

**Section 9007
Rural Energy for
America
Program (REAP)**



USDA Rural Development - Iowa

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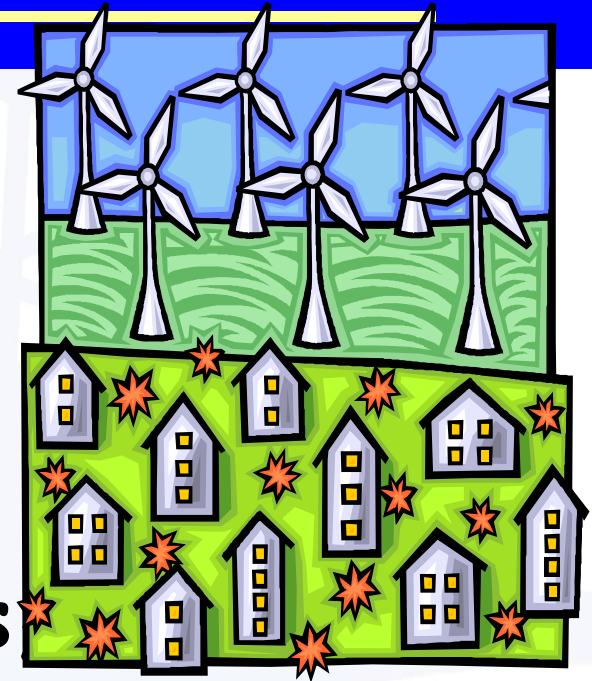
Rural Energy Coordinator

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www.rurdev.usda.gov/ia/rbs.html

What is Section 9007?

- 2008 Farm Bill
- rural small businesses
- agricultural producers
- to purchase
Renewable Energy Systems



- **Energy Efficiency** Improvements, and
- **New!** Grants for stand alone
feasibility studies.

New! - Grants for energy audit and
renewable energy assistance

Section 9007

Rural Energy for America Program

RENEWABLE ENERGY

Wind

Solar

Geothermal

Biomass

Hydrogen

Ocean

Small hydroelectric

ENERGY EFFICIENCY

Buildings

Industrial
(Equipment)

"Replacement"

Eligible Applicants for RE, EE, stand alone Feasibility studies

- Agricultural Producers

- Directly engaged in ag production
- 50%+ of gross income from ag operations

- Rural Small Businesses

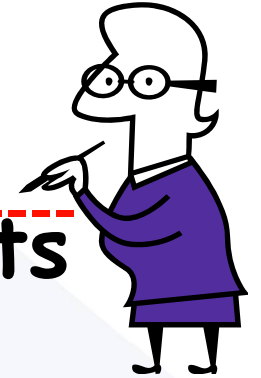
- Must meet SBA small business size standards
- Go to SBA website and locate the table of size standards



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<http://www.sba.gov/size/index.html>

Types of Financial Assistance for RE/EE projects



- Grant Only
for up to **25%** of total eligible costs
- Guaranteed Loan Only
for up to **75%** of total eligible costs
- Combination Grant and Guaranteed Loan
for up to **75%** of total eligible costs

Grants for up to 25% of total eligible costs are available for a stand alone feasibility study

Funding Guidelines	Renewable Energy	Energy Efficiency Improvements
Minimum grant <i>(no more than <u>25%</u> of total <u>eligible</u> project costs)</i>	\$ 2,500 Minimum total <u>eligible</u> project costs of \$10,000	\$ 1,500 Minimum total <u>eligible</u> project costs of \$6,000
Maximum grant <i>(no more than <u>25%</u> of total <u>eligible</u> project costs)</i>	\$ 500,000	\$ 250,000



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The minimum g-loan is \$5000 and the maximum is \$25 million

Section 9007 Eligible Costs Include:

- **Post application purchase & installation of equipment,**
(New, refurbished, or re-manufactured) except agricultural tillage equipment, used equipment and vehicles.
- **Post application construction or project improvements,** except residential.
- **Energy audits or assessments,**
- **Permit and license fees,**
- **Professional service fees,**
except for application preparation





Section 9007 Eligible Costs - Cont'd

- Business plans
- Feasibility studies & Technical reports
- Retrofitting **replacement**
- Construction of a new/energy efficient facility - same purpose, approximately same size, and based on the energy audit, provides more energy savings than improving an existing facility.
- Only costs identified in the energy audit for energy efficiency improvements are allowed.



Section 9007 Eligible Costs - Cont'd

For guaranteed loan funds only

Working capital
Land Acquisition

Are also considered eligible costs.

Eligible Applicants

Energy Audit & RE Assistance

- State, tribal or local government
- Land grant college or university or other institution of higher education
- A rural electric cooperative or public power entity
- Any other similar entity



Application Templates



✓ **Simplified** grant - \$200,000 or less

✓ **Full** grant > \$200,000

✓ **G-loan** or **Combo** - \$600,000 or less

✓ **G-loan** or **Combo** - > \$600,000

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✓ **Feasibility Study Grant**

✓ **Grant** for energy audit and renewable energy assistance

EE		RE	
Grain Dryer	280	Biomass	19
Industrial	10	Digester	2
Buildings	10	Lg. Wind	39
Total	300	Sm. Wind	12
		Lg. Solar	0
		Sm. Solar	1
		Geothermal	23
Grand Total	396	Total	96



Total Dollars to Iowa - Section 9006

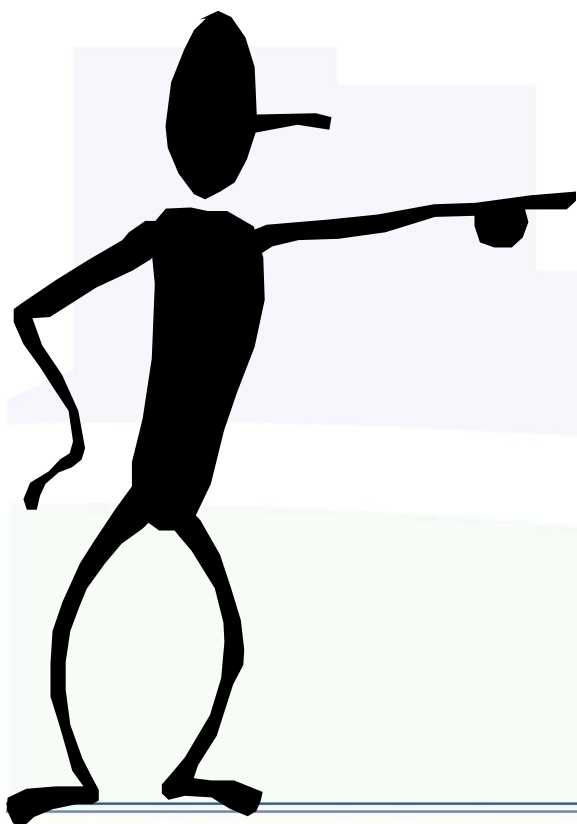
Total awards	396
Total Grant Dollars	\$23,027,112
Total Guaranteed Loan Dollars	\$28,787,424
Total Dollars to Iowa	\$51,814,937



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2002-2008

FY 09 Funding for 9007

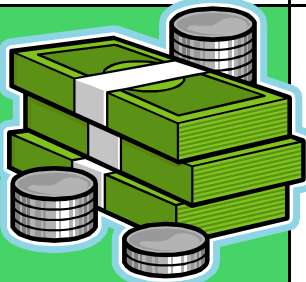


Total Mandatory Funding	\$55 million
Discretionary Funding, if approved	\$25 million



\$55 million - FY 09



4%	\$2.2 million	Energy Audit & RE assistance
20%	\$11 million	Grants of \$20,000 or less
10%	\$5.5 million	Stand alone Feasibility studies
	\$36.3 million	All other RE and EE projects

Value Added Producer Grants

- Farm or ranch based renewable energy projects eligible
- Planning grants up to \$100,000
- Feasibility studies, marketing plans, business plans, and legal evaluations
- Working capital grants up to \$300,000
- 50/50 match



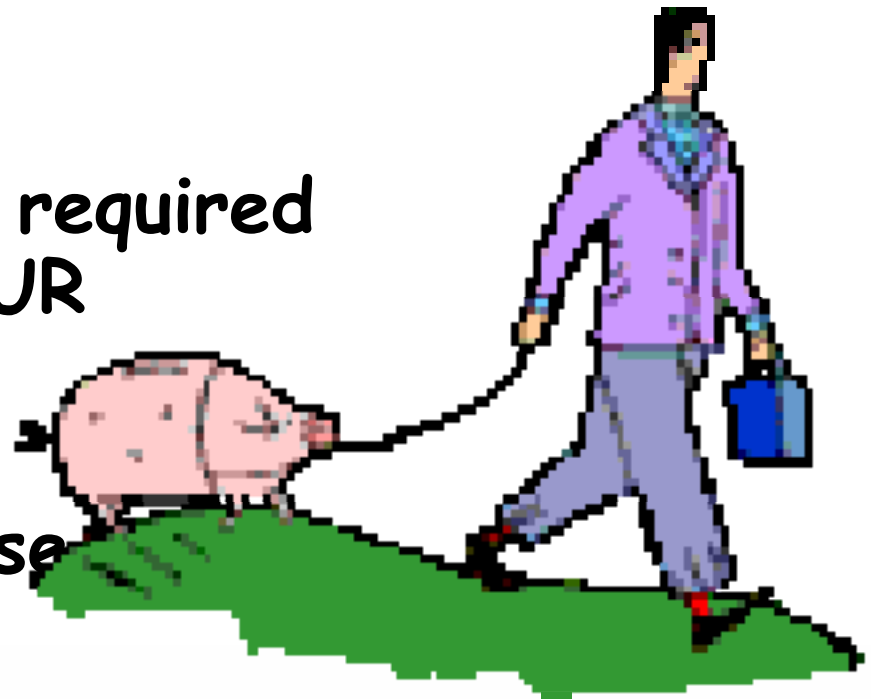
Community Facility Program

- Applicants - N/P, Public Bodies, Tribes
- Up to 100% financing
- Can do EE or RE projects
- RE projects have to be for self use only
- Grants, Direct loans, Guarantees



Rural Economic Development Loans (REDL)

- Applicants - REC's, Rural Telephone Coops, other non-profit utilities (if they have legal capacity to issue a letter of irrevocable credit).
- Pass through loan to an ultimate recipient
- 0% for 10 years
- \$740,000 maximum
- 20% supplemental funds required from applicant or from UR
- Cannot be for any electric or telecommunication purpose



Rural Economic Development Grants (REDG)

- Applicants are REC's, Rural Telephone Coops, other non-profit utilities
- Establishes a revolving loan fund
- Initial RLF funds are 0% for 10 years as a pass through loan to an ultimate recipient
- \$300,000 maximum
- 20% supplemental funds required from applicant
- Cannot be for any electric or telecommunication purpose



Guaranteed Business & Industry Loans

- \$25 million maximum g-loan
- \$40 million maximum g-loan if a coop
- Projects under \$10 million can be approved by State Office staff
- See comparison sheet inside your folder for all guaranteed programs.



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Overall Business-Cooperative Program Information

<u>Composite Chart - All Business-Cooperative Programs</u>		<u>Application Due Dates</u>	Business-Coop Specialist to Contact	<u>Application Forms, Certifications and Regulations</u>	
Other Information					
<u>Revolving Loan Fund Map</u>		<u>DUNS Registration Process</u>	<u>Reporting Requirements</u>	<u>Coop Development Technical Assistance</u>	
Loan Program Information					
B&I Guar. Loan	Business & Industrial Guaranteed Loans	<u>B&I Fact Sheet</u>	<u>B&I Basic Information</u>	<u>B&I and Energy Guaranteed Loan Comparison</u> <u>RD Guaranteed Loan Comparison</u>	<u>Lender User Manual for E-Authentication Process</u>
IRP Loan	Intermediary Relending Program	<u>IRP Fact Sheet</u>	<u>IRP checklist of documents for application</u>		
REDL	Rural Economic Development Loan	<u>REDL Fact Sheet</u>	<u>REDL checklist of documents for application</u>	Section 9007 Rural Energy for America Program (REAP)	
Grant Program Information					
RBEG	Rural Business Enterprise Grants	<u>RBEG Fact Sheet</u>	<u>RBEG checklist of documents for application</u>		
RBOG	Rural Business Opportunity Grants	<u>RBOG Fact Sheet</u>	<u>RBOG checklist of documents for application</u>		
RCDG	Rural Cooperative Development Grants	<u>RCDG Facts (see below)</u>	<u>RCDG checklist of documents for application</u>	<u>VAPG Value Added Producer Grant</u>	