USDA Rural Development

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Rural Energy For America (REAP)

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USDA Rural Development

Rural Energy for America Program (REAP)

- Section 9007 – Rural Energy for America Program - Renewable Energy Systems and Energy Efficiency Improvements Program

- Establishes a grant and loan guarantee program to assist agriculture producers and rural small businesses in purchasing renewable energy systems and making energy efficiency improvements.

- Establishes a Grant Program for energy audits, technical assistance and feasibility studies.

Rural Energy for America Program (REAP)

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Rural Energy for America Program

- Guarantee Percentages
  - Loans $600,000 or less
    - Up to 85% guarantee
  - Loans between $600,000 and $5,000,000
    - Up to 80% guarantee
  - Loans between $5,000,000 and $10,000,000
    - Up to 70% guarantee
  - Loans between $10,000,000 and $25,000,000
    - Up to 60% guarantee

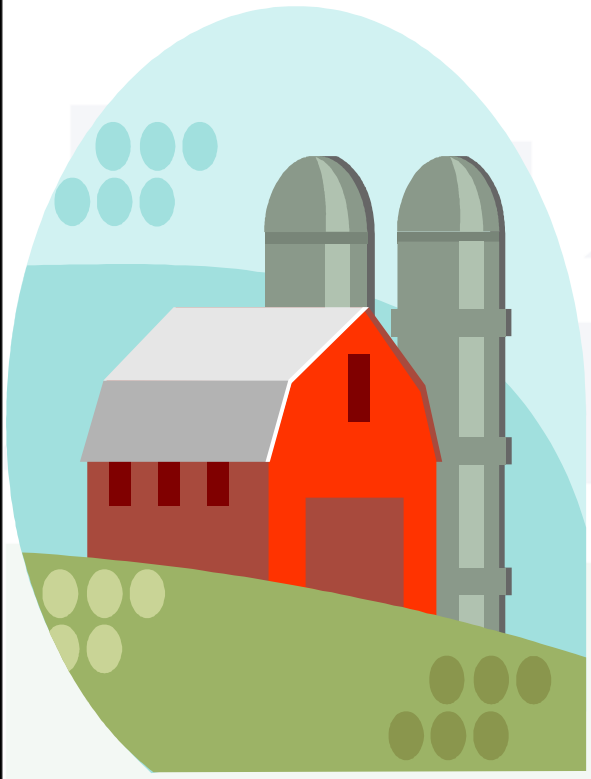
What Farmers & Small Businesses are Eligible?

- Agricultural Producers anywhere in the State of Arkansas.
- Small Rural Businesses located in areas with

  Less than 50,000 population
- Private entity including a sole proprietorship, partnership, corporation, a cooperative, and an electric utility, agricultural producer or rural small business
- **Non Profits organizations and public entities are**

  Not eligible

What Agricultural Producers Are Eligible?



- Must directly engage in production of agricultural products.
- At least 50% or more of gross income comes from the operations
- Not been debarred from receiving government assistance

What Small Businesses are Eligible?

- **Meets the definition of a small business according to SBA - Go to the index table at: http://sba.gov/size/index.html**
- **Not been debarred from receiving government assistance**

What projects are eligible?

- The project must be to make ***improvements*** to existing energy systems ***or*** to ***update*** systems such as any dryers, electric motors, heating and cooling etc
- Pre-commercial or commercially available and known technology
- Technically feasible
- Applicant must be owner of the system

	Renewable Energy Project	**Energy Efficiency** Improvements Project
Description	A process that PRODUCES energy from a renewable energy source.	Improvements to a facility or process that REDUCE energy consumption.
***Minimum* grant** *(no more than **25%** of total eligible project costs)*	$ 2,500 Minimum Project Cost: $10,000	$ 1,500 Minimum Project Cost: $6,000
***Maximum* grant** *(no more than **25%** of total eligible project costs)*	$ 500,000 Minimum Project Cost: $2,000,000	$ 250,000 Minimum Project Cost: $1,000,000

Arkansas REAP Grant Funding

	2013	2014	2015	2016
Arkansas grant allocation	$613,681	$246,000	$1,676,000	$727,000
Grant applications rec'd	23	5	9	13
Selected for Funding	23	5	9	13
% Selected	100%	100%	100%	100%
Funds obligated	$573,694	$146,627	609,129	$597,745

Energy Efficiency Projects

- Poultry Houses
  - Lighting
  - Insulation
  - Heating & Air
- Irrigation Systems
  - Electric Motors
- Grain Dryers
- Commercial Businesses
  - Heating & Air
- Grocery Stores
  - Coolers
  - Lighting

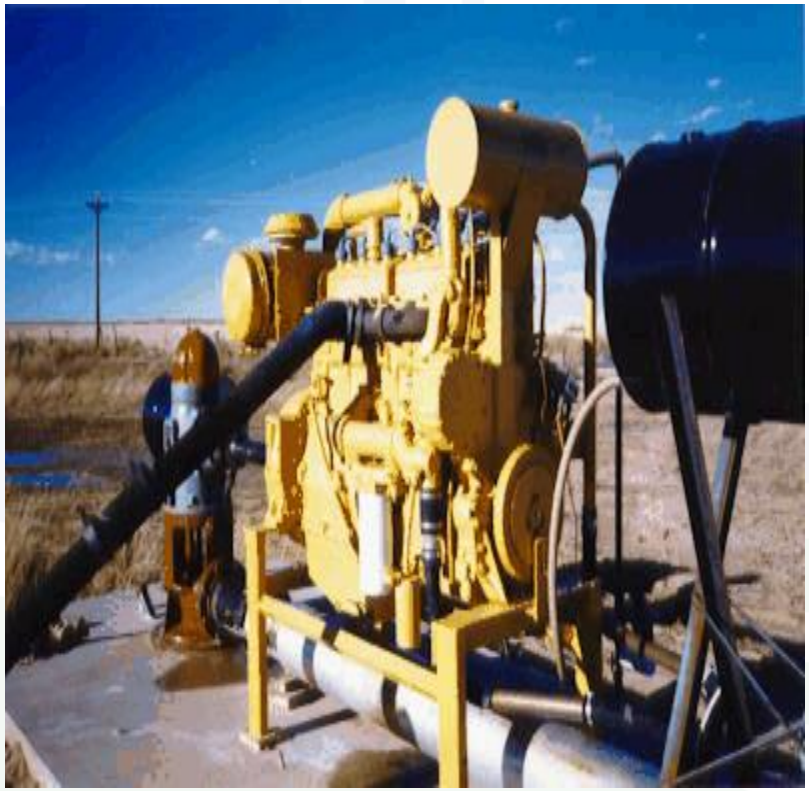
Renewable Energy Technologies

- Wind
  - Large & Small
- Geothermal
  - Direct Use & Electrical Generation
- Solar
  - Photovoltaic & Thermal
- Biomass
  - Bioenergy & Digesters
- Hydrogen
- Hydro electric sources

Energy Efficiency Improvements
Irrigation Motor Replacement

Example:
The project will replace an old, inefficient diesel motor with a new electric, more efficient motor for irrigation.

Total Project Cost: $50,000
REAP Grant: $12,500



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Southeastern Illinois

Tim Ridgley utilized REAP to install 90 solar panels on his 2,700-acre southeastern Illinois farm where he grows corn, soybeans and wheat. His son also raises beef cattle. Adding the panels to the 72 he previously installed, he has been able to generate 100% of his electricity needs for the farm and save around $300/month.

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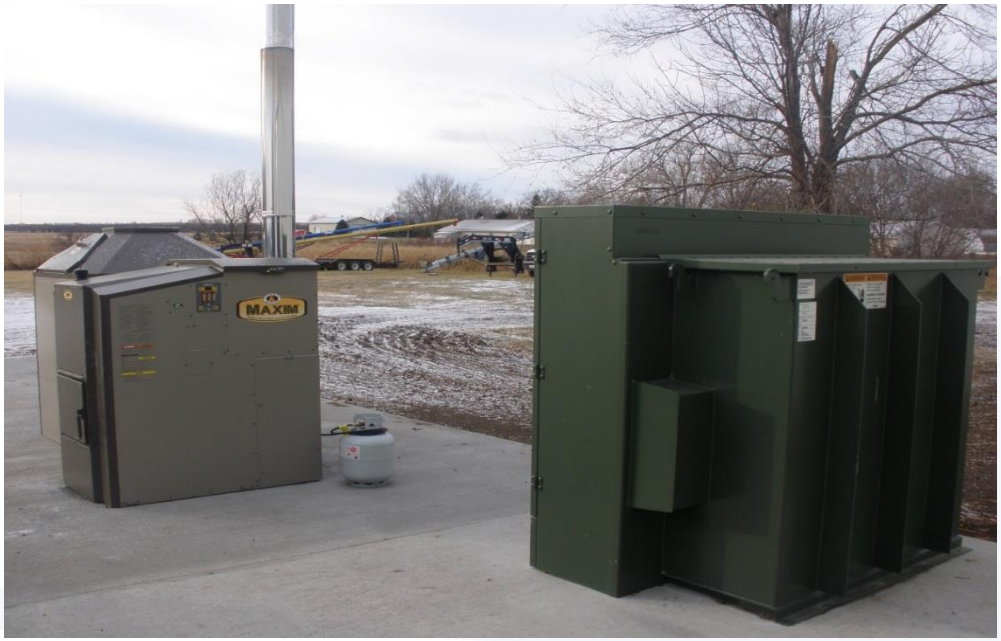
Energy from waste in Michigan

This project is a complete mix, two-stage Anaerobic Digester system for a 2300 head dairy operation. The amount of energy that is being produced has made the farm self-sufficient, with all excess energy being sold to a local utility.

Biomass Burner a Win/Win!



A farm seed business installed this biomass burner to heat their offices. Their feedstock is carryover seed that didn't sell during the season. They can't sell it the next year because the germination drops and it has been treated, so it can't be used for food or feed.

Before installing the biomass burner, the carryover seed was taken to the landfill. So with the biomass burner, they're keeping the seed out of the landfill and providing heat for no cost!

- **Solar Farm in Camden, AR**
- **Project Cost: $32 Million**
- **REAP Grant: $500,000**
- **12-Megawatt AC Solar project on 100 acres**
- **Offsets 100% of energy consumption to business in Industrial Park**

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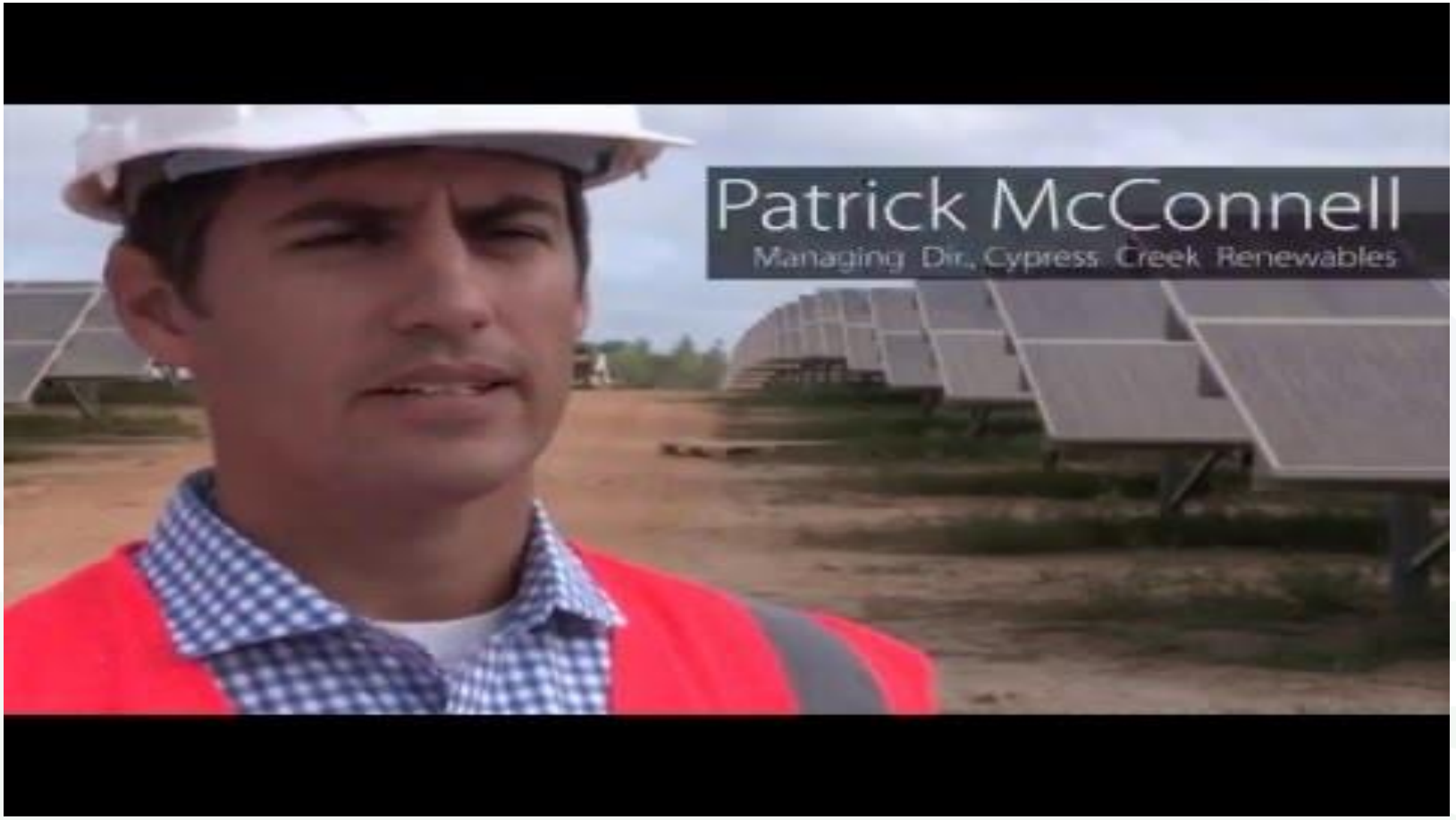

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REAP

2016

Projects Funded by Grants:	1,174
Total Grant Funds Awarded:	$35,371,908
Guaranteed Loans Approved:	67
Total Guaranteed Loans:	$258,249,419

2017

Application Deadlines: October 31st & March 31st

Rural Business and Cooperative Programs

Contact Information

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