

United States Department of Agriculture

#### **Rural Development**

Presented by Laurette Tucker

#### RURAL ENERGY FOR AMERICA PROGRAM Rural Business and Cooperative Programs November 30, 2017

#### RENEWABLE ENERGY FOR AMERICA PROGRAM – SECTION 9007

- This program is intended to provide a way that small businesses and agricultural producers can contribute towards our National goals of energy reduction/conservation and reducing our dependency on foreign energy sources
- This can be accomplished through a renewable energy system OR an energy efficiency improvement project.

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

| Eligible Technologies     |                    |  |                     |  |  |
|---------------------------|--------------------|--|---------------------|--|--|
| Energy Efficiency (AUDIT) |                    | Renewable Energy   |                     |  |  |
|                           | Lighting           | $\Diamond$   | Solar               |  |  |
| õ                         | Heating            | 11. AN   | Wind                |  |  |
| Ĩ                         | Cooling            | ۵  | Small Hydroelectric |  |  |
| ¥ ¥ ¥                     | Ventilation        | ¥  | Anaerobic Digesters |  |  |
| •••                       | Fans               |  | Biomass             |  |  |
|                           | Automated Controls | <u><u><u></u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u></u> | Geothermal          |  |  |
| <u></u>                   | Insulation         |  | Wave/Ocean Power    |  |  |

### **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**

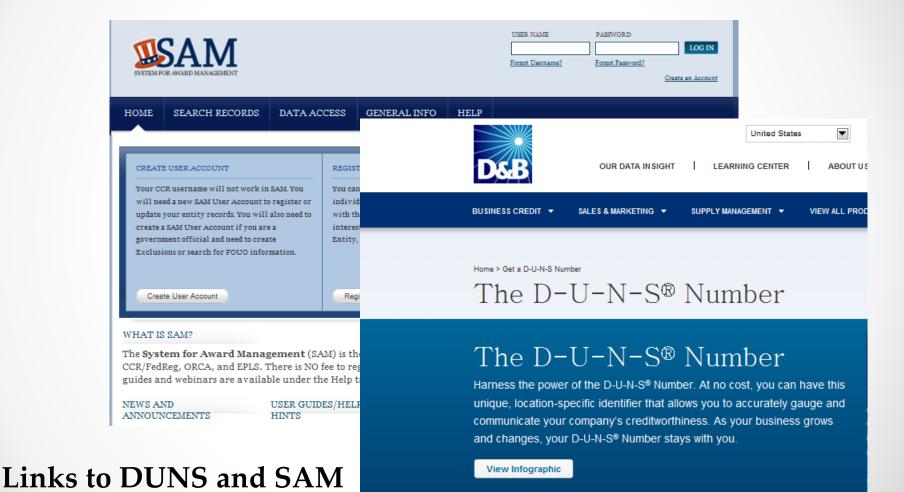




- Privately owned for-profit small business - as defined by the Small Business Administration (SBA)
- Rural area or non-metro community of < 50,000

### **APPLICANT ELIGIBILITY**

- Must be a citizen of the U.S.
- Must not have federal judgments or delinquent federal taxes
- Must have a DUNS number
- Must have a SAMs registration
- Applicant must own the system and control the operation and maintenance of the project
- Applicant must show adequate revenues for Operation & Maintenance





### S Ineligible Project Costs

- Equipment:
  - Purchase & installation
  - New, refurbished, or remanufactured equipment
- Post-application construction & facility improvements integral to the renewable energy or energy efficiency project
- Professional service fees
- Permits & license fees
- Retrofitting
- Working capital, land acquisition (Guarantee ONLY)

- Residential energy projects
- Equipment:
  - Farm tillage equipment
  - Used equipment
  - Vehicles
- Pre-application construction & facility improvements; repairs or operating costs
- 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

| Renewab       | le  | Energy Efficiency |  |  |
|---------------|---|-------------------|--|--|
| Energy S      | ystems  | Improvements      |  |  |
| Minimum       | <b>\$2,500</b>                                  | Minimum           | <b>\$1,500</b>                                 |  |
| Grant Request | Total eligible project $costs \ge $10,000$      | Grant Request     | Total eligible project $costs \ge $6,000$      |  |
| Maximum       | <b>\$500,000</b>                                | Maximum           | <b>\$250,000</b>                               |  |
| Grant Request | Total eligible project $costs \ge $ \$2 million | Grant Request     | Total eligible project $costs \ge \$1$ million |  |

#### **REAP Guaranteed Loan Assistance**

## Up to 75% of Eligible Project Costs

| Minimum Loan | <b>\$5,000</b>   |
|--------------|--|
| Amount       | Total eligible project costs $\geq$ \$6,667  |
| Maximum      | <b>\$25 million</b>  |
| Loan Amount  | Total eligible project costs ≥ \$33.4 million  |
| Details      | <ul> <li>USDA guarantees a commercial loan; applicant must<br/>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> |

### How to Apply

- Contact the USDA Rural Development Energy Coordinator in your state for application materials and resources: http://www.rurdev.usda.gov/BCP\_Energy\_ CoordinatorList.html
- Submit applications any time of year October 31<sup>st</sup> and March 31<sup>st</sup>
- Applications compete for funding based on project score
- Funding selections are made twice per year

# **Application Forms**

- SF 424, SF 424-C and SF 424-D
- RD 4280-3A (\$80,000 or less project cost)
- RD 4280-3B (more than \$80,000 to \$200,000 or less)
- RD 4280-3C (more than \$200,000)
- Energy Assessment or Audit for Energy Efficiency Projects (Audit required for projects >\$80,000

# **Application Forms (cont.)**

- Feasibility Study by independent 3<sup>rd</sup> party for RES projects over \$200,000
- AD-3030 for all applicants except sole proprietors
- Matching Funds Documentation (not required but encouraged)
- DUNS # and Cage Code (SAM)

<u>Criteria 1 Sub-Criteria i</u> - Energy Generated or Saved per REAP Grant Dollar Requested – Up to 10 Points maximum

> (Energy Generated/Saved in BTU'S / REAP Grant Requested) / 50,000) X 10

<u>Criteria 1, Sub-Criteria ii(a)</u> – Quantity of energy replaced, saved or generated – (RES Replacement) up to 15 points maximum

- Up to 25% 5 points
- Greater than 25% & less than or equal to 50% -10 points
- Greater than 50% & less than 150% 15 points
- More than 150% scored as energy generation

<u>Criteria 1, Sub-Criteria ii(b)</u> - For (EEI Energy Saved) – up to 15 points maximum

- 20% to 35% of current usage 5 points
- Greater than 35% & less than or equal to 50% -10 points
- Greater than 50% 15 points,

### Scoring Criteria <u>Criteria 1, Sub-Criteria ii(c)</u> - For RES Energy Generation – 10 points

<u>Criteria 2 - Environmental Benefits-</u>up to 5 points

- Provides benefit to 1 of 3 impact areas 1 points
- Provides benefit to 2 of 3 impact areas 3 points
- Provides benefit to 3 of 3 impact areas 5 points

<u>Criteria 3</u> - <u>Commitment of Funds</u> - up to 20 points

- Less than 50% 0 points
- Greater than 50% determined by the formula: (% of documented match above 50% / 50%) x 20
- 100% 20 points

<u>Criteria 4</u> – <u>Size of Rural Small Business or</u> <u>Agriculture Producer compared to SBA Size</u> <u>Standards</u> – Maximum of 10 points

- 33.33% or less 10 points
- Over 33.33% to 66.67% 5 points
- Over 66.67% 0 points

<u>Criteria 5 – Previous grantees and borrowers</u>up to 15 points

- Never received grant or loan 15 points
- <u>Not</u> received grant or loan with the 2 previous fiscal years - 10 points
- Received grant or loan with the 2 previous fiscal years - 0 points

<u>Criteria 6</u> – <u>Simple Payback for RES</u> – up to 15 points

- Less than 10 years 15 points
- 10 to less than 15 years 10 points
- 15 to 25 years 5 points

<u>Criteria 6</u> – Simple Payback for EEI – up to 15 points

- Less than 4 years 15 points
- 4 to less than 8 years 10 points
- 8 to 12 years 5 points

<u>Criteria 7 – State Director and Administrator Points – up to 10</u>

points. A State Director, for its State allocation under this subpart, or the Administrator, for awards from the National Office reserve, may award points if the application is for:

- i.) An under-represented technology,
- ii.) If selecting the application would help achieve geographic diversity,
- iii.) The applicant is a member of an unserved or under-served population,
- iv.) Selecting the application helps further a Presidential Initiative or a Secretary of Agriculture priority,
- v.) The proposed project is located in an impoverished area, has experienced long-term population decline, or loss of employment.

#### **POST AWARD CONDITIONS**

- Approved applicants must enter into a grant agreement with USDA Rural Development
- Grantees must adhere to the uses of the grant funds as contained in the application
- The system must be operational for at least 30 days before you can be reimbursed with grant funds
- Must maintain an active SAMs Registration throughout the period of the grant
- Must provide annual reports for 3 years for a renewable energy system and 2 years for an energy efficiency improvement project

### Franjilou Farms



40 kW Ground-Mounted Solar Mount Crawford, VA



12.4 kW Roof-Mounted Solar Purcellville, VA

#### Glebe Farm



Grain Dryer Replacement Brandy Station, VA

#### **Daniel Horning**



Poultry House Replacement Mount Solon, VA In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs).

Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint\_filing\_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410;

(2) fax: (202) 690-7442; or

(3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.



#### **Rural Development**

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