



United States Department of Agriculture

Rural Development

# Section 9007: Rural Energy For America Program (REAP)





**Purpose: To provide financial assistance in the form of grants and guaranteed loans to rural small businesses and agricultural producers for purchasing and installing Renewable Energy Systems and making Energy Efficiency Improvements**



## Eligible Applicants

- Agricultural producers (individual or entity)
  - Rural small businesses

Projects must be for a pre-commercial or commercially available and replicable technology, and must have technical merit.

Projects cannot involve residential use.

# 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



- **For-profit small business** - as defined by the Small Business Administration (SBA)
- **Rural area or non-metro community of  $\leq 50,000$**



## Eligible Area

### What is an eligible area?

Businesses must be in an area - other than a city or town - with a population of greater than 50,000 inhabitants and the urbanized area of that city or town.

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=RBSmenu&NavKey=property@13>.

Agricultural producers may be in rural or non-rural areas.



## Renewable Energy Systems

A system that produces or produces and delivers usable energy from a renewable energy source

- Solar Energy
- Wind Energy
- Biomass
- Anaerobic Digester
- Geothermal
- Hydrogen
- Flex Fuel Pumps

















## Energy Efficiency Improvements

- Improvements verified by energy audit or assessment
- Projects may include retrofitting lighting or insulation, or purchasing or replacing equipment with more efficient units in existing facilities or new facilities

Rural Development

### How may the funds be used?

Funds may be used for the purchase, installation and construction of renewable energy systems, and energy efficiency improvements

Energy Efficiency		Renewable Energy	
	Lighting		Solar
	Heating		Wind
	Cooling		Small Hydroelectric
	Ventilation		Anaerobic Digesters
	Fans		Biomass
	Automated Controls		Geothermal
	Insulation		Wave/Ocean Power

The technology must be commercially available. Research and development projects do not qualify.



Rural Development



### Eligible Project Costs

- **Equipment:**
  - Purchase & installation
  - New or refurbished
- **Post-application construction costs & facility improvements only**
- **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**



## REAP Grant Award Amounts

### Renewable Energy Projects:

**Maximum Grant \$500,000** *(Total eligible project costs  $\geq$  \$2 million)*

**Minimum Grant \$2,500** *(Total eligible project costs  $\geq$  \$10,000)*

**(No more than 25% of total eligible project costs)**

### Energy Efficiency Improvements Projects:

**Maximum Grant \$250,000** *(Total eligible project costs  $\geq$  \$1 million)*

**Minimum Grant \$1,500** *(Total eligible project costs  $\geq$  \$6,000)*

**(No more than 25% of total eligible project costs)**



Rural Development

## **REAP Combination of Grant and Loan Assistance**

- Renewable Energy Systems and Energy Efficiency Improvement funding approved for combination guaranteed loan and grant requests – will not exceed 75 % (percent) of total eligible project costs,
- The Federal grant portion will not exceed 25% (percent) of the total eligible project costs (whether the grant is part of a combination request or is a grant only).



# FY 2017 Competition Cycle

## Applications are being accepted NOW!

### FY2017 – Application Window: TBD

While the application deadlines are found in the Final Rule, the Agency will continue to identify the application deadlines in a Federal Register announcement notice published prior to the Federal fiscal year.

- Renewable Energy Systems and Energy Efficiency Improvement Grants (*grants for \$20,000 or less competing for up to 50 percent of the set aside funds*).
- Renewable Energy Systems and Energy Efficiency Improvement Grants (*grants for \$20,000 or less competing for the remaining set aside funds*)
- Renewable Energy Systems and Energy Efficiency Improvement Grants (*Unrestricted grants - and - combination grant and guaranteed loan applications*).
- Combination Grant/Loan Request



Rural Development

# REAP Guaranteed Loan Assistance

## Renewable Energy Projects:

**Maximum Guaranteed Loan \$25,000,000**

(Total eligible project costs  $\geq$  \$33.4 million)

**Minimum Guaranteed Loan \$5,000**

(Total eligible project costs  $\geq$  \$6,667)

**(No more than 75% of total eligible project costs)**

## Energy Efficiency Improvements Projects:

**Maximum Guaranteed Loan \$25,000,000**

(Total eligible project costs  $\geq$  \$33.4 million)

**Minimum Guaranteed Loan \$5,000**

(Total eligible project costs  $\geq$  \$6,667)

**(No more than 75% of total eligible project costs)**



# FY 2017 Competition Cycle

## Applications are being accepted NOW!

**FY2017 – Application Window:**  
Continuous Application Cycle

- Renewable Energy Systems and Energy Efficiency Improvement Guaranteed Loans

\*Loan must score a minimum of 50 to compete monthly

\*First monthly competition held once 8 applications on file



Rural Development

# **FY 2017 Applications are being accepted NOW!**

National Competition announced annually in  
Federal Register

***USDA Rural Development*** accepts applications for  
REAP year-round.

Texas - USDA Rural Development REAP website:

[http://www.rurdev.usda.gov/TX\\_Energy.html](http://www.rurdev.usda.gov/TX_Energy.html)



# To learn more about REAP eligibility requirements

## Contact USDA Rural Development Texas Energy Coordinators:

Vicki Tettleton, Energy Coordinator  
Phone: 940.627.3531 ext 114  
Email: [Vicki.Tettleton@tx.usda.gov](mailto:Vicki.Tettleton@tx.usda.gov)

Office Address:  
USDA Rural Development  
Decatur Area Office  
1604 W. Business 380, Suite 100  
Decatur, Texas 76234

Billy Curb, Energy Coordinator  
Phone: 254.742.9775  
Email: [Billy.Curb@tx.usda.gov](mailto:Billy.Curb@tx.usda.gov)

Office Address:  
USDA Rural Development  
101 South Main Street, Suite 102  
Business & Cooperative Programs  
Temple, TX 76502