

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.)

**§ 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;

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

(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).

**(B) Exception**

The Administrator may, in the discretion of the Administrator and based upon a showing of special circumstances and good cause, consider an applicant to have satisfied the requirements of subparagraph (A) if the applicant has—

(i) a viable plan that reasonably projects the capacity of the applicant to raise the amount (in cash or in-kind) required under subparagraph (A); and

(ii) binding commitments in an amount equal to not less than 20 percent of the total amount required under paragraph<sup>1</sup> (A).

**(C) Limitation**

The total amount of a<sup>2</sup> in-kind contributions by a company shall be not more than 50 percent of the total contributions by a company.

**(e) Final approval; designation**

The Administrator shall, with respect to each applicant conditionally approved under subsection (c)—

(1) grant final approval to the applicant to operate as a Renewable Fuel Capital Investment company under this part and designate the applicant as such a company, if the applicant—

(A) satisfies the requirements of subsection (d) on or before the expiration of the time period described in that subsection; and

(B) enters into a participation agreement with the Administrator; or

(2) if the applicant fails to satisfy the requirements of subsection (d) on or before the expiration of the time period described in paragraph (1) of that subsection, revoke the conditional approval granted under that subsection.

(Pub. L. 85-699, title III, §384, as added Pub. L. 110-140, title XII, §1207, Dec. 19, 2007, 121 Stat. 1776.)

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

<sup>2</sup> So in original. The article probably should not appear.

**§ 690d. Debentures****(a) In general**

The Administrator may guarantee the timely payment of principal and interest, as scheduled, on debentures issued by any Renewable Fuel Capital Investment company.

**(b) Terms and conditions**

The Administrator may make guarantees under this section on such terms and conditions as it determines appropriate, except that—

- (1) the term of any debenture guaranteed under this section shall not exceed 15 years; and
- (2) a debenture guaranteed under this section—
  - (A) shall carry no front-end or annual fees;
  - (B) shall be issued at a discount;
  - (C) shall require no interest payments during the 5-year period beginning on the date the debenture is issued;
  - (D) shall be prepayable without penalty after the end of the 1-year period beginning on the date the debenture is issued; and
  - (E) shall require semiannual interest payments after the period described in subparagraph (C).

**(c) Full faith and credit of the United States**

The full faith and credit of the United States is pledged to pay all amounts that may be required to be paid under any guarantee under this part.

**(d) Maximum guarantee****(1) In general**

Under this section, the Administrator may guarantee the debentures issued by a Renewable Fuel Capital Investment company only to the extent that the total face amount of outstanding guaranteed debentures of such company does not exceed 150 percent of the private capital of the company, as determined by the Administrator.

**(2) Treatment of certain Federal funds**

For the purposes of paragraph (1), private capital shall include capital that is considered to be Federal funds, if such capital is contributed by an investor other than a department or agency of the Federal Government.

(Pub. L. 85-699, title III, §385, as added Pub. L. 110-140, title XII, §1207, Dec. 19, 2007, 121 Stat. 1778.)

**§ 690e. Issuance and guarantee of trust certificates****(a) Issuance**

The Administrator may issue trust certificates representing ownership of all or a fractional part of debentures issued by a Renewable Fuel Capital Investment company and guaranteed by the Administrator under this part, if such certificates are based on and backed by a trust or pool approved by the Administrator and composed solely of guaranteed debentures.

**(b) Guarantee****(1) In general**

The Administrator may, under such terms and conditions as it determines appropriate,

guarantee the timely payment of the principal of and interest on trust certificates issued by the Administrator or its agents for purposes of this section.

**(2) Limitation**

Each guarantee under this subsection shall be limited to the extent of principal and interest on the guaranteed debentures that compose the trust or pool.

**(3) Prepayment or default**

If a debenture in a trust or pool is prepaid, or in the event of default of such a debenture, the guarantee of timely payment of principal and interest on the trust certificates shall be reduced in proportion to the amount of principal and interest such prepaid debenture represents in the trust or pool. Interest on prepaid or defaulted debentures shall accrue and be guaranteed by the Administrator only through the date of payment of the guarantee. At any time during its term, a trust certificate may be called for redemption due to prepayment or default of all debentures.

**(c) Full faith and credit of the United States**

The full faith and credit of the United States is pledged to pay all amounts that may be required to be paid under any guarantee of a trust certificate issued by the Administrator or its agents under this section.

**(d) Fees**

The Administrator shall not collect a fee for any guarantee of a trust certificate under this section, but any agent of the Administrator may collect a fee approved by the Administrator for the functions described in subsection (f)(2).

**(e) Subrogation and ownership rights****(1) Subrogation**

If the Administrator pays a claim under a guarantee issued under this section, it shall be subrogated fully to the rights satisfied by such payment.

**(2) Ownership rights**

No Federal, State, or local law shall preclude or limit the exercise by the Administrator of its ownership rights in the debentures residing in a trust or pool against which trust certificates are issued under this section.

**(f) Management and administration****(1) Registration**

The Administrator may provide for a central registration of all trust certificates issued under this section.

**(2) Contracting of functions****(A) In general**

The Administrator may contract with an agent or agents to carry out on behalf of the Administrator the pooling and the central registration functions provided for in this section, including, not withstanding any other provision of law—

- (i) maintenance, on behalf of and under the direction of the Administrator, of such commercial bank accounts or investments in obligations of the United States as may be necessary to facilitate the creation of