

(1) Such subsidy budget authority as may be necessary to guarantee \$150,000,000 of debentures under this part.

(2) \$30,000,000 to make grants under this part.

**(b) Funds collected for examinations**

Funds deposited under section 689k(c)(2) of this title are authorized to be appropriated only for the costs of examinations under section 689k of this title and for the costs of other oversight activities with respect to the program established under this part.

(Pub. L. 85-699, title III, §368, as added Pub. L. 106-554, §1(a)(8) [§1(b)(3)], Dec. 21, 2000, 114 Stat. 2763, 2763A-664.)

PART C—RENEWABLE FUEL CAPITAL INVESTMENT PILOT PROGRAM

**§ 690. Definitions**

In this part:

**(1) Operational assistance**

The term “operational assistance” means management, marketing, and other technical assistance that assists a small business concern with business development.

**(2) Participation agreement**

The term “participation agreement” means an agreement, between the Administrator and a company granted final approval under section 690c(e) of this title, that—

(A) details the operating plan and investment criteria of the company; and

(B) requires the company to make investments in smaller enterprises primarily engaged in researching, manufacturing, developing, producing, or bringing to market goods, products, or services that generate or support the production of renewable energy.

**(3) Renewable energy**

The term “renewable energy” means energy derived from resources that are regenerative or that cannot be depleted, including solar, wind, ethanol, and biodiesel fuels.

**(4) Renewable Fuel Capital Investment company**

The term “Renewable Fuel Capital Investment company” means a company—

(A) that—

(i) has been granted final approval by the Administrator under section 690c(e) of this title; and

(ii) has entered into a participation agreement with the Administrator; or

(B) that has received conditional approval under section 690c(c) of this title.

**(5) State**

The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other commonwealth, territory, or possession of the United States.

**(6) Venture capital**

The term “venture capital” means capital in the form of equity capital investments, as

that term is defined in section 683(g)(4) of this title.

(Pub. L. 85-699, title III, §381, as added Pub. L. 110-140, title XII, §1207, Dec. 19, 2007, 121 Stat. 1774.)

EFFECTIVE DATE

Part effective on the date that is 1 day after Dec. 19, 2007, see section 1601 of Pub. L. 110-140, set out as a note under section 1824 of Title 2, The Congress.

**§ 690a. Purposes**

The purposes of the Renewable Fuel Capital Investment Program established under this part are—

(1) to promote the research, development, manufacture, production, and bringing to market of goods, products, or services that generate or support the production of renewable energy by encouraging venture capital investments in smaller enterprises primarily engaged<sup>1</sup> such activities; and

(2) to establish a venture capital program, with the mission of addressing the unmet equity investment needs of smaller enterprises engaged in researching, developing, manufacturing, producing, and bringing to market goods, products, or services that generate or support the production of renewable energy, to be administered by the Administrator—

(A) to enter into participation agreements with Renewable Fuel Capital Investment companies;

(B) to guarantee debentures of Renewable Fuel Capital Investment companies to enable each such company to make venture capital investments in smaller enterprises engaged in the research, development, manufacture, production, and bringing to market of goods, products, or services that generate or support the production of renewable energy; and

(C) to make grants to Renewable Fuel Investment Capital companies, and to other entities, for the purpose of providing operational assistance to smaller enterprises financed, or expected to be financed, by such companies.

(Pub. L. 85-699, title III, §382, as added Pub. L. 110-140, title XII, §1207, Dec. 19, 2007, 121 Stat. 1775.)

**§ 690b. Establishment**

The Administrator shall establish a Renewable Fuel Capital Investment Program, under which the Administrator may—

(1) enter into participation agreements for the purposes described in section 690a of this title; and

(2) guarantee the debentures issued by Renewable Fuel Capital Investment companies as provided in section 690d of this title.

(Pub. L. 85-699, title III, §383, as added Pub. L. 110-140, title XII, §1207, Dec. 19, 2007, 121 Stat. 1776.)

<sup>1</sup> So in original. Probably should be followed by “in”.

**§ 690c. Selection of Renewable Fuel Capital Investment companies**

**(a) Eligibility**

A company is eligible to apply to be designated as a Renewable Fuel Capital Investment company if the company—

- (1) is a newly formed for-profit entity or a newly formed for-profit subsidiary of an existing entity;
- (2) has a management team with experience in alternative energy financing or relevant venture capital financing; and
- (3) has a primary objective of investment in smaller enterprises that research, manufacture, develop, produce, or bring to market goods, products, or services that generate or support the production of renewable energy.

**(b) Application**

A company desiring to be designated as a Renewable Fuel Capital Investment company shall submit an application to the Administrator that includes—

- (1) a business plan describing how the company intends to make successful venture capital investments in smaller enterprises primarily engaged in the research, manufacture, development, production, or bringing to market of goods, products, or services that generate or support the production of renewable energy;
- (2) information regarding the relevant venture capital qualifications and general reputation of the management of the company;
- (3) a description of how the company intends to seek to address the unmet capital needs of the smaller enterprises served;
- (4) a proposal describing how the company intends to use the grant funds provided under this part to provide operational assistance to smaller enterprises financed by the company, including information regarding whether the company has employees with appropriate professional licenses or will contract with another entity when the services of such an individual are necessary;
- (5) with respect to binding commitments to be made to the company under this part, an estimate of the ratio of cash to in-kind contributions;
- (6) a description of whether and to what extent the company meets the criteria under subsection (c)(2) and the objectives of the program established under this part;
- (7) information regarding the management and financial strength of any parent firm, affiliated firm, or any other firm essential to the success of the business plan of the company; and
- (8) such other information as the Administrator may require.

**(c) Conditional approval**

**(1) In general**

From among companies submitting applications under subsection (b), the Administrator shall conditionally approve companies to operate as Renewable Fuel Capital Investment companies.

**(2) Selection criteria**

In conditionally approving companies under paragraph (1), the Administrator shall consider—

- (A) the likelihood that the company will meet the goal of its business plan;
- (B) the experience and background of the management team of the company;
- (C) the need for venture capital investments in the geographic areas in which the company intends to invest;
- (D) the extent to which the company will concentrate its activities on serving the geographic areas in which it intends to invest;
- (E) the likelihood that the company will be able to satisfy the conditions under subsection (d);
- (F) the extent to which the activities proposed by the company will expand economic opportunities in the geographic areas in which the company intends to invest;
- (G) the strength of the proposal by the company to provide operational assistance under this part as the proposal relates to the ability of the company to meet applicable cash requirements and properly use in-kind contributions, including the use of resources for the services of licensed professionals, when necessary, whether provided by employees or contractors; and
- (H) any other factor determined appropriate by the Administrator.

**(3) Nationwide distribution**

From among companies submitting applications under subsection (b), the Administrator shall consider the selection criteria under paragraph (2) and shall, to the maximum extent practicable, approve at least one company from each geographic region of the Administration.

**(d) Requirements to be met for final approval**

**(1) In general**

The Administrator shall grant each conditionally approved company 2 years to satisfy the requirements of this subsection.

**(2) Capital requirement**

Each conditionally approved company shall raise not less than \$3,000,000 of private capital or binding capital commitments from 1 or more investors (which shall not be departments or agencies of the Federal Government) who meet criteria established by the Administrator.

**(3) Nonadministration resources for operational assistance**

**(A) In general**

In order to provide operational assistance to smaller enterprises expected to be financed by the company, each conditionally approved company shall have binding commitments (for contribution in cash or in-kind)—

- (i) from sources other than the Administration that meet criteria established by the Administrator; and
- (ii) payable or available over a multiyear period determined appropriate by the Administrator (not to exceed 10 years).