USDA Rural Development- Opportunities for Energy Funding

• About Rural Development
• Rural Energy for America Program (REAP)
• Electric Infrastructure Loan and Loan Guarantee Program
• Rural Energy Savings Program
About USDA Rural Development

• We offer loans, grants and loan guarantees to:
  • help create jobs
  • support economic development
  • finance essential services
  • finance water, electric and communications infrastructure.

In rural America
USDA- DOE Memorandum Of Understanding

Promotes rural energy and new energy-related technologies for rural and agricultural communities

• Facilitates energy-related investments
• Encourages innovation
• Streamlines program resources
• Provides technical assistance to rural communities
• Strengthens the energy-related infrastructure
Rural Energy for America Program (REAP)

Promotes energy efficiency and development of renewable energy for agricultural producers and rural small businesses.

Provides loan guarantees and grants for energy efficiency improvements and renewable energy systems.
Eligible Applicants and Borrowers

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 ≤ 50,000
## Rural Energy for America Program (REAP)

<table>
<thead>
<tr>
<th>Renewable Energy Systems</th>
<th>Energy Efficiency Improvements</th>
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<tbody>
<tr>
<td>Grant amount cannot exceed 25% of Eligible Project Cost</td>
<td></td>
</tr>
<tr>
<td><strong>Minimum Grant Request</strong></td>
<td><strong>Minimum Grant Request</strong></td>
</tr>
<tr>
<td>$2,500</td>
<td><strong>Total eligible project costs &gt; $10,000</strong></td>
</tr>
<tr>
<td><strong>Maximum Grant Request</strong></td>
<td><strong>Maximum Grant Request</strong></td>
</tr>
<tr>
<td>$500,000</td>
<td><strong>Total eligible project costs &gt; $2 million</strong></td>
</tr>
<tr>
<td><strong>Minimum Loan Amount</strong></td>
<td><strong>Minimum Loan Amount</strong></td>
</tr>
<tr>
<td>$5,000</td>
<td><strong>Total eligible project costs &gt; $6,667</strong></td>
</tr>
<tr>
<td><strong>Maximum Loan Amount</strong></td>
<td><strong>Maximum Loan Amount</strong></td>
</tr>
<tr>
<td>$25 million</td>
<td><strong>Total eligible project costs &gt; $33.4 million</strong></td>
</tr>
</tbody>
</table>
## Improve Profits for Your Farm or Ranch with REAP

<table>
<thead>
<tr>
<th>Energy Efficiency</th>
<th>Renewable Energy</th>
</tr>
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<tbody>
<tr>
<td>Lighting</td>
<td>Solar</td>
</tr>
<tr>
<td>Heat &amp; Power</td>
<td>Wind</td>
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<tr>
<td>Refrigeration</td>
<td>Small Hydroelectric</td>
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<tr>
<td>HVAC</td>
<td>Anaerobic Digesters</td>
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<tr>
<td>Equipment and Processes</td>
<td>Biomass</td>
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<tr>
<td>Automated Controls</td>
<td>Geothermal</td>
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<tr>
<td>Buildings Updates</td>
<td>Wave/Ocean Power</td>
</tr>
</tbody>
</table>

The technology must be commercially available. Research and development projects do not qualify.
## Electric Infrastructure Loan and Loan Guarantee Program

<table>
<thead>
<tr>
<th>Program</th>
<th>Program Purpose</th>
<th>FY19 Funds Appropriated</th>
</tr>
</thead>
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<tr>
<td><strong>FFB Guaranteed</strong></td>
<td>Loans to finance new and improved infrastructure in communities, including energy efficiency and smart grid.</td>
<td>$5.5 Billion</td>
</tr>
<tr>
<td><strong>Section 313A</strong></td>
<td>Provides financing to lenders through underwriting guarantees for RE Act purposes</td>
<td>$750 million</td>
</tr>
<tr>
<td><strong>Rural Energy Savings Program</strong></td>
<td>Zero interest loans to entities that agree to make affordable loans (up to 5% interest) to implement cost effective energy efficiency measures</td>
<td>$100+ million</td>
</tr>
<tr>
<td><strong>High Energy Grants</strong></td>
<td>Assists energy providers and other eligible entities in lowering energy cost with extremely high per-household energy cost (275% of the national average)</td>
<td>$10 million</td>
</tr>
</tbody>
</table>
Electric Infrastructure Loan and Loan Guarantee Program

Eligible Purposes

• Finance the construction of:
  • Electric distribution, transmission, and generation facilities
  • System improvements and replacement required to furnish and improve electric service in rural areas,
  • Demand side management, energy efficiency & energy conservation programs.
  • On-grid and off-grid renewable energy systems.

• To provide or propose to provide:
  • Retail electric service needs of rural areas
  • Power supply needs of distribution utilities
Electric Infrastructure Loan and Loan Guarantee Program

Eligible Borrowers

- Corporations
- States
- Territories (and their subdivisions and agencies)
- Municipalities
- People's utility districts;
- Cooperative
- Non-profits,
- Limited-dividend and LLCs
Rural Energy Savings Program- Direct Loan

Eligible Borrower

Consumer for EE Measures @ eligible consumer facilities

RUS

Loan @ 5% or less for up to 10 yrs.

0% for up to 20 yrs.
Who Can Participate?

- 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.
RESP Loan Highlights

- 20 Year Maximum Loan Term
- 10 Year Advance (Draw) Period
- 0% Interest rate to the RUS borrower
- RUS borrower can charge up to 5% to the customer
- Up to 4% advance for startup
- No more than 50% draw in any one year
- Must start repayment at 10 years
- Energy Efficiency measures must be ATTACHED to a dwelling/building/property

This is a BEHIND THE METER loan program
Eligible Activities

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
USDA Energy Resources

USDA Energy Program Matrix
http://www.usda.gov/energy/matrix/Home
https://www.rd.usda.gov/programs-services/all-programs/electric-programs

• Provides information on USDA programs that support, electric infrastructure, renewable energy and energy efficiency projects.

• The map displays investment location, type of energy, assistance provided, and the associated USDA program.

• The energy investment data is summarized by state, county, and congressional districts by total number of investments and total dollar amounts.
Questions?

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

USDA Rural Energy Savings Program Link:
https://www.rd.usda.gov/programs-services/rural-energy-savings-program

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Together, America Prospers