Commodity Credit Corporation, USDA

§ 1450.201 Project area proposal submission requirements.

(i) An estimate of the total dry tons of eligible material expected to be sold to the qualified biomass conversion facility;
(ii) The type(s) of eligible material that is expected to be sold;
(iii) The name of the qualified biomass conversion facility that will purchase the eligible material;
(iv) The expected, fair market, per dry ton payment rate the owner plans to receive for the delivery of the eligible material; and
(v) The date or dates the eligible material is expected to be delivered to the qualified biomass conversion facility.

(2) A new or amended conservation plan, forest stewardship plan, or equivalent plan, as specified in § 1450.103.

(d) Eligible material owners who deliver eligible material to more than one qualified biomass conversion facility must submit separate applications for each facility to which eligible material will be delivered.

(e) After delivery, eligible material owners must notify CCC and request the payment. Payments will be disbursed only after delivery is verified by CCC.

(f) Information that must be submitted to CCC in order to request payments includes settlement, summary, or other acceptable data that provide:

(1) Total actual tonnage delivered and a total dry weight tonnage equivalent amount determined by the qualified biomass conversion facility using standard moisture determinations applicable to the eligible material;

(2) Total payment received, including the per dry-ton payment rate(s) matched with actual and dry weight tonnage delivered; and

(3) The qualified biomass conversion facility’s certification as to the authenticity of the information.

§ 1450.105 Obligations of participant.

(a) All participants whose payment application was approved must agree to:

(1) Carry out and certify compliance with the terms and conditions of the payment application including adherence to a conservation plan, forest stewardship plan, or equivalent plan, as appropriate; and

(2) Be jointly and severally responsible, if the participant has a share of the payment greater than zero, with other contract participants for compliance with the provisions of such contract and the provisions of this part, and for any refunds or payment adjustments that may be required for violations of any of the terms and conditions of the BCAP contract and this part.

(b) [Reserved]

§ 1450.106 Payments.

(a) Payments under this subpart will be for a term not to exceed 2 years beginning the date that CCC issues the first payment, under this subpart to the participant and for each participant runs from the date that the participant receives a matching payment from CCC even though the participant may over time change facilities. The Deputy Administrator may further limit the period to reflect participation in BCAP for any time prior to October 27, 2010 as the Deputy Administrator deems appropriate. In addition, where ownership of a source of material has changed, or where it is deemed that other circumstances warrant, the Deputy Administrator may apply the time limit applicable to a person or entity or to another person or entity to assure that the 2-year limit is not avoided by private arrangement or other circumstance.

(b) Payments under this subpart will be paid at a rate of $1 for each $1 per dry ton provided by the qualified biomass conversion facility for the market-based sale of eligible material in an amount up to $45 per dry ton.

Subpart C—Establishment Payments and Annual Payments

§ 1450.200 General.

(a) As provided in this subpart, establishment payments and annual payments may be provided by CCC to producers of eligible crops within a project area.

(b) [Reserved]

§ 1450.201 Project area proposal submission requirements.

(a) To be considered for selection as a project area, a project sponsor must
submit a proposal to CCC that includes, at a minimum:
(1) A description of the sources of renewable biomass, eligible land, and eligible crops that may be enrolled within the proposed project area;
(2) A letter of commitment from a biomass conversion facility stating that the facility will use, for BCAP purposes, eligible crops intended to be produced in the proposed project area;
(3) Information demonstrating that the biomass conversion facility will have sufficient equity available to operate if the facility is not operational at the time the project area proposal is submitted; and
(4) Other information that gives CCC a reasonable assurance that the biomass conversion facility will be in operation in a timely manner so that it will utilize the eligible crops, as determined by CCC.
(b) The project area description required in paragraph (a) of this section needs to specify geographic boundaries and be described in definite terms such as acres, watershed boundaries, mapped longitude and latitude coordinates, or counties.
(c) The project area needs to be physically located near a biomass conversion facility or facilities, as determined by CCC.
(d) Project area proposals may limit the nature and types of eligible crops to be established within a project area.

§ 1450.202 Project area selection criteria.
(a) In selecting project areas, CCC will consider:
(1) The dry tons of the eligible crops proposed to be produced in the proposed project area and the probability that such crops will be used for BCAP purposes;
(2) The dry tons of renewable biomass projected to be available from sources other than the eligible crops grown on contract acres;
(3) The anticipated economic impact in the proposed project area;
(4) The opportunity for producers and local investors to participate in the ownership of the biomass conversion facility in the proposed project area;
(5) The participation rate by beginning or socially disadvantaged farmers or ranchers;
(6) The impact on soil, water, and related resources;
(7) The variety in biomass production approaches within a project area, including agronomic conditions, harvest and postharvest practices, and monoculture and polyculture crop mixes;
(8) The range of eligible crops among project areas; and
(9) Any other additional criteria, as determined by CCC.
(b) [Reserved]

§ 1450.203 Eligible persons and legal entities.
(a) In order to be eligible to enter into a BCAP contract for this subpart, a person or legal entity must be an owner, operator, or tenant of eligible land within a project area, as defined in §1450.204 and be the person or entity with the ability to perform under the terms of the contract.
(b) [Reserved]

§ 1450.204 Eligible land.
(a) For the purposes of this subpart, eligible land must be physically and legally capable of producing an eligible crop and must be:
(1) Agricultural land; or
(2) Nonindustrial private forest land.
(b) For the purposes of this subpart, eligible land is not:
(1) Federal- or State-owned land, including land owned by local governments or municipalities;
(2) Land that is native sod;
(3) Land enrolled in the Conservation Reserve Program operated under part 1410 of this chapter;
(4) Land enrolled in the Wetlands Reserve Program operated under part 1467 of this chapter; or
(5) Land enrolled in the Grassland Reserve Program operated under part 1415 of this chapter.

§ 1450.205 Duration of contracts.
(a) Contracts under this subpart will be for a term of up to:
(1) 5 years for annual and non-woody perennial crops; and
(2) 15 years for woody perennial crops.