Rural Energy for America Program

REAP

Powering Michigan Agriculture with Renewable Energy Conference
East Lansing, MI

03-10-2016
Purpose

Program is designed to promote renewable energy development and energy efficiency for Agricultural Producers and Rural Small Businesses.
Eligible Applicants

**Agricultural Producer**

- Individual or entity that receives 50 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

Must have a registered (DUNS) number and a registered (SAMS) number prior to submitting an application
Project Eligibility

- Must be for the purchase of a renewable energy system
- Must be to purchase energy efficiency improvements
- Must be for commercially available and replicable technology
- Must have technical merit
- Rural Small Business Projects must be located in a rural area. To check, go to:

http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do

- Agricultural Producer Projects have no rural limitations
### Improve Profits for Your Rural Small Business, Farm or Ranch with REAP

<table>
<thead>
<tr>
<th>Energy Efficiency</th>
<th>Renewable Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lighting</td>
<td>Solar</td>
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<tr>
<td>Heating</td>
<td>Wind</td>
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<tr>
<td>Cooling</td>
<td>Small Hydroelectric</td>
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<tr>
<td>Ventilation</td>
<td>Anaerobic Digesters</td>
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<tr>
<td>Fans</td>
<td>Biomass</td>
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<tr>
<td>Automated Controls</td>
<td>Geothermal</td>
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<tr>
<td>Insulation</td>
<td>Wave/Ocean Power</td>
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</tbody>
</table>

The technology must be Commercially Available. Research and Development projects do not qualify.
# 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</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 (Guaranteed loan ONLY with restrictions)</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>
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</tbody>
</table>
## REAP Grant Assistance

### Up to 25% of Eligible Project Costs

#### Multiple Competitions

- **$20,000 or less**
  - Will compete 5 times in FY
- **Unrestricted ($>$20,000)**
  - Will compete 2 times in FY

<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 ≥ $10,000</td>
<td>Total eligible project costs ≥ $6,000</td>
</tr>
<tr>
<td><strong>Maximum Grant Request</strong></td>
<td><strong>Maximum Grant Request</strong></td>
</tr>
<tr>
<td>$500,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>Total eligible project costs ≥ $2 million</td>
<td>Total eligible project costs ≥ $1 million</td>
</tr>
</tbody>
</table>

Applicants must provide at least 75% of the project costs if applying for only a grant.
# REAP Guaranteed Loan Assistance

Up to 75% of Eligible Project Costs

<table>
<thead>
<tr>
<th>Minimum Loan Amount</th>
<th>$5,000</th>
<th>Total eligible project costs ≥ $6,667</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Loan Amount</td>
<td>$25 million</td>
<td>Total eligible project costs ≥ $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 (must be within USDA maximum allowed terms).
- Fees, appraisals, equity & collateral requirements apply.
Michigan REAP Allocations - FY2016

- Grants
  Est. $1.2 million

- Guaranteed Loans
  Funds to be held Nat’Office
REAP Application Window Closing

Deadlines

- **April 30, 2016**
  - Set Aside Fund Competition-Grant Request $20,000 or less
  - Grant Request > $20,000
  - Combination Grant/Loan Request
- **Oct. 30, 2016**
  - Grant Request $20,000 or less not competing for set aside
- **Continuous Application Cycle**
  - Guaranteed Loans

*Loan must score a minimum of 50 to compete monthly
*First monthly competition held once 8 applications on file
How to Apply

• Contact the local USDA Rural Development office in your area for application materials and resources:
  
  www.rd.usda.gov/reap

• Submit applications any time of year.

• Applications compete for funding based on score throughout the year.
USDA – Rural Development
Jim Turner, State Director

Business Programs
Business and Industry Guaranteed Loans
Rural Energy for America Program Grants & Loans
Rural Business Enterprise Grants
Value Added Producer Grants
Renewable Energy Program Loans & Grants
Intermediary Re-lending Program Loans
Rural Economic Development Loans and Grants
Cooperative Development Assistance

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