



Rural Energy for America Program (REAP)



Rural Development

U.S. DEPARTMENT OF AGRICULTURE

Rural Business- Cooperative Service

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Rural Energy for America Program (REAP)

What does this program do?

Purpose

Allow rural small businesses and agricultural producers make energy efficiency improvements or develop energy generation projects to replace energy costs for their operations

Who is Eligible?

Rural Small Businesses



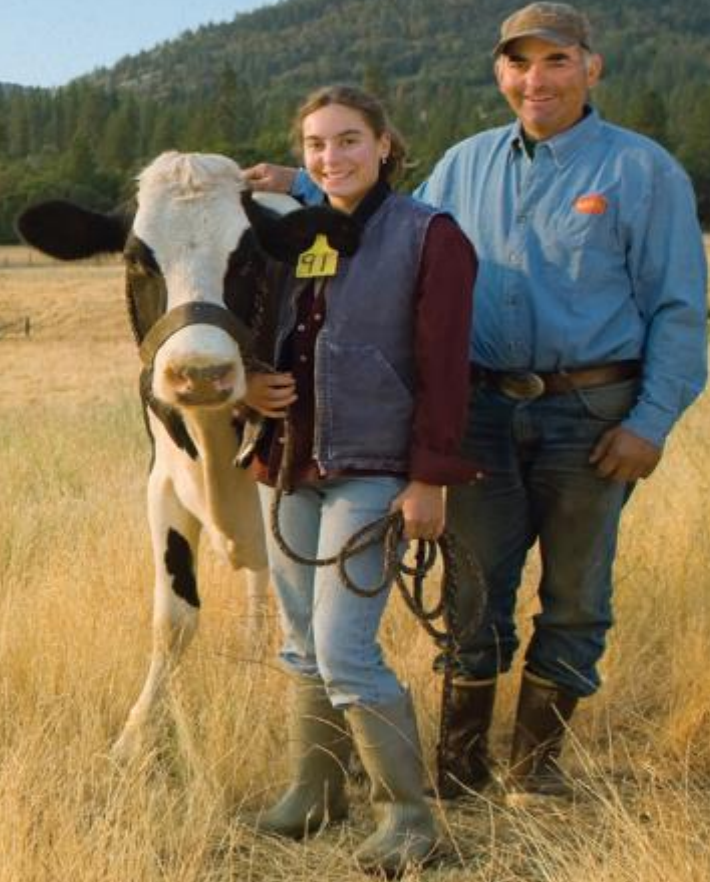
Rural Small Business: Eligibility

An entity that meets SBA size standards AND one of the following:

- Private for-profit entity
- A cooperative
- An electric utility
- A tribal corporation or other tribal business entity

*Located in a rural area or non-metro community of $\leq 50,000$

Agricultural Producers



Agricultural Producer: Eligibility

An individual or entity that receives 50 percent or more of their gross income from agricultural operations:

- | | |
|---|---|
| <ul style="list-style-type: none">• Crops• Livestock• Aquaculture | <ul style="list-style-type: none">• Forestry operations• Nurseries• Dairies |
|---|---|

*Located in a rural or non-rural areas

How to Determine Geographic Eligibility

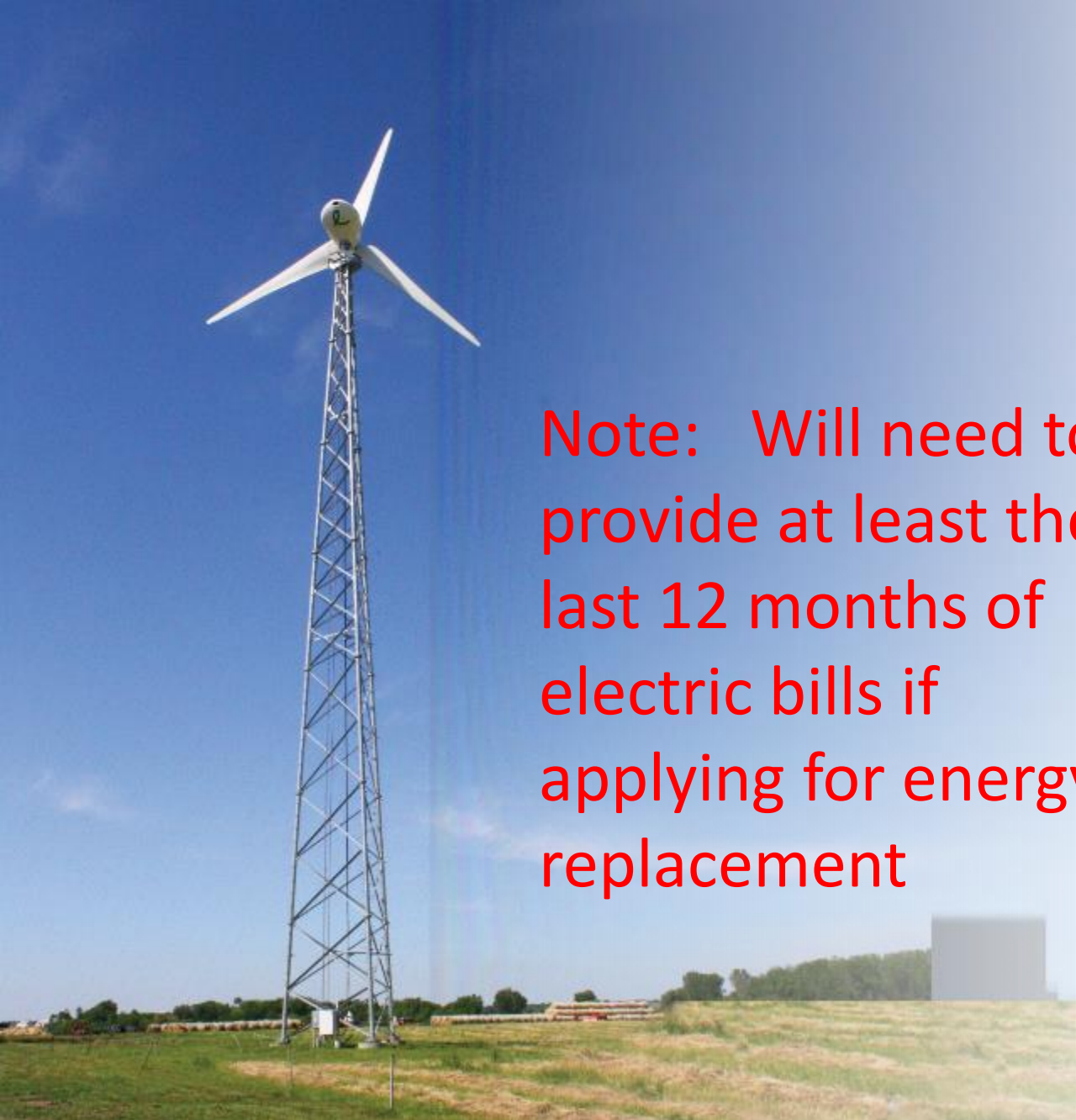
<https://eligibility.sc.gov.usda.gov/eligibility/welcomeAction.do>

Click Rural Business tab

Click the first category of programs

Search the map for your address

What Types of Projects are Eligible Under REAP?



Note: Will need to provide at least the last 12 months of electric bills if applying for energy replacement

Renewable Energy Eligible Projects



Solar



Wind



Small Hydroelectric
(below 30 megawatts)



Anaerobic Digesters



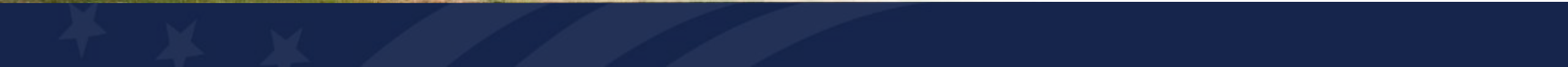
Biomass



Geothermal



Wave/Ocean Power



Energy Efficiency Eligible Projects



Lighting



Heating



Cooling



Ventilation



Fans



Automated Controls



Insulation

***Note: The improvements must be specified in an energy assessment or energy audit



Additional Requirements

An environmental needs to be completed for each REAP project

Given this, do not start your project until USDA Rural Development has evaluated the site---starting without clearance could cause your project to be deemed ineligible



REAP Project Examples

Renewable Energy System (RES) Solar Array



Veterinary Hospital

Rooftop solar panels

- \$148,050 Total Project Cost
- \$20,000 REAP Grant
- \$128,050 Applicant Contribution



30-40% reduction in operating expenses

Renewable Energy System (RES) Solar Array



Electric Cooperative

Community solar project

- \$784,792 Total Project Cost
- \$20,000 REAP Grant
- \$764,791 Applicant Contribution



Production of 443 mWh
annually

Renewable Energy System (RES) Geothermal



Grocery Store

Geothermal heat

- \$198,600 Total Project Cost
- \$49,650 REAP Grant
- \$148,950 Commercial Loan

40% reduction in energy costs



Energy Efficiency Improvement (EEI) Equipment Upgrade



Laundromat & Dry Cleaners

Washer & Dryer Replacement

- \$42,040 Total Project Cost
- \$10,510 REAP Grant
- \$31,531 Dealer Financing



52% energy savings, improved customer experience

Energy Efficiency Improvement (EEI) Lighting & Cooling



Rural Assembly Manufacturer

Lighting replacement

- \$78,511 Total Project Cost
- \$19,695 REAP Grant
- \$58,816 Applicant Funds

 50% reduction in electric bill



Grocery Store

Cooler door replacement

- \$41,363 Total Project Cost
- \$8,827 REAP Grant
- \$2,950 Electric Co-op Rebate

 Savings of \$500 per month

Energy Efficiency Improvement (EEI) Heating & Cooling



Flower & Gift Shop

HVAC and insulation upgrades

- \$34,509 Total Project Cost
- \$8,627 REAP Grant
- \$17,200 REAP Guarantee
- \$8,682 Applicant Contribution



60% energy savings, retained
store front on community's Main
Street

What is NOT eligible?

Use of Funds

✓ 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**

Use of Funds

****We cannot reimburse costs incurred before you submit a complete application to USDA Rural Development

**What does incurred mean?

--A check dated/written for costs before a complete application is submitted to USDA Rural Development---or where equipment is delivered and installed

**Down-payments are ok as long as they are specified in the application—but the costs are still not eligible

Types of REAP Funding

REAP Financial Assistance Types

Grants



Loan Guarantees

Combination Grant/Loan Guarantees



Funding Requirements for REAP Grants

Up to 50%*
of Eligible Project Costs

 Renewable Energy Systems		 Energy Efficiency Improvements	
Minimum Total Project Cost	\$10,000	Minimum Total Project Costs	\$6,000
Maximum Grant Request	\$1,000,000	Maximum Grant Request	\$500,000

*Must meet requirements to be eligible for 50%.

*Maximum financing for loan/grant combo is 75% of eligible project cost.

Funding Requirements for REAP Guaranteed Loans

Guaranteed Loan Amount

Minimum Request

\$5,000

Maximum Request

\$25,000,000



2022 REAP | Inflation Reduction Act (IRA) Funding: Background



The Rural Energy for America Program was funded with an additional \$2.02 billion dollars over the next decade to invest in over 45,000 farms and small businesses



Investment

- \$1.7 Billion for REAP
- \$304 Million for underutilized technologies and technical assistance

Underutilized Renewable Energy Technologies

NEW Underutilized Renewable Energy Technology Set-Aside \$144,750,000

- Technologies which do not produce greenhouse gases at the project level
(*Carbon Dioxide (CO₂), Methane (CH₄) Nitrous Oxide (N₂O), Fluorinated Gases*)

AND

- Technologies that make up less than 20% of total grant dollars obligated at the end of the fiscal year two years previous to current year. (*Example: FY24 uses FY22 obligation data*)

Additional Competitions

Six quarterly competitions through September 2024. 1st application window opens April 1, 2023:

June 30, 2023 1st quarterly competition closes. Next round opens July 1

Sept 30, 2023 2nd quarterly competition closes. Next round opens Oct 1

Dec 31, 2023 3rd quarterly competition closes. Next round opens Jan 1

March 31, 2024 4th quarterly competition closes. Next round opens April 1

June 30, 2024 5th quarterly competition closes. Next round opens July 1

Sept 30, 2024 6th quarterly competition closes.

How to Apply: Resources

WEBSITE:

<https://www.rd.usda.gov/programs-services/energy-programs/rural-energy-america-program-renewable-energy-systems-energy-efficiency-improvement-guaranteed-loans/ia#to-apply>

This page lists program grant writers, energy consultants and auditors

Can also find the Fact Sheet and Federal Register Notice at this website



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