



To: Applicants to the Renewable Fuel Infrastructure Program

From: Paul Ovrom, RFIP Administrator

In May 2024, House File 2687 was signed into law by Governor Reynolds. This new law provides for a transition period through December 31, 2025, allowing newly installed aboveground retail ethanol infrastructure to be compatible with E-15. Beginning January 1, 2026, and running through June 30, 2030, new aboveground infrastructure must be compatible with ethanol blended gasoline classified as E-40. On and after July 1, 2030, new aboveground infrastructure must be compatible with E-85. This effectively removes through June 30, 2030, the previous Renewable Fuel Infrastructure Program (RFIP) requirement that retail ethanol projects be E-85 compatible. The law in its entirety can be found here: [Iowa Legislature - BillBook](#).

Additionally, in May 2024, House File 2691 was signed into law by Governor Reynolds. Portions of this new law make specific changes to the RFIP. Much of this new law took effect on July 1, 2024. The law in its entirety can be found here: [Iowa Legislature - BillBook](#). Items of note from HF2691 that may affect your project include:

Ethanol

- Beginning July 1, 2024, standard financial incentives awarded to improve tier sites as defined in the Biofuels Act of 2023 are amended. Tier definitions and the new award amounts are as follows:
 - Tier 1 sites: at the time of application, 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.
 - Awards to improve Tier 1 sites are 90% of the actual cost of making the improvement or \$75,000, whichever is less (need to show at least \$83,333.33 in expenses for the full cost share award of \$75,000).
 - Tier 2 sites: at the time of application, 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 is more than 140,000 gallons but not more than 450,000 gallons.
 - Awards to improve Tier 2 sites are 75% of the actual cost of making the improvement or \$75,000, whichever is less (need to show at least \$100,000 in expenses for the full cost share award of \$75,000).
 - Tier 3 sites: any retail motor fuel site not meeting the criteria provided in the two options above and designated as a Tier 1 or Tier 2 site shall be designated a Tier 3 site. This would include new sites.
 - Awards to improve Tier 3 sites are 70% of the actual cost of making the improvement or \$75,000, whichever is less (need to show at least \$107,142.86 in expenses for the full cost share award of \$75,000).

RFIP applications may be found on the [IDALS RFIP homepage](#).

Biodiesel

- HF2691 raised the amount of RFIP funds allocated to biodiesel retail projects from \$1.25 million to \$1.75 million per fiscal year, but it otherwise left intact the language of the Biofuels Act of 2023.

The Biofuels Act of 2023 includes the following requirements for biodiesel projects:

- Awarded applicants for biodiesel projects must install, replace, or convert equipment to dispense biodiesel blends from equipment that is B-20 compatible. While dispensing B-20 is not required, installing equipment compatible with dispensing B-20 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 B-5 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 B-11 or higher.
- For any fiscal year, should all designated dollars for retail biodiesel projects be awarded by the RFIP Board, applications yet to be reviewed will be placed in an application queue and reviewed by the RFIP Board at a time of their choosing but in the order in which the applications were received.
- Funds for awarded biodiesel terminal project applications are not drawn from the allocation for biodiesel retail projects. Biodiesel terminal awards are drawn from the allocation set aside for both ethanol retail projects and biodiesel terminal projects.

If you have questions, please contact me at 515-242-6239 or paul.ovrom@iowaagriculture.gov .

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