



Rural Energy for America Program (REAP)

USDA Rural Development



Rural Development
U.S. DEPARTMENT OF AGRICULTURE



Rural Business Cooperative Service

Jonathan Burns
Business Loan & Grant Analyst
Jonathan.burns@usda.gov

Debra Yocum
Business Loan & Grant Analyst
Debra.Yocum@usda.gov

Renewable Energy for America Program (REAP):

- Energy Audit / Renewable Energy Development Assistance Grant (EA/REDA)
- Renewable Energy Systems and Energy Efficiency Improvement Grants (RES/EEI)
- REAP Guaranteed Loan Program
- Energy Efficiency Equipment Guarantee Loan Program (EEE)

Rural Energy for America Program (REAP)

Technical Assistance:

- Energy Audits
- Renewable Energy Development Assistance

System Installations:

- Renewable Energy Systems
- Energy Efficiency Improvements
- Energy Efficient Equipment and Systems for Agricultural Production and Processing

Energy Audit and Renewable Energy Development Assistance (EA REDA) Grants

- Universities
- State, local, tribal governments
- Rural electric cooperatives
- Public power entity
- RC&D council

Provide energy audits and renewable energy development assistance to rural small businesses and agricultural producers.



How EA REDA Works



EA/REDA Application Deadlines:

Applications for (EA/REDA) grant program must be submitted via www.grants.gov or to Rural Development offices by no later than 4:30 p.m. local time on **January 31st**

- Applicants may submit only one EA grant application and one REDA grant application in a FY with maximum request of \$100,000
- Separate applications must be submitted for EA funding and REDA funding. If combined, the application is ineligible
- Applications compete nationally
- Awards and obligations by March 31st

Renewable Energy Systems & Energy Efficiency Improvements Program



Agricultural Producers and Rural Small Businesses



Solar



Wind



Small Hydroelectric



Anaerobic Digesters



Biomass



Geothermal



Wave/Ocean Power



Lighting



Heating



Cooling



Ventilation



Fans



Automated Controls



Insulation

The technology must be commercially available.
Business use not residential.

Rural Small Businesses

Entity that meets SBA size standards and one of the following (further defined in 4280.103):

- Private for-profit entity;
 - A cooperative;
 - An electric utility;
 - A tribal corporation or other tribal business entity;
- *Project in rural area or non-metro community of $\leq 50,000$

*Visit eligibility.sc.egov.usda.gov/:

Select "Rural Business"; link for REAP program; search address



Private For-Profit Entity

(i) A private for-profit entity, including a sole proprietorship, partnership, or corporation;

- Describe operations of applicant's business in the application
- Applicant entity must be operational and incur income and expenses
- Applicant must control the REAP project
- NAICS code for primary source of revenue



Cooperative

(ii) A cooperative (including a cooperative qualified under section 501(c)(12) of the Internal Revenue Code);

- Entity is organized and operates as a cooperative
- Cooperatives are not restricted to being for profit entities
- Must meet SBA size standards
 - the size of the concern alone and the size of the concern combined with other entity(ies) it controls or entity(ies) it is controlled by

Electric Utility

(iii) An electric utility (including a Tribal or governmental electric utility) that provides service to rural consumers and operates independent of direct government control;

- Are services provided to rural consumers?
- Who controls the entity, does it operate independent of government control?
 - Who governs the entity, are they appointed by town government?
 - How are funds managed?
 - Who appoints the superintendent?

Organizational documents may be required in order to opine on eligibility

Tribal corporation or other tribal business entity

(iv) A Tribal corporation or other Tribal business entities that are chartered under Section 17 of the Indian Reorganization Act (25 U.S.C. 477) or have similar structures and relationships with their Tribal governments and are acceptable to the Agency. The Agency will determine the small business status of such Tribal entity without regard to the resources of the Tribal government

- The Tribe itself is not eligible, must be corporation or other tribal entity
- Letter from Tribal attorney to address eligibility
- “without regard to the resources of the Tribal government”
 - Only the applicant entity must meet the SBA size standard

SBA Size Standards – 13 CFR Part 121

- 13 CFR part 121 and criteria of § 121.301 as applicable to financial assistance programs, including (i) or (ii) below.
- The size of the concern alone and the size of the concern combined with other entity(ies) it controls or entity(ies) it is controlled by, must not exceed the size standard thresholds designated for the industry in which the concern alone or the concern and its controlling entity(ies), whichever is higher, is primarily engaged.
 - (i) The concern's tangible net worth is not in excess of \$15 million and average net income (excluding carry-over losses) for the preceding two completed fiscal years is not in excess of \$5.0 million; or
 - (ii) The size of the concern does not exceed the Small Business Administration (SBA) size standard thresholds designated for the industry in which it is primarily engaged, as measured by number of employees or annual receipts. See SBA's table of size standards found in 13 CFR part 121.201.

SBA Size Standards – 13 CFR Part 121 (cont'd)

Number of employees and annuals receipts are calculated as follows:

(A) Number of employees is calculated as the average number of all individuals employed by a concern on a fulltime, part-time, or other basis, based upon numbers of employees for each of the pay periods for the preceding completed 12 calendar months. If a concern has not been in business for 12 months, the average number of employees is used for each of the pay periods during which it has been in business.

(B) Annual receipts are calculated as average total income plus cost of goods sold for the for the five most recent years. If a concern has been in operation for less than 60 months, average annual receipts for as long as the concern has been in operation are used.

Agricultural Producers

Individual or entity that receives 50 percent or more of their gross income from agricultural operations – crops, livestock, aquaculture, forestry operations, nurseries, dairies



Types of Assistance for System Installation

- Grant
- Loan Guarantee
- Combined Grant and Loan Guarantee
- Agricultural producers may also apply for guaranteed loans for new energy efficient equipment and systems for agricultural production and processing

Funding Provisions

Grant Share?

Grant up to 40% of Total Eligible Project Costs

Combined grant/guaranteed loans

Up to 75% of Total Eligible Project Costs

Renewable Energy System Grants:

\$2,500 minimum request

\$1 million maximum request

Energy Efficiency Grants:

\$1,500 minimum request

\$500,000 maximum request

Guarantee Loans

- \$5,000 minimum loan amount
- \$25 million maximum loan amount
- 80% guarantee for loans, published in the Federal Register annually
- 1 Percent Initial Guarantee Fee of guaranteed amount
- 0.25 Percent annual renewal fee of outstanding guaranteed principal balance

Energy Efficient Equipment and Systems Assistance



The 2018 Farm Bill expanded REAP provisions to include EEE:

- Guaranteed loan funding (*not to exceed 15% of annual loan funds*)
- Agricultural Producers
- Purchase and install equipment for agricultural production and processing that exceeds current efficiency standards

Additional Requirements

- RES Project may require a full technical report and/or a feasibility study
- EEI projects require an energy assessment or energy audit based on historical utility bills
- Projects involving over 10 acres may require a more detailed environmental review
- Do not begin construction or incur costs prior to Agency confirmation



REAP Program Funding

- Agricultural Improvement Act of 2018 - ~\$50 Million

+

- Inflation Reduction Act of 2022 - ~Additional \$2.02 billion dollars over the next decade to invest in over 45,000 farms and small businesses.
 - \$1.7 Billion general REAP funds
 - \$304 Million for underutilized technologies and technical assistance

FY 2023 Timeline

December 16, 2022: FY 23 Notice is published in the Federal Register
(\$250MM IRA & \$50MM FB)

March 31, 2023: Grant Application Deadline

Spring 2023: Second FY 23 Notice Planned

State Allocations

DRAFT

Grant requests of \$20,000 or less:

FY22:

\$478,000

FY23:

\$1,626,000

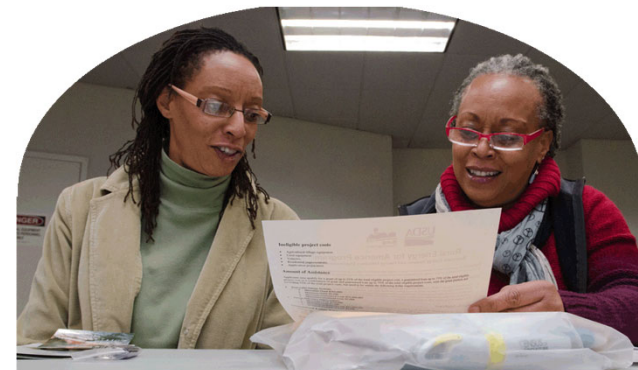
Unrestricted Grant Requests:

\$1,247,000

\$6,631,000

How to Apply

- Contact your Rural Development Energy Coordinator
- Application packages can be found under to 'To Apply' tab on the program website. [REAP RES/EEI](https://www.reap-res.gov/EEI)
- Submit applications via mail, email or grants.gov



Any
Questions





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