



## **PROJECT FINANCING IN A POST CREDIT CRUNCH ENVIRONMENT**

Renewable Energy World Conference and Expo North America

February 25, 2010

# Current Administration Goals

Reduction on Foreign Oil

Increased Renewable Bioenergy Production

Reducing Greenhouse Gas Emissions

Creating Quality Jobs

## Renewable Fuels Standard (RFS2)

36 billion gallons of biofuels by 2022

20% to 25% of transportation fuel

Capex cost per gallon - \$2 to \$5

Total financing needed: \$75 to \$150 billion

## USDA Biofuels Programs

9003 Biorefinery Guaranteed Loan Program - \$4 billion

9007 Rural Energy For America Program –\$100 million

Business and Industry Loan Guarantee Program - \$1.3 billion

ARRA B & I Loan Guarantee Program - \$1.7 billion

**Total: \$7.1 billion, of which only \$743 million allocated**

**\$6.357 billion not released yet**





## Recommendations

1. Develop a preferred status with Farm Credit and Land Bank systems
2. Develop guidelines with regulators
3. Keep the programs open year-round
4. Enact new servicing and foreclosure guidelines
5. Remove the distance requirements
6. Develop a syndication structure

## Recommendations

7. Redraft the “owner payback” provision
8. Allow for guarantee to cover construction loan
9. Extend the borrowing base for lenders
10. Hire additional personnel to process loans
11. Expand the Community Reinvestment Act provisions
12. Create a secondary market for bioenergy loans



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