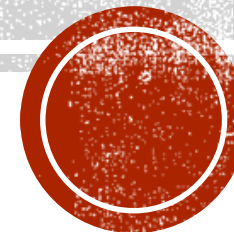


RURAL ENERGY FOR AMERICA PROGRAM

Clean Energy Economy Conference 2016

Gary Pereira – Energy Coordinator – New York

United States Department of Agriculture – Rural Development



REAP HISTORY

- Created in 2002 Farm Bill, renewed and expanded in 2008 and 2014
- Grants and/or loan guarantees for renewable energy installations and energy efficiency improvements to existing facilities or processes



ELIGIBLE PROJECTS

Renewable
Energy

- Solar
- Wind
- Biomass
- Anaerobic Digesters
- Geothermal
- Hydrogen
- Hydropower

Energy
Efficiency

- Improvements verified by an energy audit or assessment



ELIGIBLE APPLICANTS

- **Agricultural Producers**
 - At least 50% of gross income from the Ag business
 - Ag Producers do not have to be located in a rural area
- **Rural Small Businesses**
 - Rural location – USDA website
 - Must meet one of the two size standards
 - SBA Industry Size Standard
 - If the small business cannot meet the industry size standards they are eligible if tangible net worth is less than \$15 million and average net income from the previous 2 fiscal years is less than \$5 million
- **Non-profit organizations and public entities are NOT eligible**



LOAN GUARANTEES

- Guarantee loans up to 75% of the total project cost, capped at \$25 million
- Guarantee Percentages
 - 85% for loans up to \$600,000
 - 80% for loans greater than \$600,000 up to and including \$5 million
 - 70% for loans greater than \$5 million up to and including \$10 million
 - 60% for loans greater than \$10 million
- Fees
 - Guarantee Fee: 1% of the guaranteed portion
 - Annual Fee: 0.25% of the guaranteed outstanding principal balance as of 12/31
- Rates and Terms are negotiated between the borrower and lender



GRANTS

- Grants for renewable energy projects up to 25% of the total project cost
 - Minimum grant request \$2,500; Maximum grant request \$500,000 for RE projects
 - Minimum grant request \$1,500; Maximum grant request \$250,000 for EE projects
- 20% of funds are allocated to grant requests of \$20,000 or less
- Can be combined with NYSERDA and/or utility incentives/grants
- Can only be combined with other Federal grants if the total Federal grant share is 25% or less. Tax credits are not considered grants.



COMBINATION LOAN GUARANTEE / GRANT

- Maximum funding 75% of total project cost (50% loan guarantee/25% grant)
- Two applications and one technical report



ELIGIBLE COST

- Post application purchase and installation of equipment (new, refurbished, or remanufactured), except agricultural tillage equipment, used equipment and vehicles.
- Post application non-residential construction, project improvements
- Energy audits or assessments
- Permit and license fees
- Professional service fees, except for application preparation
- Feasibility studies and technical reports
- Business Plans
- Retrofitting
- Construction of a new energy efficient facility only when the facility, based on the energy audit, will provide more energy savings than improving an existing facility.
- Working capital related to the project (LG ONLY)
- Land acquisition related to the project (LG ONLY)



APPLICATION DEADLINES

- **Loan Guarantees**
 - Rolling deadline
- **Grants**
 - \$20,000 or less grant request
 - October 31
 - April 30
 - Above \$20,000
 - April 30



VIDEO

- <https://www.youtube.com/watch?v=9cDXllwlBRU>



WHERE TO FIND AN APPLICATION

- <http://www.rd.usda.gov/programs-services/rural-energy-america-program-renewable-energy-systems-energy-efficiency>



CONTACT INFORMATION

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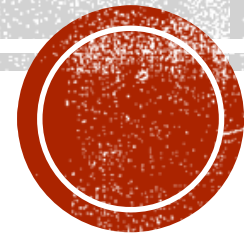
Cell 315.530.3433



COMMUNITY FACILITIES

Direct Loan and Grant Program

United States Department of Agriculture – Rural
Development



FACILITY TYPES

- City/town/village halls, public vehicles, and courthouses
- Museums, community centers, food banks, libraries, courthouses, and street improvements
- Police and fire stations, fire trucks, rescue vehicles, jails, communication centers
- Health care clinics, hospitals, nursing homes, and rehabilitation centers
- Schools, child care centers, head start centers, classrooms and dormitories



ELIGIBLE PURPOSES

- To construct, enlarge, extend, or otherwise improve essential community facilities providing essential service primarily to rural residents and rural businesses.
- Examples:
 - Solar PV system on a town hall (as long as it is replacing no more than 100% of demand)
 - Biomass boiler system for a town highway garage or hospital
 - Energy efficient improvements for a fire house



ELIGIBILITY

- An applicant must be:
 - A public body
 - Not-for-profit organization
 - Native American tribe on Federal or State reservations or other Federally recognized tribes
- The community must have a population under 20,000.
- Projects must serve a rural area
- Other Credit – Applicant unable to finance the project from their own resources or through commercial credit at reasonable rates and terms.



LOAN TERMS

- Interest Rate – 2.875% (changes quarterly)
- Terms
 - New Construction – 30 Years
 - Rehabilitation – 20 years
 - Vehicle – varies (depends on useful life, up to 15 years)



GRANT TERMS

- Grants based on
 - MHI (must be below \$51,193)
 - Total Project Cost
 - Financials
- Current grant caps:
 - Project cost less than \$100,000 - \$20,000 max
 - Project cost between \$100,000 to \$300,000 - \$30,000 max
 - Project cost more than \$300,000 - \$40,000 max



TERMS

- Grants typically are only awarded to combination projects
- CF funding can finance 100% of the project cost
- Must have construction financing setup
- No loan size limit (larger loans need to be approved in Washington DC)



CONTACT INFORMATION

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