



# USDA Rural Business- Cooperative Programs

- *Rural Energy for America*
- *Grant & Guarantee Program*



# Eligible Applicants

## Agricultural Producer

















- **Individual or entity that receives 51 percent or more of their gross income from agricultural production** – crops, livestock, aquaculture, forestry operations, nurseries, dairies

## Rural Small Business



- **For-profit small business** - as defined by the Small Business Administration (SBA)
- **Rural area or non-metro community of  $\leq 50,000$**

# Improve Profits for Your Rural Small Business, Farm or Ranch with REAP

Energy Efficiency		Renewable Energy	
	Lighting		Solar
	Heating		Wind
	Cooling		Small Hydroelectric
	Ventilation		Anaerobic Digesters
	Fans		Biomass
	Automated Controls		Geothermal
	Insulation		Wave/Ocean Power

The technology must be commercially available. Research and development projects do not qualify.



## Eligible Project Costs

- **Equipment:**
  - Purchase & installation
  - New or refurbished
- **Post-application construction & facility improvements**
- **Retrofitting**
- **Professional service fees**
- **Permits & license fees**
- **Working capital, land acquisition (Guarantee loan ONLY with restrictions)**





## Ineligible Project Costs

- **Residential energy projects**
- **Equipment:**
  - Farm tillage equipment
  - Used equipment
  - Vehicles
- **Pre-application construction & facility improvements**
- **Application preparation or grant writer fees**
- **Line of credit**
- **Lease payments**
- **Payment to the applicant/ business owner, beneficiary, or relative**

# REAP Grant Assistance

Up to 25%  
of Eligible Project Costs

 <b>Renewable Energy Systems</b>		 <b>Energy Efficiency Improvements</b>	
Minimum Grant Request	<b>\$2,500</b> Total eligible project costs $\geq$ \$10,000	Minimum Grant Request	<b>\$1,500</b> Total eligible project costs $\geq$ \$6,000
Maximum Grant Request	<b>\$500,000</b> Total eligible project costs $\geq$ \$2 million	Maximum Grant Request	<b>\$250,000</b> Total eligible project costs $\geq$ \$1 million

# REAP Guaranteed Loan Assistance

Up to 75%  
of Eligible Project Costs

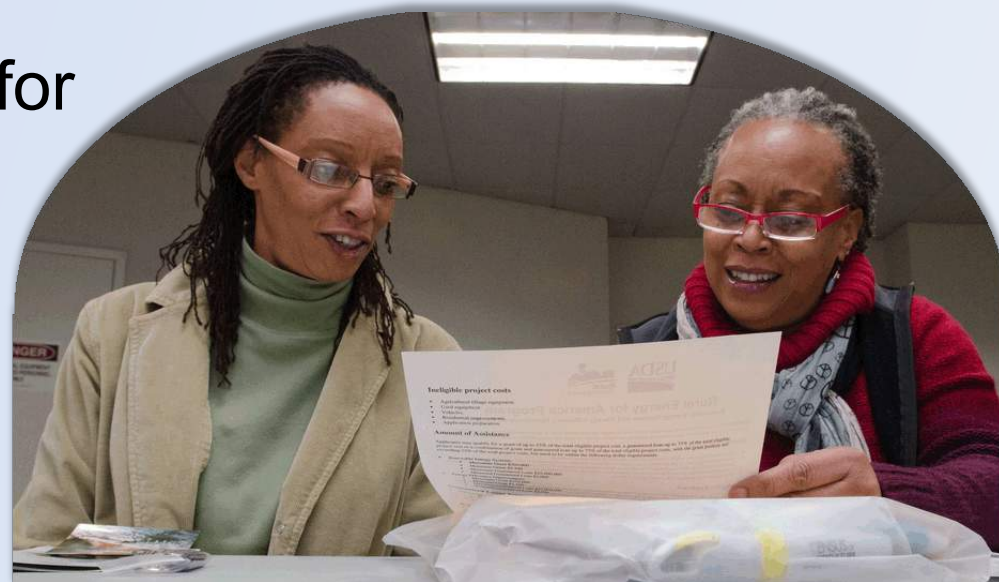
Minimum Loan Amount	<b>\$5,000</b> Total eligible project costs $\geq$ \$6,667
Maximum Loan Amount	<b>\$25 million</b> Total eligible project costs $\geq$ \$33.4 million
Details	<ul style="list-style-type: none"><li>• USDA guarantees a commercial loan; applicant must have a willing lender.</li><li>• Terms are negotiated between the lender and borrower.</li><li>• Fees, appraisals, equity &amp; collateral requirements apply.</li></ul>

# REAP Application Window Closing Deadlines

<p><b>November 2, 2016</b></p>	<ul style="list-style-type: none"> <li>➤ Set Aside Fund Competition-Grant Request \$20,000 or less</li> <li>➤ Grant Request &gt; \$20,000</li> <li>➤ Combination Grant/Loan Request</li> </ul>
<p><b>May 2, 2016</b></p>	<ul style="list-style-type: none"> <li>➤ Grant Request \$20,000 or less not competing for set aside</li> <li>➤ Grant Request &gt; \$20,000</li> <li>➤ Combination Grant/Loan Request</li> </ul>
<p>Continuous Application Cycle</p>	<ul style="list-style-type: none"> <li>➤ Guaranteed Loans</li> </ul> <p>*Loan must score a minimum of 50 to compete monthly *First monthly competition held once 8 applications on file</p>

# How to Apply

- Contact the USDA Rural Development Energy Coordinator in your state for application materials and resources: [http://www.rd.usda.gov/files/RBS\\_StateEnergyCoordinators.pdf](http://www.rd.usda.gov/files/RBS_StateEnergyCoordinators.pdf)
- Submit applications any time of year.
- Applications compete for funding based on score and deadlines.





## To Be Considered, 7 Questions Must Be Answered

1. Is the application complete?
2. Is the applicant eligible?
3. Is the project eligible?
4. Does the project meet funding requirements?
5. Does the application meet the requirements for the applicable application threshold?
6. Does the project have technical merit?
7. Has the environmental review been completed?

**\* Applicant must have a DUNS # and be Registered in SAM - System for Award Management, prior to application submittal**

**REAP is a competitive program.** Funding starts at the top score and continues until funds are gone.

**Max of 100 Points, 7 Categories**

1. Quantity of Energy Generated, Replaced or Saved
2. Environmental Benefits
3. Commitment of funds
4. Size of the agricultural producer or rural small business
5. Previous grantees and borrowers
6. Simple payback
7. State Director and Administrator priorities and points

## Additional Funding & Technical Assistance

- State Agencies & Programs
- Incentives From Local Utilities
- Commercial Lenders
- Federal and State Tax Credits
- Iowa State University
- CIRAS - Center for Industrial Research & Service
- Others?





# Rural Energy for America Program (REAP)

[www.rd.usda.gov/reap](http://www.rd.usda.gov/reap)

Rural Business-Cooperative Service  
Energy Programs

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