Rural Energy for America Program (REAP)
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)
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
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
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 ≤ 50,000
Agricultural Producer: Eligibility

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

<table>
<thead>
<tr>
<th>Crops</th>
<th>Forestry operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livestock</td>
<td>Nurseries</td>
</tr>
<tr>
<td>Aquaculture</td>
<td>Dairies</td>
</tr>
</tbody>
</table>

*Located in a rural or non-rural areas*
Additional Competitions

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

- June 30, 2023 1\textsuperscript{st} quarterly competition closes. Next round opens July 1
- Sept 30, 2023 2\textsuperscript{nd} quarterly competition closes. Next round opens Oct 1
- Dec 31, 2023 3\textsuperscript{rd} quarterly competition closes. Next round opens Jan 1
- March 31, 2024 4\textsuperscript{th} quarterly competition closes. Next round opens April 1
- June 30, 2024 5\textsuperscript{th} quarterly competition closes. Next round opens July 1
- Sept 30, 2024 6\textsuperscript{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
<table>
<thead>
<tr>
<th>Eligible Project Costs</th>
<th>Ineligible Project Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equipment:</strong></td>
<td><strong>Residential energy projects</strong></td>
</tr>
<tr>
<td>Purchase &amp; installation</td>
<td></td>
</tr>
<tr>
<td>New or refurbished</td>
<td></td>
</tr>
<tr>
<td><strong>Post-application construction &amp; facility improvements</strong></td>
<td><strong>Equipment:</strong></td>
</tr>
<tr>
<td>Retrofitting</td>
<td>Farm tillage equipment</td>
</tr>
<tr>
<td>Professional service fees</td>
<td>Used equipment</td>
</tr>
<tr>
<td>Permits &amp; license fees</td>
<td>Vehicles</td>
</tr>
<tr>
<td>Working capital, land acquisition (Guarantee loan ONLY with restrictions)</td>
<td><strong>Pre-application construction &amp; facility improvements</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Application preparation or grant writer fees</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Line of credit</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Lease payments</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Payment to the applicant/business owner, beneficiary, or relative</strong></td>
</tr>
</tbody>
</table>
**Funding Requirements for REAP Grants**

Up to 50%* of Eligible Project Costs

<table>
<thead>
<tr>
<th>Renewable Energy Systems</th>
<th>Energy Efficiency Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Total Project Cost</td>
<td>$10,000</td>
</tr>
<tr>
<td>Maximum Grant Request</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Minimum Total Project Costs</td>
<td>$6,000</td>
</tr>
<tr>
<td>Maximum Grant Request</td>
<td>$500,000</td>
</tr>
</tbody>
</table>

*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
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
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

<table>
<thead>
<tr>
<th>Alan Weaver, Big Sandy</th>
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</thead>
<tbody>
<tr>
<td><strong>Solar Powered Water Pump</strong></td>
</tr>
<tr>
<td>- $13,316 Total Cost</td>
</tr>
<tr>
<td>- $3,329 REAP Grant</td>
</tr>
<tr>
<td>- $9,987 Applicant contribution</td>
</tr>
<tr>
<td>Cattle now have water!</td>
</tr>
</tbody>
</table>
**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

- **Savings:**
  - $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

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?sessionid=6UYQAoljv5BfUF1jsMRCQv3w
Questions?

www.rd.usda.gov

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