

Rural Energy for America Program

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What is REAP?

- **Created in the 2002 Farm Bill as the Section 9006 program**
- **Revised in the 2008 Farm Bill as Section 9007, Rural Energy for America Program**



REAP – 3 programs in 1

- Energy Audits & Renewable Energy Assistance
 - State and local government, universities, and rural electric cooperatives
 - Grantees will provide audits/assistance to potential REAP applicants
- Feasibility Study grants
- Equipment & construction of renewable energy and energy efficiency projects

REAP – Part 1

EA/REDA

- Renewable Energy Development Assistance – includes site evaluation and report development for rural small businesses and agricultural producers to become more energy efficient and to use renewable energy technologies and resources.

REAP - EA/REDA

- Eligible applicants
 - Governmental (State, Tribal and Local)
 - Institutions of Higher Education
 - Electric cooperatives
 - Public power entities

REAP - EA/REDA

- Eligible Project Costs
 - Salaries related to the project (direct and indirect)
 - Travel expense related to the project
 - Office Supplies
 - Administrative Expenses (up to 5% of grant)
 - Utilities
 - Office space
 - Office equipment

REAP - EA/REDA (Application)

- SF 424, Application for Federal Assistance
- SF 424A, Budget Information – Non-Construction Programs
- SF 424B, Assurances – Non-Construction Programs
- Organizational Documents – if applicable
- Recent Audit
- Scope of Work

REAP - EA/REDA

(Scope of Work)

- Summary
- Schedule (How long will the project last?)
- Numbers of recipients to be served
- Budget – detailed budget including the matching funds. (audits - include the required 25% from rural small business or agricultural producer).

REAP - EA/REDA

(Scope of Work)

- Area to be served
- Applicant's experience with the activity proposed in the request
- Applicant's resources (people, financial and technology)
- Funding commitments (from other sources not to include the required 25% from rural small business or ag producer)

REAP - EA/REDA

(Scope of Work)

- Marketing plan
 - Project title
 - Goals of the project
 - Identified need
 - Target audience
 - Timeline and activities to be completed
 - Marketing strategies

REAP - EA/REDA

(Scope of Work)

- Method and rationale for the customers and area to be served
- How will the work be accomplished and is staff available to complete it. (in house staff or contracting)

REAP – parts 2 & 3

- **Agricultural Producers**

- Directly engaged in ag production
- 50%+ of gross income comes from ag production
- Electric Cooperatives (considered a small business as long as annual electric output is < 4 million MW hours)

- **Rural Small Businesses**

- Must meet SBA small business size standards
- Use NAICS code for industry type:
<http://www.sba.gov/size/index.html>

Eligible Projects

- **Renewable Energy Systems**

- Wind
- Solar
- Geothermal
- Biomass
- Hydro Power
- Hydrogen

- **Energy Efficiency Improvements**

- Buildings
- Industrial (Equipment)

****Replacement****

Renewable Energy

- Energy derived from a wind, solar, biomass, or geothermal source; or hydrogen derived from biomass or water using wind, solar, biomass, or geothermal energy sources
- Renewable energy system
 - A system that produces or produces and delivers usable energy from a renewable energy source.

Energy Efficiency Improvement

- Improvements to a facility, building, or process that reduces energy consumption, or reduces energy consumed per square foot.

Eligible Costs

- **This program is for bricks and mortar projects, so the majority of funds should go towards:**
 - **Post application purchase & installation of equipment**
 - **Post application construction or project improvements**



Renewable Energy Examples

- **Small wind turbine to provide power to a rural small business**
- **Wood, corn or straw burning furnace to supply heat to the farm/construction shop**
- **Anaerobic digester for 800 head dairy operation to provide methane for on-site energy requirements and to sell to the local utility**

Energy Efficiency Improvement Examples

- **Replace a grocery store's coolers and freezers with high efficiency models.**
- **Purchase a high efficiency grain dryer to replace an older dryer. Applicant could be an agricultural producer or small grain elevator.**
- **Replace old inefficient furnace in retail shop with high efficiency HVAC system.**

Common Inquiries which are INELIGIBLE

- **Residential improvements**
 - Most common request – small wind turbine to power home and farm
- **Projects for Schools, Communities or not-for-profits**
- **Landfill projects (methane gas extraction)**
- **Research and Development projects**

Types of Financial Assistance

- **Grant Only**
 - Up to 25% of total eligible costs
- **Guaranteed Loan Only**
 - Up to 75% of total eligible costs
- **Combination Grant & Guaranteed Loan (Combo)**
 - Up to 75% of total eligible costs (grant cannot exceed 25%)

Funding Limits

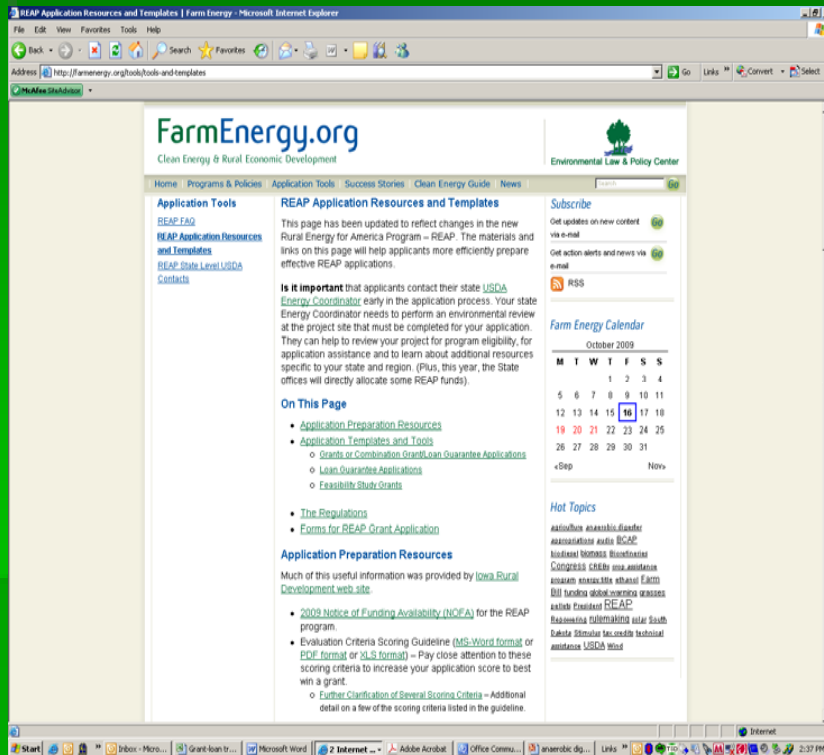
■ Renewable Energy

- Minimum grant - \$2,500
- Maximum grant - \$500,000
- Minimum loan - \$5,000
- Maximum loan – \$25 million

■ Energy Efficiency

- Minimum grant - \$1,500
- Maximum grant - \$250,000
- Minimum loan - \$5,000
- Maximum loan – \$25 million

Application Central



- Application Forms
- Tools and Resources
 - Templates
 - Checklists
 - Scoring Guideline

<http://farmenergy.org/tools/tools-and-templates>

Contact Information

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Questions?
