## EECLP vs RESP Overview

<table>
<thead>
<tr>
<th></th>
<th>EECLP- $Billions</th>
<th>RESP- $100 Million plus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eligibility</strong></td>
<td>Utilities in rural areas</td>
<td>Not limited to utilities but they have to serve rural areas (E.g. subsidiaries of utilities)</td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
<td>To help utilities manage their system load growth or a more beneficial load profile</td>
<td>To help rural families &amp; rural small businesses reduce energy costs or consumption</td>
</tr>
<tr>
<td><strong>Interest Rate</strong></td>
<td>US treasury rate + 1/8&lt;sup&gt;th&lt;/sup&gt; %</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Interest Rate to Borrower</strong></td>
<td>US treasury rate +borrowers interest rate from RUS +1.5%</td>
<td>3% or lower</td>
</tr>
<tr>
<td><strong>Mark-up to end user</strong></td>
<td>Capped at 1.5%, waived on case by case basis</td>
<td>Capped at 3%</td>
</tr>
<tr>
<td><strong>Advances</strong></td>
<td>Reimbursable</td>
<td>May or may not be reimbursable</td>
</tr>
<tr>
<td><strong>Loan term</strong></td>
<td>15 years or useful life of equipment</td>
<td>Up to 20 years</td>
</tr>
<tr>
<td><strong>Acceptable financial structures/ investments</strong></td>
<td>On bill, on bill-tariff based structures, direct investments in the utility’s system</td>
<td>Only for re-lending like in tariff charge, on-bill, PACE programs, traditional consumer loans (line item in the electric bill)</td>
</tr>
<tr>
<td><strong>RUS Cushion of Credit Account</strong></td>
<td>Available</td>
<td>Not available</td>
</tr>
</tbody>
</table>
Rural Energy for America Program (REAP) provides Grants and Guaranteed Loan funding for Renewable Energy System Installations and Energy Efficiency Improvements for Agriculture Producers and Rural Small Businesses.
Agenda

• Rural Energy Savings Program 2018
  • Loan Purpose and Authority
  • Eligibility
  • Application Process
  • Eligible Activities
  • Environmental Review
  • Loan Conditions
  • NEW! – Manufactured Home Replacement
Loan Purpose and Authority

**RESP (Direct RUS Loan)**

- Help rural families and small businesses achieve cost savings through loans that would enable them to implement durable cost-effective energy efficiency measures.
- The Agricultural Act of 2014
Eligibility

 RESP

• any public power district, public utility district, or similar entity, or any electric cooperative that borrowed and repaid, prepaid, or is paying an electric loan made or guaranteed by RUS;

• any entity primarily owned or controlled by 1 or more entities described before; or

• any other entity that is an eligible borrower of RUS, as determined by 7 CFR 1710.101.

1710.101 Types of Eligible Borrowers

Those that provide:

1) The retail electric service needs of rural areas, or
2) The power supply needs of distribution borrowers...
Program Evolution

- Loan History
- Loan Size
- Funding Availability
Representative programs

- NOPEC – Businesses
- Reliable – Solar for energy cost reduction
- KW Savings- Help My House Program
Why we have RESP?
To help rural families and small businesses achieve cost savings through loans that would enable them to implement durable cost-effective energy efficiency measures.

How do we help rural families and small businesses achieve cost savings?

Rural Energy Savings Program- Direct Loan

RUS

0% for up 20 yrs.

Eligible Borrower

$ Loan @ 3% or less for up to 10 yrs.

Consumer for EE Measures @ eligible consumer facilities
2018 RESP Application Process

Publication of NOFA
August 6, 2018

Applicants

Letter of Intent

Applications (by invitation only)

Complete Application

RUS Application Review

Conditional Commitment Letter

RESP Borrower

RUS Pre-screening

Open until September 30, 2019

60 business days
RESP Eligible Activities (NOSA Section E(d))

i. Lighting Improvements (Residential and commercial)
ii. HVAC Systems
iii. Building Envelope Improvements
iv. Water Heaters
v. Compressed Air Systems
vi. Motors
vii. Boilers, Dryers, Heaters and process related equipment
viii. Energy Audits
ix. On or Off Grid Renewable Energy Systems
x. Energy Storage Devices
xi. Energy Efficient Appliance Upgrades
xii. Irrigation or Water and Waste Disposal System Efficiency Improvements
xiii. Replacement of Manufactured Homes
xiv. Other Activities and investments directly related to Energy Efficiency Implementation
Some Activities Listed as Cat Ex

### Air Flow Efficiency - Interior - Add/Replace
- Air Destratification
- Airflow and fan speed reduction
- Ductwork system with centrifugal or vane axial fans
- Enclosed high-velocity fan
- Improve design and balance of duct system
- Increase pipe insulation
- Install local ventilation and makeup air hoods
- Open propeller fans
- Reduce Ventilation Loads
- Reduce ventilation rate to minimum
- Variable-air-volume (VAV) system to reduce fan energy use

### Cooling System - Interior - Add/Replace
- Improve Cooling Efficiency
- Increase chilled water design temperature
- Increase Condensing Efficiency
- Increase Condensing Unit Efficiency
- Install Double-Bundle Chillers
- Install High-Efficiency Compressor
- Install More Efficient Cooling System
- Install Refrigerated Space Doors or Curtains
- Lower condenser water design temperature
- Multiple Compressors and Controls for Air Conditioning Systems
- Optimize cooling tower flow controls
- Parallel unequal reciprocating compressor
- Reciprocating compressor
- Rotary compressor
- Screw compressor
- Use multiple chillers and optimization controls
RESP Loan Conditions

• 20 Year Maximum Loan Term
• 10 Year Advance (Draw) Period
• Up to 4% for startup
• No more than 50% draw in any one year
• Must start repayment at 10 years
• Rurality (Currently 20,000 per census tract, but if any of the current service area is rural, all service areas are eligible)
• Equipment/materials must be ATTACHED to a dwelling/building/property
**RESP Changes for 2018**

- Notice Period Open through September 2019, or until all funds are exhausted

- Addition of:
  - Replacement of Manufactured Homes (if determined to be more energy efficient)

- Applicants are encouraged to consider projects that provide measurable results in helping rural communities build robust and sustainable economies through strategic investments in **infrastructure, partnerships and innovation**.
Manufactured Home Replacement
This is Eligible!
Manufactured Home Replacement
This is Not!
Manufactured Home Replacement

While this is a modular home, it is not eligible.
Is eligible IF replacement would be more cost effective in saving energy

HUD Standards (1994)

Newer homes – case by case
Questions?

RUS Electric Program GFR Link: [https://www.rd.usda.gov/contact-us/electric-gfr](https://www.rd.usda.gov/contact-us/electric-gfr)

**USDA Rural Development is committed to the future of rural communities.**

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