Rural Energy for America Program (REAP)
Rural Energy for America Program (REAP)

Overview

- Background
- Funding in TN
- Projects in TN

- Eligibility Requirements
  - Applicants
  - Technologies
  - Project Costs

- Assistance Types
  - Guaranteed Loans for Renewable Energy Systems and Energy Efficiency Improvements

- Success Stories
Rural Energy for America Program (REAP)

Background

- Rural Development’s First Energy Program, Section 9006, was authorized in 2002 Farm Bill (Title IX, Section 9006).
- 2008 Farm Bill 9006 was reauthorized under Section 9007 and titled: Rural Energy for America Program (REAP)
- 2008 Farm Bill also created new energy programs
  - Biorefinery Assistance (9003)
  - Repowering Assistance (9004)
  - Bioenergy Program for Advanced Biofuels (9005)
- 2014 Farm Bill reauthorized the energy programs
- 2018 Farm Bill reauthorized 3 of the 4, letting the Repowering Assistance program expire.
Rural Energy for America Program (REAP) Funding in TN

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Even Year</td>
<td>$95,266</td>
<td>$93,190</td>
<td>$1,019,213</td>
</tr>
<tr>
<td>Odd Year</td>
<td>$96,602</td>
<td>$99,310</td>
<td>$1,048,432</td>
</tr>
</tbody>
</table>
Rural Energy for America Program (REAP) Projects in TN

- 2016 & 2017: 41 Even, 34 Odd
- 2018 & 2019: 32 Even, 29 Odd
- 2020 & 2021: 28 Even, 19 Odd
Rural Energy for American Program (REAP) provides Grants and Guaranteed Loan funding for Renewable Energy System Installations and Energy Efficiency Improvements for Agricultural Producers and Rural Small Businesses.
Rural Energy for America Program (REAP)

Eligibility – 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 ≤ 50,000
# Rural Energy for America Program (REAP)

## Grant Funding

<table>
<thead>
<tr>
<th>Renewable Energy Systems</th>
<th>Energy Efficiency Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Grant Request</td>
<td>$2,500</td>
</tr>
<tr>
<td>Total eligible project costs &gt; $10,000</td>
<td>Minimum Grant Request</td>
</tr>
<tr>
<td>Total eligible project costs &gt; $6,000</td>
<td>Maximum Grant Request</td>
</tr>
<tr>
<td>Total eligible project costs &gt; $1 million</td>
<td>Maximum Grant Request</td>
</tr>
</tbody>
</table>

*Up to 25% of Total Eligible Project Costs

Application Deadline March 30th
**Rural Energy for America Program (REAP)**

Guaranteed Loan Funding*

---

**Guaranteed Loan Applications Accepted Year-round**

<table>
<thead>
<tr>
<th>Minimum Loan Amount</th>
<th>$5,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total eligible project costs &gt; $6,667</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Maximum Loan Amount</th>
<th>$25 million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total eligible project costs &gt; $33.4 million</td>
</tr>
</tbody>
</table>

**Details**

- USDA guarantees a commercial loan; applicant must have a willing lender.
- Terms are negotiated between the lender and borrower.
- Fees, appraisals, equity & collateral requirements apply.

*Up to 75% of Total Eligible Project Costs*
# Rural Energy for America Program (REAP)

## Eligible Technologies

### Commercially Available Technologies

<table>
<thead>
<tr>
<th>Energy Efficiency</th>
<th>Renewable Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lighting</td>
<td>Solar</td>
</tr>
<tr>
<td>Heating</td>
<td>Wind</td>
</tr>
<tr>
<td>Cooling</td>
<td>Small Hydroelectric</td>
</tr>
<tr>
<td>Ventilation</td>
<td>Anaerobic Digesters</td>
</tr>
<tr>
<td>Fans</td>
<td>Biomass</td>
</tr>
<tr>
<td>Automated Controls</td>
<td>Geothermal</td>
</tr>
<tr>
<td>Insulation</td>
<td>Wave/Ocean Power</td>
</tr>
</tbody>
</table>
# Rural Energy for America Program (REAP)

## Project Costs

<table>
<thead>
<tr>
<th>Eligible Project Costs</th>
<th>Ineligible Project Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Equipment:</td>
<td>• Residential energy projects</td>
</tr>
<tr>
<td>• Purchase &amp; installation</td>
<td>• New or refurbished</td>
</tr>
<tr>
<td>• New or refurbished</td>
<td>• Post-application construction &amp; facility improvements</td>
</tr>
<tr>
<td>• Retrofitting</td>
<td>• Application preparation or grant writer fees</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>• Pre-application construction &amp; facility improvements</td>
</tr>
<tr>
<td></td>
<td>• Line of credit</td>
</tr>
<tr>
<td></td>
<td>• Lease payments</td>
</tr>
<tr>
<td></td>
<td>• Payment to the applicant/business owner, beneficiary, or relative</td>
</tr>
</tbody>
</table>
Veterinary Hospital

- Rooftop solar panels

- $148,050 Total Cost
- $20,000 REAP Grant
- $128,050 Applicant Funds

30-40% reduction in operating expenses
### Electric Cooperative

<table>
<thead>
<tr>
<th>Community Solar Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>$784,792 Total Cost</td>
</tr>
<tr>
<td>$ 20,000 REAP Grant</td>
</tr>
<tr>
<td>$764,791 Applicant Funds</td>
</tr>
<tr>
<td>Production of 443 mWh annually</td>
</tr>
</tbody>
</table>

### Rural Energy for America Program (REAP)

**Renewable Energy Systems (RES)**

![Renewable Energy System: Solar Array](image)
Small Energy Company & Dairy Farmers

- **1 MW Anaerobic digester**
- **$4.15 Million Total Cost**
- **$100,000 REAP Grant**
- **$2.65 Million REAP Guarantee**

Powers an equivalent of 700 homes/year
Rural Energy for America Program (REAP)

Renewable Energy Systems (RES)

Renewable Energy System: Hydropower

Rural Auto Repair Shop

11 kW micro-hydopower turbine

- $78,511 Total Cost
- $19,695 REAP Grant
- $58,816 Applicant Funds

51% reduction in energy costs
**Rural Energy for America Program (REAP)**

**Renewable Energy Systems (RES)**

---

**Geothermal & Energy Efficiency Improvements**

- Grocery Store

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geothermal heat, energy</td>
<td>efficient coolers &amp; lighting</td>
</tr>
<tr>
<td>Total Cost</td>
<td>$198,600</td>
</tr>
<tr>
<td>REAP Grant</td>
<td>$49,650</td>
</tr>
<tr>
<td>Commercial Loan</td>
<td>$148,950</td>
</tr>
</tbody>
</table>

- 40% reduction in energy costs
## Renewable Energy System: Solar Array

### Michigan Winery

- **$104,088 REAP grant**
- **148 kW Solar**
- Estimated replacement of 40% energy usage
- Will generate estimated 172,351 kWh of electricity per year, or enough electricity to power 15 homes
Rural Energy for America Program (REAP)

Renewable Energy Systems (RES)

On Farm Solar

- $19,984 REAP grant
- 28.5 kW Solar
- $79,936 Total Project Cost
- Estimated payback of 9 years
On Farm Solar

- $47,762 REAP grant
- 54 kW Solar
- $191,048 Total Project Cost
- Estimated replacement of 65% of the farm’s energy usage
Rural Energy for America Program (REAP)

Energy Efficiency Improvement (EEI)

Energy Efficiency Improvement: Maple Syrup Operation

Maple Ledge Farm

New energy efficient reverse osmosis equipment

- $43,500 Total Cost
- $10,875 REAP Grant
- $32,625 Applicant Funds

50% reduction in energy costs

Enough savings to power 4 homes for a year
Sweet Bear Farm

Installing a steam-away to reduce their energy load and increase production

- $14,096 Total Cost
- $3,185 REAP Grant
- $10,911 Applicant Funds

40% reduction in energy costs

Rural Energy for America Program (REAP)
Energy Efficiency Improvement (EEI)

Energy Efficiency Improvement: Maple Syrup Operation
• Provides information on USDA programs that support renewable energy and energy efficiency projects.
• The map displays investment location, type of energy, assistance provided and the associated USDA program.
• The energy investment data is summarized by state, county and congressional districts by total number of investments and total dollar amounts.
## Rural Energy for America Program (REAP)

### Application Priority Deadlines*

<table>
<thead>
<tr>
<th>Date</th>
<th>Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>October 31st</strong></td>
<td>- Set Aside Fund Competition-Grant Request $20,000 or less</td>
</tr>
<tr>
<td><strong>January 31st</strong></td>
<td>- EA/REDA Grant applications</td>
</tr>
</tbody>
</table>
| **March 31st**  | - Set Aside Fund Competition-Grant Request $20,000 or less  
                    - Unrestricted Grant Request > $20,000 |
| Continuous Application Cycle | - Guaranteed Loans |
How to Apply?

• Contact the USDA Rural Development Energy Coordinator in your state for application materials and resources: https://www.rd.usda.gov/files/RBS_StateEnergyCoordinators.pdf

• Submit applications any time of year.

• Applications compete for funding based on score throughout the year.

Instructions and Forms for applying can be found at the link below:

Contact Info for TN Staff

Union City Office
Tyler Hayes
731-886-6480
800-342-3149 x 1497
Tyler.Hayes@usda.gov

Nashville Office
Beverly Buckingham
615-783-1359
800-342-3149 x 1359
Beverly.Buckingham@usda.gov

Cookeville Office
Josh Wilkerson
931-528-8539
800-342-3149 x 1493
Joshua.Wilkerson@usda.gov

Knoxville Office
Marisol Torres
865-523-3338
800-342-3149 x 1491
Marisol.Torres@usda.gov

Greeneville Office
Marisol Torres
423-638-4771
800-342-3149 x 1490
marisol.torres@usda.gov

Jackson Office
Roe Hughes
731-668-2091
800-342-3149 x 1495
Roe.Hughes@usda.gov

Lawrenceburg Office
Beverly Buckingham
615-783-1359
800-342-3149 x 1359
Beverly.Buckingham@usda.gov

Chattanooga Office
Krisalaun Battle
423-766-2239
800-342-3149 x 1492
Krisalaun.Battle@usda.gov

Joel Howard
Business Programs Director
Nashville, TN 37214
615-783-1373
800-342-3149 x 1373
Joel.Howard@usda.gov

Charles Morris
State Energy Coordinator
Nashville, TN 37214
865-291-9627
800-342-3149 x 1491
Charles.Morris@usda.gov
QUESTIONS??

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE