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>Year &amp; Period</th>
<th>Even Year</th>
<th>Odd Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 &amp; 2017</td>
<td>$2,000,000.00</td>
<td>$3,500,000.00</td>
</tr>
<tr>
<td>2018 &amp; 2019</td>
<td>$1,500,000.00</td>
<td>$5,352,662.00</td>
</tr>
<tr>
<td>2020 &amp; 2021</td>
<td>$2,000,000.00</td>
<td>$5,319,413.00</td>
</tr>
<tr>
<td>2022 &amp; 2023</td>
<td>$3,000,000.00</td>
<td>$9,521,039.00</td>
</tr>
</tbody>
</table>

Even Year: Blue
Odd Year: Orange
Rural Energy for America Program (REAP) Projects in TN

- 2016 & 2017: 41 Even Year, 34 Odd Year
- 2018 & 2019: 32 Even Year, 29 Odd Year
- 2020 & 2021: 28 Even Year, 19 Odd Year
- 2022 & 2023: 18 Even Year, 43 Odd Year
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*

**Application Deadlines: September 30th, December 31st, March 31st & June 30th**

<table>
<thead>
<tr>
<th>Renewable Energy Systems</th>
<th>Energy Efficiency Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Minimum Grant Request</strong></td>
<td><strong>Minimum Grant Request</strong></td>
</tr>
<tr>
<td>$2,500</td>
<td>$1,500</td>
</tr>
<tr>
<td>Total eligible project costs ≥ $5,000</td>
<td>Total eligible project costs ≥ $3,000</td>
</tr>
<tr>
<td><strong>Maximum Grant Request</strong></td>
<td><strong>Maximum Grant Request</strong></td>
</tr>
<tr>
<td>$1,000,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>Total eligible project costs ≥ $2.0 million</td>
<td>Total eligible project costs ≥ $1.0 million</td>
</tr>
</tbody>
</table>

*Up to 50% of Total Eligible Project Costs. Grant share is limited to 25% for projects with Greenhouse Gas Emissions at the project level.*
# Rural Energy for America Program (REAP)

## Eligible 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>- Equipment:</td>
</tr>
<tr>
<td>- New or refurbished</td>
<td>- Farm tillage equipment (no mobile equipment)</td>
</tr>
<tr>
<td>- Post-application construction &amp; facility improvements</td>
<td>- Used equipment</td>
</tr>
<tr>
<td>- Retrofitting</td>
<td>- Vehicles</td>
</tr>
<tr>
<td>- Professional service fees</td>
<td>- Pre-application construction &amp; facility improvements</td>
</tr>
<tr>
<td>- Permits &amp; license fees</td>
<td>- Application preparation or grant writer fees</td>
</tr>
<tr>
<td>- Working capital, land acquisition (Guarantee loan only with restrictions)</td>
<td>- Line of credit</td>
</tr>
</tbody>
</table>

- Application preparation or grant writer fees
- Lease payments
- Payment to the applicant/business owner, beneficiary, or relative
Rural Energy for America Program (REAP)

Renewable Energy Systems (RES)
Veterinary Hospital

Rooftop solar panels

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

30-40% reduction in operating expenses
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
On Farm Solar

- $19,984 REAP grant
- 28.5 kW Solar
- $79,936 Total Project Cost
- Estimated payback of 9 years
### Rural Energy for America Program (REAP)

**Renewable Energy Systems (RES)**

#### Renewable Energy System: Anaerobic Digester

- **Small Energy Company & Dairy Farmers**

<table>
<thead>
<tr>
<th><strong>1 MW Anaerobic digester</strong></th>
</tr>
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<tbody>
<tr>
<td>- $4.15 Million Total Cost</td>
</tr>
<tr>
<td>- $100,000 REAP Grant</td>
</tr>
<tr>
<td>- $2.65 Million REAP Guarantee</td>
</tr>
</tbody>
</table>

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

Energy Efficiency Improvement (EEI)

**Energy Efficiency Improvement: Maple Syrup Operation**

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**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)

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.

Application Information

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

Contact Info for TN Staff

Union City Office
Roe Hughes
731-885-6480
800-342-3149 x 1497
Roe.Hughes@usda.gov

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Beverly Buckingham
615-783-1359
800-342-3149 x 1359
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QUESTIONS??

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE