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” requires a 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)

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**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)
REAP Process
(RES and EEI Projects)

- 2011 Notice of Solicitation of Applications (Anticipated 3/11)
- 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
2011 State Allocation (RES and EEI)

- $698,022 - Grants > $20,000
- $418,022 - Grants $20,000 or less
- $1,443,000 - Loan Guarantee
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 ≤ $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
Past REAP Projects in California

- Solar PV (most popular) 28
- Anaerobic Digesters 1
- Small Wind
- Biofuel Production
- Direct Geothermal 1
- Energy Efficiency (lighting)
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