

(3) the term “small unit” means a unit with a generating capacity in the 10–50 megawatt range.

(Pub. L. 109–58, title XIV, §1407, Aug. 8, 2005, 119 Stat. 1064.)

SUBCHAPTER XIV—ETHANOL AND MOTOR FUELS

**§ 16501. Commercial byproducts from municipal solid waste and cellulosic biomass loan guarantee program**

**(a) Definition of municipal solid waste**

In this section, the term “municipal solid waste” has the meaning given the term “solid waste” in section 6903 of this title.

**(b) Establishment of program**

The Secretary shall establish a program to provide guarantees of loans by private institutions for the construction of facilities for the processing and conversion of municipal solid waste and cellulosic biomass into fuel ethanol and other commercial byproducts.

**(c) Requirements**

The Secretary may provide a loan guarantee under subsection (b) to an applicant if—

(1) without a loan guarantee, credit is not available to the applicant under reasonable terms or conditions sufficient to finance the construction of a facility described in subsection (b);

(2) the prospective earning power of the applicant and the character and value of the security pledged provide a reasonable assurance of repayment of the loan to be guaranteed in accordance with the terms of the loan; and

(3) the loan bears interest at a rate determined by the Secretary to be reasonable, taking into account the current average yield on outstanding obligations of the United States with remaining periods of maturity comparable to the maturity of the loan.

**(d) Criteria**

In selecting recipients of loan guarantees from among applicants, the Secretary shall give preference to proposals that—

(1) meet all applicable Federal and State permitting requirements;

(2) are most likely to be successful; and

(3) are located in local markets that have the greatest need for the facility because of—

(A) the limited availability of land for waste disposal;

(B) the availability of sufficient quantities of cellulosic biomass; or

(C) a high level of demand for fuel ethanol or other commercial byproducts of the facility.

**(e) Maturity**

A loan guaranteed under subsection (b) shall have a maturity of not more than 20 years.

**(f) Terms and conditions**

The loan agreement for a loan guaranteed under subsection (b) shall provide that no provision of the loan agreement may be amended or waived without the consent of the Secretary.

**(g) Assurance of repayment**

The Secretary shall require that an applicant for a loan guarantee under subsection (b) pro-

vide an assurance of repayment in the form of a performance bond, insurance, collateral, or other means acceptable to the Secretary in an amount equal to not less than 20 percent of the amount of the loan.

**(h) Guarantee fee**

The recipient of a loan guarantee under subsection (b) shall pay the Secretary an amount determined by the Secretary to be sufficient to cover the administrative costs of the Secretary relating to the loan guarantee.

**(i) Full faith and credit**

The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the loan for the guarantee with respect to principal and interest. The validity of the guarantee shall be incontestable in the hands of a holder of the guaranteed loan.

**(j) Reports**

Until each guaranteed loan under this section has been repaid in full, the Secretary shall annually submit to Congress a report on the activities of the Secretary under this section.

**(k) Authorization of appropriations**

There are authorized to be appropriated such sums as are necessary to carry out this section.

**(l) Termination of authority**

The authority of the Secretary to issue a loan guarantee under subsection (b) terminates on the date that is 10 years after August 8, 2005.

(Pub. L. 109–58, title XV, §1510, Aug. 8, 2005, 119 Stat. 1085.)

**§ 16502. Advanced Biofuel Technologies Program**

**(a) In general**

Subject to the availability of appropriations under subsection (d), the Administrator of the Environmental Protection Agency shall, in consultation with the Secretary of Agriculture and the Biomass Research and Development Technical Advisory Committee established under section 8605<sup>1</sup> of title 7, establish a program, to be known as the “Advanced Biofuel Technologies Program”, to demonstrate advanced technologies for the production of alternative transportation fuels.

**(b) Priority**

In carrying out the program under subsection (a), the Administrator shall give priority to projects that enhance the geographical diversity of alternative fuels production and utilize feedstocks that represent 10 percent or less of ethanol or biodiesel fuel production in the United States during the previous fiscal year.

**(c) Demonstration projects**

**(1) In general**

As part of the program under subsection (a), the Administrator shall fund demonstration projects—

(A) to develop not less than 4 different conversion technologies for producing cellulosic biomass ethanol; and

<sup>1</sup> See References in Text note below.

(B) to develop not less than 5 technologies for coproducing value-added bioproducts (such as fertilizers, herbicides, and pesticides) resulting from the production of biodiesel fuel.

**(2) Administration**

Demonstration projects under this subsection shall be—

(A) conducted based on a merit-reviewed, competitive process; and

(B) subject to the cost-sharing requirements of section 16352 of this title.

**(d) Authorization of appropriations**

There are authorized to be appropriated to carry out this section \$110,000,000 for each of fiscal years 2005 through 2009.

(Pub. L. 109-58, title XV, §1514, Aug. 8, 2005, 119 Stat. 1090.)

**Editorial Notes**

REFERENCES IN TEXT

Section 8605 of title 7, referred to in subsec. (a), was repealed by Pub. L. 110-246, title IX, §9001(b), June 18, 2008, 122 Stat. 2095. Provisions relating to a Biomass Research and Development Technical Advisory Committee are now contained in section 8108(d) of title 7, Agriculture.

**§ 16503. Sugar ethanol loan guarantee program**

**(a) In general**

Funds may be provided for the cost (as defined in section 661a of title 2) of loan guarantees issued under title XIV<sup>1</sup> to carry out commercial demonstration projects for ethanol derived from sugarcane, bagasse, and other sugarcane byproducts.

**(b) Demonstration projects**

The Secretary may issue loan guarantees under this section to projects to demonstrate commercially the feasibility and viability of producing ethanol using sugarcane, sugarcane bagasse, and other sugarcane byproducts as a feedstock.

**(c) Requirements**

An applicant for a loan guarantee under this section may provide assurances, satisfactory to the Secretary, that—

(1) the project design has been validated through the operation of a continuous process facility;

(2) the project has been subject to a full technical review;

(3) the project, with the loan guarantee, is economically viable; and

(4) there is a reasonable assurance of repayment of the guaranteed loan.

**(d) Limitations**

**(1) Maximum guarantee**

Except as provided in paragraph (2), a loan guarantee under this section—

(A) may be issued for up to 80 percent of the estimated cost of a project; but

(B) shall not exceed \$50,000,000 for any 1 project.

<sup>1</sup> See References in Text note below.

**(2) Additional guarantees**

**(A) In general**

The Secretary may issue additional loan guarantees for a project to cover—

(i) up to 80 percent of the excess of actual project costs; but

(ii) not to exceed 15 percent of the amount of the original loan guarantee.

**(B) Principal and interest**

Subject to subparagraph (A), the Secretary shall guarantee 100 percent of the principal and interest of a loan guarantee made under subparagraph (A).

(Pub. L. 109-58, title XV, §1516, Aug. 8, 2005, 119 Stat. 1091.)

**Editorial Notes**

REFERENCES IN TEXT

Title XIV, referred to in subsec. (a), is title XIV of Pub. L. 109-58, Aug. 8, 2005, 119 Stat. 1061, which enacted subchapter XIII of this chapter and section 13557 of this title.

SUBCHAPTER XV—INCENTIVES FOR INNOVATIVE TECHNOLOGIES

**§ 16511. Definitions**

In this subchapter:

**(1) Commercial technology**

**(A) In general**

The term “commercial technology” means a technology in general use in the commercial marketplace.

**(B) Inclusions**

The term “commercial technology” does not include a technology solely by use of the technology in a demonstration project funded by the Department.

**(2) Cost**

The term “cost” has the meaning given the term “cost of a loan guarantee” within the meaning of section 661a(5)(C) of title 2.

**(3) Eligible project**

The term “eligible project” means a project described in section 16513 of this title.

**(4) Guarantee**

**(A) In general**

The term “guarantee” has the meaning given the term “loan guarantee” in section 661a of title 2, except that a loan guarantee may guarantee any debt obligation of a non-Federal borrower to any Eligible Lender (as defined in section 609.2 of title 10, Code of Federal Regulations).

**(B) Inclusion**

The term “guarantee” includes a loan guarantee commitment (as defined in section 661a of title 2).

**(5) Obligation**

The term “obligation” means the loan or other debt obligation that is guaranteed under this section.

**(6) State**

The term “State” has the meaning given the term in section 6802 of this title.