



# Rural Energy for America Program

## Renewable Energy Systems and Energy Efficiency Improvements Purpose

**Purpose:** To provide financial assistance in the form of grants and guaranteed loans to agricultural producers and rural small businesses for the purpose of purchasing and installing renewable energy systems and energy efficiency improvements.

### Eligible Applicant:

- Agricultural Producer - >50% of income from production of Agricultural Products.
- Rural Small Business – defined by the Small Business Administration’s standards: [www.sba.gov/content/table-small-business-size-standards](http://www.sba.gov/content/table-small-business-size-standards) (Rural - less than 50,000 and not contiguous to an urban area)

### Eligible Project:

- Small business must be located in eligible rural area, which is any area other than a city or town of greater than 50,000 inhabitants and its contiguous urbanized area, based on the latest decennial census.
- Agricultural producers can be located in a rural or non-rural area.
- Renewable energy systems:
  - Flexible fuel pumps
  - Wind
  - Solar
  - Renewable biomass (including anaerobic digester)
  - Small hydro-power (ocean and hydro-electric)
  - Geothermal
- Energy efficiency improvements to a facility, building, or process that reduces energy consumption.
- Technology must be pre-commercial or commercially available.
- Projects must be technically feasible and have technical merit.

### Eligible Project Cost

- Post application purchase and installation of equipment.
- Post application construction or improvement.
- Energy audit and assessments (Except those audits funded by a Federal Grant).
- Permit and License fees.
- Professional service fees.
- Feasibility studies (Except those audits funded by a Federal Grant).
- Business plans and technical reports.
- Retrofitting.
- Replace an existing facility if an energy audit shows it would be more energy efficient than improving the existing facility.
- Purchase Land (Guaranteed Loan Only).
- Working Capital (Guaranteed Loan Only).

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Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).

## Ineligible project costs

- Agricultural tillage equipment.
- Used equipment
- Vehicles.
- Residential improvements.
- Application preparation.

## Amount of Assistance

Applicants may qualify for a grant of up to 25% of the total eligible project cost, a guaranteed loan up to 75% of the total eligible project cost or a combination of grant and guaranteed loan up to 75% of the total eligible project costs, with the grant portion not exceeding 25% of the total project costs, but need to be within the following dollar requirements.

- Renewable Energy Systems:
  - Maximum Grant \$500,000
  - Minimum Grant \$2,500
  - Maximum Guaranteed Loan \$25,000,000
  - Minimum Guaranteed Loan \$5,000
- Energy Efficiency Improvements:
  - Maximum Grant \$250,000
  - Minimum Grant \$1,500
  - Maximum Guaranteed Loan \$25,000,000
  - Minimum Guaranteed Loan \$5,000

## Guaranteed Loans Terms

- Interest rate and terms negotiated between Lender and Borrower, (Must be within USDA maximum allowed terms):
  - Real estate – 30 years
  - Equipment – 20 years or useful life whichever is less
  - Working Capital – 7 years
- Maximum percentage of guarantee on loans:
  - \$600,000 or less – 85 percent
  - Greater than \$600,000 but equal to or less than \$5,000,000 – 80 percent
  - Greater than \$5,000,000 but equal to or less than \$10,000,000 – 70 percent
  - Greater than \$10,000,000 – 60 percent

## For More Information

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