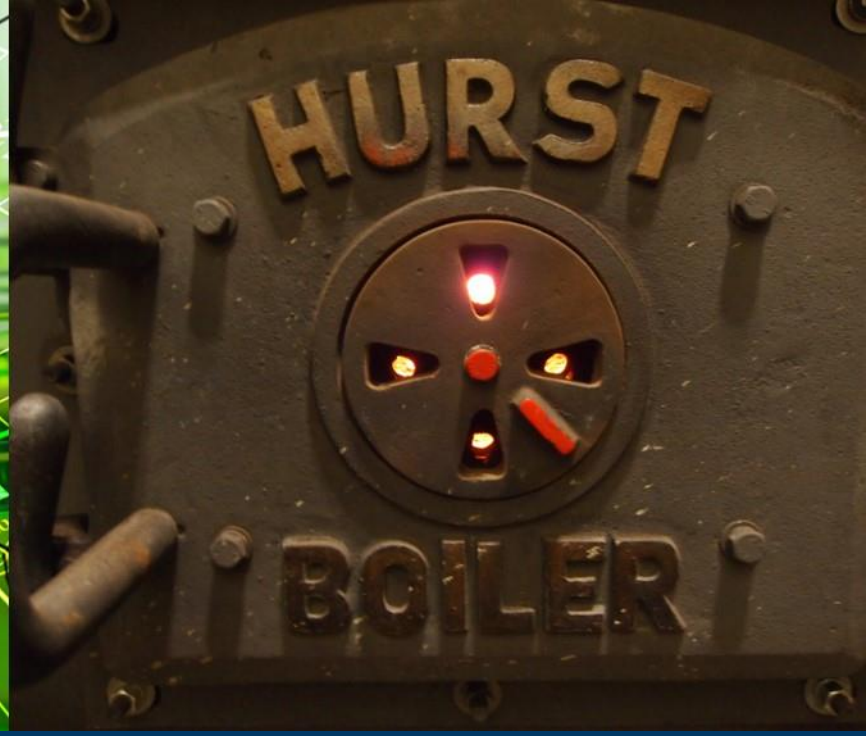

The Bioincentive Program

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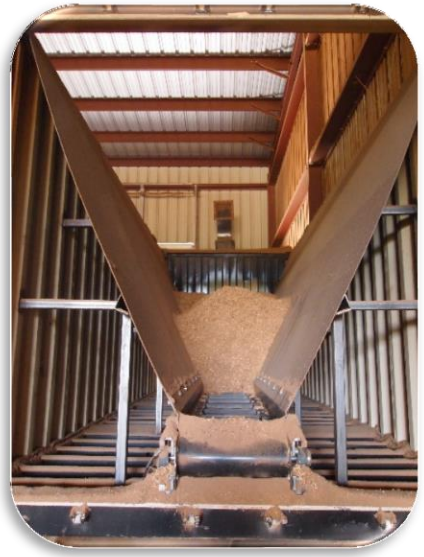
DEPARTMENT OF AGRICULTURE

Overview

Production incentive payments to encourage commercial-scale production of:

- **Advanced biofuel**
  - Lifecycle greenhouse gas emissions are at least 50% less than gasoline
- **Renewable chemicals**
  - Chemicals produced from agricultural biomass, forestry materials, or the organic portion of solid waste
- **Biomass thermal energy**
  - Thermal energy produced from biomass combustion, gasification, or aerobic digestion



Images from top, clockwise: POET Biorefining, Sappi, Fletcher Trucking

Payment Amounts

Production Type	Reimbursement Rate	Per
Advanced Biofuel: Cellulosic	$2.11	MMBtu
Advanced Biofuel: From sugar etc.	$1.05	MMBtu
Renewable Chemical: Cellulosic	$0.06	Pounds
Renewable Chemical: From sugar etc.	$0.03	Pounds
Biomass Thermal	$5.00	MMBtu

Yearly Maximums per Production Type

Production Type	Maximum Production	Maximum compensation
Advanced Biofuel: Cellulosic	17,100,000 MMBtu	$36,000,630
Advanced Biofuel: From sugar etc.	17,100,000 MMBtu	$18,006,300
Renewable Chemical: Cellulosic	599,999,999 Pounds	$36,000,000
Renewable Chemical: From sugar etc.	599,999,999 Pounds	$18,000,000
Biomass Thermal	150,000 MMBtu	$750,000

Yearly Maximums per Facility

Production Type	Maximum Production		Maximum compensation
Advanced Biofuel: Cellulosic	2,850,000	MMBtu	$6,000,105
Advanced Biofuel: From sugar etc.	2,850,000	MMBtu	$3,001,050
Renewable Chemical: Cellulosic	99,999,999	Pounds	$6,000,000
Renewable Chemical: From sugar etc.	99,999,999	Pounds	$3,000,000
Biomass Thermal	30,000	MMBtu	$150,000

Appropriations

Biennium	Year 1	Year 2
2016-2017	$500,000	$1,500,000
2018-2019	$1,500,000	$1,500,000
2020-2021	$2,500,000	$2,500,000
2022-2023	$3,000,000	$3,000,000

Program Reimbursement by Production Type: FY2017-FY2019

FY	Production Type	Production Amount	Units	Amount Claimed ($)	Amount Paid ($)	Amount Not Paid ($)
FY17	Adv. Biofuel	0	MMBtu	$0	$0	$0
	Ren. Chemical	986,636	Pounds	$29,599	$29,599	$0
	Bio Thermal	0	MMBtu	$0	$0	$0
Total				**$29,599**	**$29,599**	**$0**
FY18	Adv. Biofuel	0	MMBtu	$0	$0	$0
	Ren. Chemical	3,234,517	Pounds	$97,036	$97,036	$0
	Bio Thermal	3,589	MMBtu	$17,945	$17,945	$0
Total				**$114,981**	**$114,981**	**$0**
FY19	Adv. Biofuel	0	MMBtu	$0	$0	$0
	Ren. Chemical	23,150,019	Pounds	$1,291,385	$1,264,495	$26,890
	Bio Thermal	47,101	MMBtu	$235,505	$235,505	$0
Total				**$1,526,890**	**$1,500,000**	**$26,890**

Program Reimbursement by Production Type: FY2020-Q1 & Q2 FY2021

FY	Production Type	Production Amount	Units	Amount Claimed ($)	Amount Paid ($)	Amount Not Paid ($)
FY20	Adv. Biofuel	129,519	MMBtu	$1,254,058	$435,706	$818,352
	Ren. Chemical	20,653,952	Pounds	$3,417,802	$1,739,672	$1,678,130
	Bio Thermal	65,815	MMBtu	$397,304	$324,623	$72,682
Total				**$5,069,164**	**$2,500,000**	**$2,569,164**
FY21 (Qtr. 1 & 2)	Adv. Biofuel	414,727	MMBtu	$875,073	$761,053	$114,021
	Ren. Chemical	28,728,383	Pounds	$1,723,703	$1,438,001	$285,702
	Bio Thermal	$62,353	MMBtu	$311,765	$300,946	$10,819
Total				**$2,910,541**	**$2,500,000**	**$410,451**
Grand Total				**$9,662,939**	**$6,644,579**	**$3,006,595**

Governor's Budget Recommendation

Invest in Bioincentive Program

- Claims for bioincentive payments greatly exceed available funds. Additional claimants are expected, which would result in an even greater shortfall than in FY20.
- **The Governor recommends an additional $750,000** per year beginning with FY22 to support the Bioincentive Program. The proposed increase of $750,000 per year (to total $3.75 million per year) will reduce, but not eliminate, the shortfall.

DEPARTMENT OF AGRICULTURE

Thank you!

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