

US EPA ARCHIVE DOCUMENT

USDA Rural Development's Rural Energy for America Program





REAP RES/EEI Projects

- **Grants**
- **Loan Guarantees**
- **Grant/Guaranteed Loan Combinations**



REAP Grants (RES & EEI Projects)

- **Finances up to 25% of the cost of a rural energy project**
- **Maximum REAP grant: \$500,000**
(**\$250,000 max for energy efficiency**)

REAP Guaranteed Loans

- **Lender-driven: federal guarantee of bank loans for energy projects**
- **\$25 million max loan amount**
- **Lender gets a 60-85% guarantee on their loan** (depending on loan size)
- **Loan can finance up to 75% of project**

REAP “Combos” (Grants & Guaranteed Loans)

- **Combination cannot exceed 75% of project cost**
- **“Combo” projects have priority access to grants**
- **“Combo” requires a willing lender**

REAP Eligible Technologies

- **Wind** – turbines, small & large
- **Solar** – PV or hot-water
- **Biomass & Bioenergy** – biofuels (e.g., biodiesel) or electricity (e.g., biomass boilers & wood pellets) from renewable organic source materials
- **Anaerobic Digester** – animal waste
- **Geothermal** – electric or direct use
- **Hydroelectric** – micro-hydro (30 megawatts or less)
- **Ocean** – proven technologies only
- **Energy Efficiency**

REAP Eligible Applicants

- **Agricultural Producers**
(50% or more of income from agriculture operation)
- **Small Rural Businesses**
(SBA size standards)

Not eligible:

- **Nonprofits & Public Entities**
- **Residential projects**

REAP Other Requirements

- **Project must be located in rural area** (non-metro)
- **Own and control project site**
- **Commercially-available technology** (not R & D or demonstration projects)
- **Project must cash flow and operate successfully**

REAP Process

(RES and EEI Projects)

- **Fiscal year 2010 completed**
- **2010 Notice of Solicitation of Applications** (Published 4/26/10, Filing Deadline 6/30/10)
- **Early submissions critical**
- **Accepting applications for 2011**

REAP Funds Available

- FY 2009 Funding = \$62.5 Million
- FY 2010 Funding = \$60 Million (Mandatory)
\$39.34 Million (Discretionary)
\$99.34 Million Total Funding
- FY 2011 & 2012 Mandatory Funding = \$70 Million



2010 State Allocation (RES and EEI)

- **\$1,075,714 - Grants > \$20,000**
- **\$683,287 - Grants \$20,000 or less**
- **\$6,290,323 - Loan Guarantee**
(Budget Authority \$857,500)

- **National Office REAP Reserve - \$18.5 million**

REAP Grants

“The Sweet Spot”

Projects with best chance of success:

- **Small renewable energy and energy efficiency projects**
 - \$20,000 or less grant request (special set aside)
 - Cost \leq \$200,000, i.e. $<$ \$50,000 grant request)
 - Energy Efficiency, Solar, small wind
 - Such projects submit simpler applications
 - No feasibility study required, less detailed Technical Report
- **Combo Grant and Loan Guarantee Projects**
 - Receive priority in consideration for grant



Past REAP Projects in California

- **Solar PV** (most popular)
- **Anaerobic Digesters**
- **Small Wind**
- **Biofuel Production**
- **Direct Geothermal**
- **Energy Efficiency** (lighting)



Contact Us

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Committed to the future of rural communities.