



Rural Energy Programs

from

USDA Rural Development



Jeff Deiss Acting State Director

REAP grants & loan guarantees

Rural Energy for America Program

(the new & improved "§9006 program")



<http://reap.ruraloregon.biz>

REAP funds available

FY 2009 Funding = **\$60 Million**



FY 2008 Funding = **\$36 Million**

Long term outlook:

- \$60+ Million in 2010
- \$70+ Million in 2011 & 2012



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REAP - Purposes

- Energy Audit/Renewable Energy Development Assistance
- Feasibility
- Renewable Energy Systems/Energy Efficiency Improvement



EA/REDA Grant

- Eligible Applicants – County ect., Tribes, Colleges, Rural Elect. Coops, Public Power Entities.
- Purpose – Conduct EA/REDA for Ag Prod. And Business.
- Maximum Grant - \$100K
- \$2.4MM available in 2009 (first year)
- Oregon (2009) – 6 applications and two were awarded
 - Oregon Institute of Technology (Energy Audit)
 - Oregon State University (Renewable Energy Dev. Assistance)



Feasibility Study Grants

- Eligibility – Ag Producer/Rural Business
- Purpose – Conduct Feasibility Study
- 25% of project costs or \$50,000 max.
- Approximately \$2mm available 2009
- Oregon 8 applications – 7 funded



REAP RES/EEI Funding

- Grants
- Guaranteed Loans
- Grant/Guaranteed Loan Combination



REAP grants

- Finances up to **25%** of the cost of a rural energy project
- Maximum REAP grant:
 - Energy Efficiency: \$250,000
 - Renewable Energy Systems: \$500,000
- State Incentives can be used as match



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REAP eligible technologies

- **Wind** – turbines, small & large
- **Solar** – PV or Thermal
- **Biomass & Bioenergy** – biofuels (e.g., biodiesel) or electricity (e.g., biomass boilers & wood pellets) from renewable organic source materials
- **Anaerobic Digester** – animal waste
- **Geothermal** – electric or direct use
- **Energy Efficiency** – commercial or farm buildings, irrigation systems

New eligible categories!

- **Hydroelectric** – micro-hydro
- – but proven technologies only



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REAP eligible applicants

- **Agricultural Producers**
(50% or more of income from agriculture operation)
- **Small Rural Businesses**
(SBA size standards)

Not eligible:

Nonprofits & public entities
Residential projects



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REAP other requirements

- Project must be located in rural area (non-metro)
- **Commercially-available technology** (not R & D)
- If project cost >\$200,000 → independent feasibility study required



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REAP process

- Fiscal year 2009 completed
- Can accept applications for FY 2010
- Unsure when funds will be available. Can start project once application is submitted.
- The application is daunting. A template is available on Oregon-RD's web site.



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REAP grants – “the sweet spot”

- Projects with greatest chance of success:
 - **Small renewable energy projects**
 - \$20K or less (special set aside)
 - Small wind
 - Rooftop solar
 - Such projects submit simpler applications
 - No feasibility study is required
 - **Energy efficiency projects**
 - Energy savings >35% energy audit by a PE or CEM



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REAP guaranteed loans

Lender-driven: federal guarantee of bank loans for energy projects

- Maximum loan amount: **\$25 million**
- Oregon has approval \$10 million
- Lender gets a 60-85% guarantee (depending on loan size) on their loan
- Loan can finance **up to 75%** of project



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REAP "combos" (grants + guaranteed loans)

- Combination **cannot exceed 75% of project cost. Grant amount not to exceed 25%.**
- "Combo" projects may enjoy faster approval process & increased access to grants.
- "Combo" requires a willing lender.



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2009 Oregon

- 2008 Oregon received 25 applications 18 funded.
- 2009 Oregon received 82 applications
 - 51 applications \$20k total of \$780K
 - 18 funded to date. We anticipate the other \$20k or less grants to be funded.
 - 22 larger REAP grants submitted – 3 funded with State Allocation – other 19 grant submitted for pooled funds
 - 4 Grant/Guaranteed applications – 1 funded with State allocation – 3 submitted for pooled funds.



USDA Rural Development's Contacts for Oregon

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Committed to the future
of rural communities.

