



Rural Energy for America Program (REAP)



Rural Development
U.S. DEPARTMENT OF AGRICULTURE

USDA RD Programs

- Affordable Housing

- *Single Family Housing Direct Loans*
- *Single Family Housing Loan Guarantees*
- *Single Family Housing Repair Loans & Grants*
- ***Multi-Family Housing Direct Loans and Loan Guarantees***

- Business & Cooperative Programs

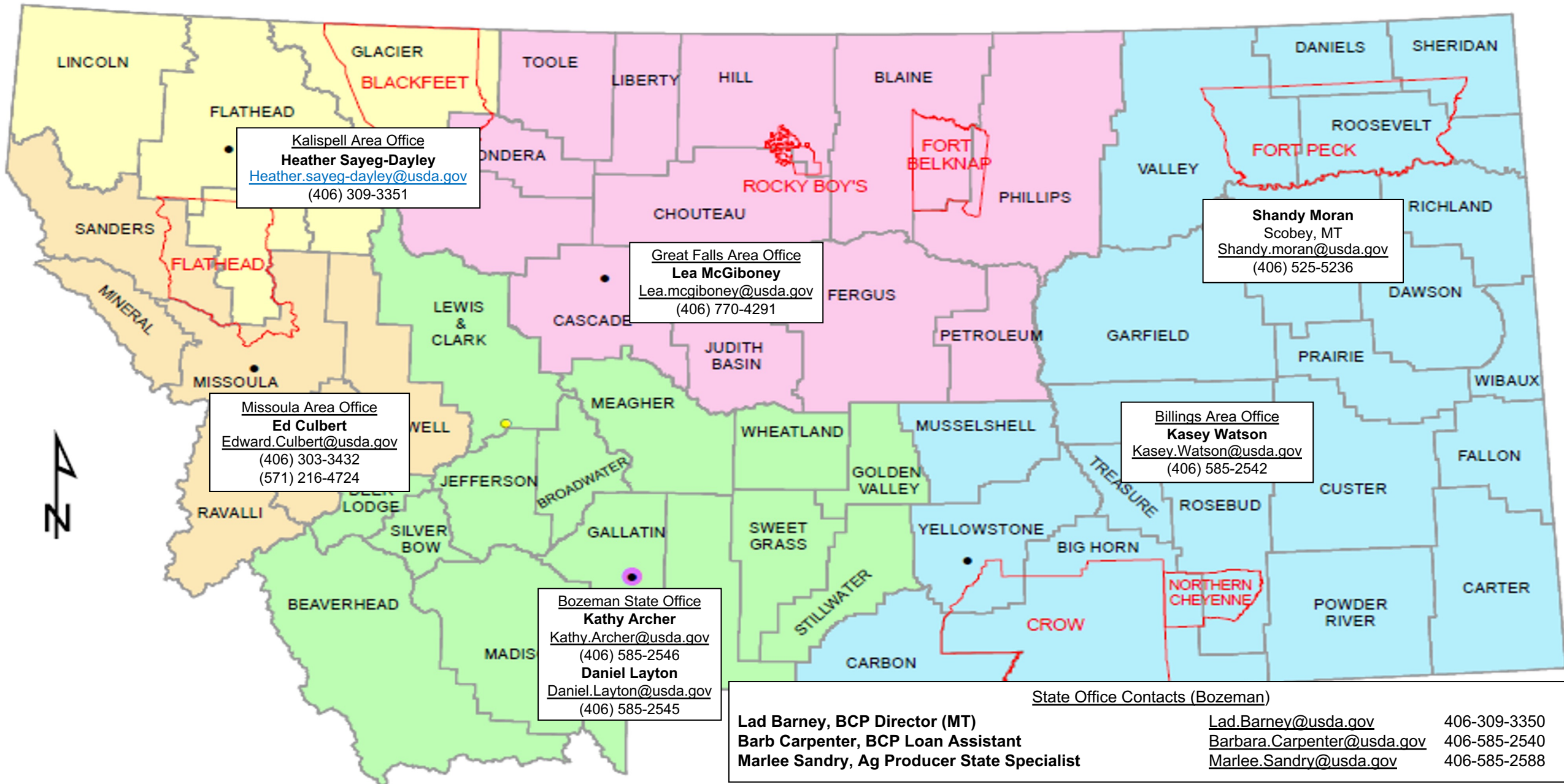
- *Business & Industry Loan Guarantees (B&I)*
- *Rural Energy for America Program Loan Guarantees & Grants (REAP)*
- *Rural Business Development Grants*
- *Intermediary Relending Program*
- *Rural Micro-entrepreneur Assistance Program*
- *Rural Economic Development Loans & Grants*
- *Rural Cooperative Development Grants*
- *Socially Disadvantaged Group Grants*
- *Value Added Producer Grant Program*
- *Bio-Energy programs*

- Community Programs

- *Community Facility Direct Loans, Loan Guarantees & Grants (CF)*
- *Water & Wastewater Disposal Direct Loans, Loan Guarantees & Grants (WEP)*




USDA Rural Development – Business and Cooperative Programs Team



Rural Energy for America Program (REAP)

Program Purpose

***Rural Energy for America Program (REAP) provides
Grants and Guaranteed Loan funding for
Renewable Energy System Installations and
Energy Efficiency Improvements for Agricultural
Producers and Rural Small Businesses***

A faint, stylized graphic of the American flag is visible in the bottom right corner of the slide. It features several white stars on a light blue background, with wavy lines representing the stripes of the flag extending from the bottom edge.

RBCS REAP | Systems, Equipment, Improvements

Available Funding

- Grants can cover up to 50% of total eligible project costs (from 25% pre-IRA)
- Loan Guarantees on loans can cover up to 75% of total eligible project costs
- **Combined** grant and loan guarantee funding can cover up to 75% of total eligible project costs

Renewable Energy Eligible Projects



Solar



Wind



Small Hydroelectric



Anaerobic Digesters



Biomass



Geothermal



Wave/Ocean Power

Energy Efficiency Eligible Projects



Lighting



Heating



Cooling



Ventilation



Fans



Automated Controls



Insulation



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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 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

Additional Competitions

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

June 30, 2023	1 st quarterly competition closes. Next round opens July 1
Sept 30, 2023	2 nd quarterly competition closes. Next round opens Oct 1
Dec 31, 2023	3 rd quarterly competition closes. Next round opens Jan 1
March 31, 2024	4 th quarterly competition closes. Next round opens April 1
June 30, 2024	5 th quarterly competition closes. Next round opens July 1
Sept 30, 2024	6 th quarterly competition closes.

***Applications may be submitted any time of the year**

What Makes a Successful REAP Application?

- 1) Do not incur project costs prior to notice of complete application
- 2) Communicate with MT RD and Vendor
- 3) Understand what type of system or improvement fits your needs
- 4) Verify Eligibility of Applicant
- 5) Verify Eligibility of Project
- 6) Technical Merit
- 7) Start UEI/SAM enrollment early!
- 8) Supply all needed documentation at initial application filing
- 9) Adhere to eligibility and procedural regulations
- 10) Be open to providing project and process feedback

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**

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.

Why Would You Choose a Guaranteed Loan with USDA?

Loan made and serviced by a lender for which the Agency and lender have entered into a lender's agreement

- Government guarantees 80% of loan if borrower defaults; mitigates risk for skyrocketing interest rates
- Opportunity to expand the scope of a renewable energy and/or efficiency project
- Loans bigger than SBA offers (up to \$25 million)
 - Can also be stacked with other USDA Guaranteed Loan programs for total of \$50 million
- Longer amortization periods available (up to 40 years)
- Lower interest rates and advantageous terms
- Property tax benefits
- Job creation and economic development in rural communities

Success Stories



Renewable Energy System

Fergus Electric, Lewistown

Community Solar System Projects



- \$310,081 Total Cost
- \$ 77,521 REAP Grant
- \$232,560 Applicant contribution

\$16,494 savings annually

We are excited to move forward on our Phase 2 solar array which will be mounted on the roof of our new truck garage. The 70kW generation facility will complement the existing 100kW ground mounted array that was completed in 2017. At Fergus Electric, our solar projects are funded by those members who choose to purchase panel(s) in support of renewable energy generation. The energy that is generated helps offset the member's bill in the form of a credit each month. The USDA REAP grants have allowed Fergus Electric members to participate in renewable energy generation while also learning the capabilities of these developing technologies. The kind and professional staff within the USDA Rural Development office have been instrumental in helping us be informed and successful in receiving the REAP grant funding. ~ Carson Sweeney, General Manager



Renewable Energy System

Turnbull Hydro, Greenfield Irrigation System, Fairfield

Two Hydroelectric Power plants

\$11,515,000 TOTAL Project Costs



- \$500,000 REAP Grant
- \$8,060,500 Guaranteed loan
- \$2,954,500 Equity Funds

Generates 13MW of energy annually

First Interstate Bank applied for a USDA Rural Development guarantee on the Turnbull Hydro LLC hydroelectric project to reduce overall risk to the bank. As a result, the loan guarantee allowed the bank to offer a more competitive interest rate and term on the guaranteed portion of the loan. The loan program has allowed the bank to strengthen its relationship with the borrower and retain a customer that could have gone somewhere else to complete the project. ~ Chad Simonson, Assistant VP, First Interstate Bank



Renewable Energy System

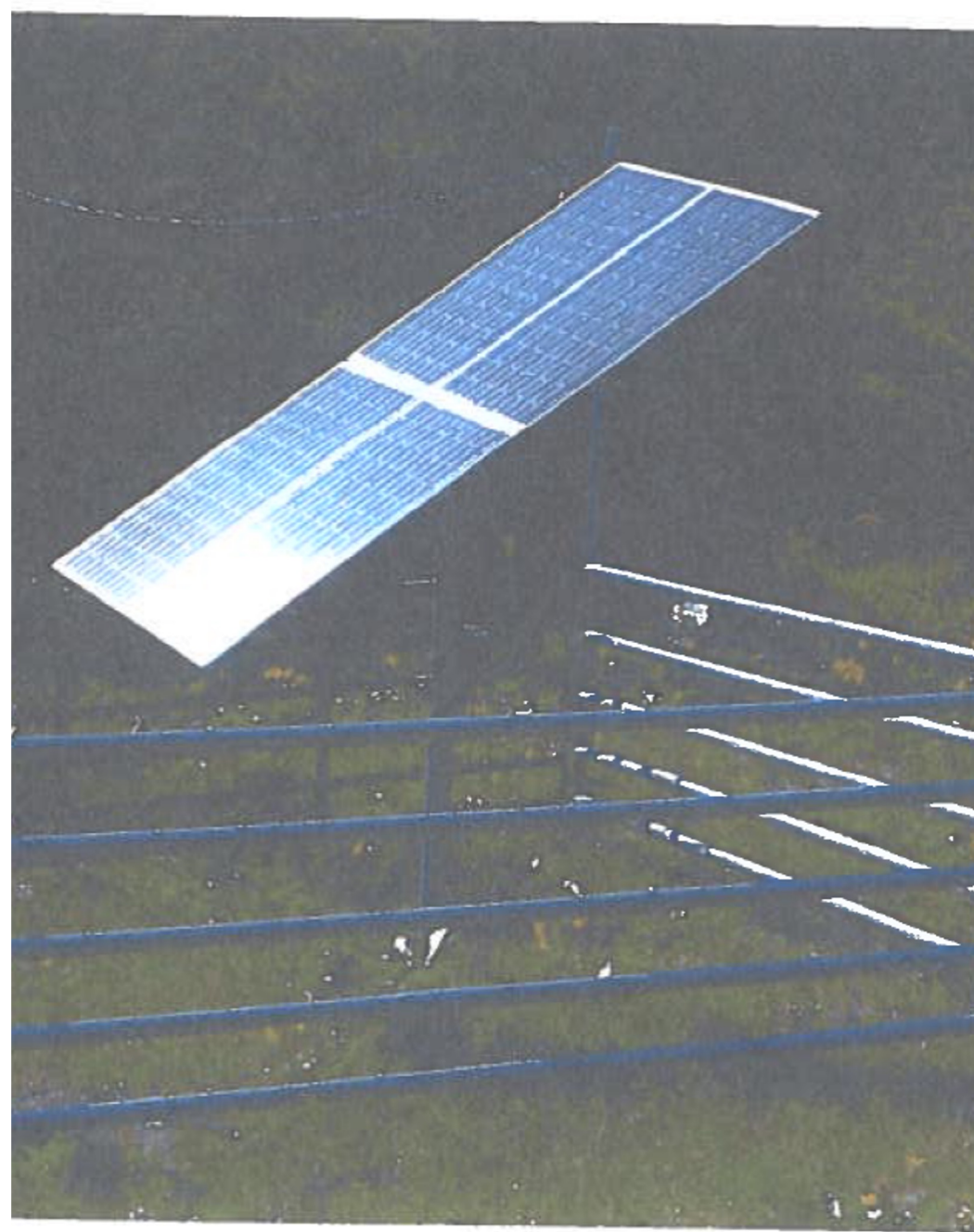
Alan Weaver, Big Sandy

Solar Powered Water Pump



- \$13,316 Total Cost
- \$ 3,329 REAP Grant
- \$9,987 Applicant contribution

Cattle now have water!



Energy Efficiency Improvement

71 Ranch, LP; Martinsdale

Diesel generator changed to electric



- \$232,423 TOTAL Project Cost
- \$ 54,506 EEI REAP Grant
- \$177,917 Applicant Funds

REAP award in two different years. Average annual savings is 689,549 kWh.



Energy Efficiency Improvements

Apple Barrel Fruit Stand, Kalispell

Windows, Doors and Freezer Replacement



- \$49,889 Total Cost
- \$12,472 REAP Grant
- \$34,000 Applicant Contribution
- \$ 3,417 IRP revolved loan funds

\$5,723 savings annually by decreasing energy consumption 52%



How to Apply: Resources

Contact the USDA Rural Development State Energy Coordinators with questions

Application packages can be found under the 'To Apply' tab on the REAP program website

Applications may be mailed or emailed to Rural Development staff or submitted through Grants.gov



Links to Resources

Grants.Gov – How to Self-Check Eligibility and Apply

<https://www.grants.gov/web/grants/applicants/apply-for-grants.html>

Montana USDA – Rural Development Website

<https://www.rd.usda.gov/mt>

REAP Website

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

UEI/SAM Registration and Guidance

<https://sam.gov/content/home>

<https://www.youtube.com/watch?v=C87wSCYKTcE>

Montana Renewable Energy Association – Vendor Directory

<http://montanarenewables.org/directory>

MT Dept. of Environmental Quality

<http://deq.mt.gov/Energy/renewableenergy/altenergyloan>

Locations of Distressed and Disadvantaged Communities Map

<https://ruraldevelopment.maps.arcgis.com/apps/webappviewer/index.html?id=4acf083be4c44bb7864d90f97de0c788>

Geographic Eligibility Map

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do;jsessionid=6UYQAoljv5BfUFIjsMRCQv3w>

Questions?



www.rd.usda.gov

USDA is an equal opportunity provider, employer, and lender.