



Committed to the Future of Rural Communities

Section 9007 Energy Program:

"Rural Energy for America Program"

Grants available for up to 25% of total eligible project costs

For example, \$100,000 project could receive a \$25,000 grant!!!

Who is eligible

- ▶ An **agricultural producer** (individual or entity) **directly** engaged in the production of agricultural products and obtains at least 50% or greater of their gross income from their agriculture business.
- ▶ A **rural small business** – an entity is considered a small business in accordance with SBA's (Small Business Administration) small business size standards (by NAICS codes). SBA small size standards can be found at www.sba.gov/size/index.html.

Types of Projects

- ▶ Renewable Energy – Biomass Projects – Wood Burners to heat greenhouses or tobacco barns, on-farm solar or wind projects, small and large solar projects to sell energy to grid, production of biodiesel to replace the use of gas on a farm, etc.
- ▶ Energy Efficiency – Making energy efficiency improvements to a building or process that will reduce the amount of energy used (propane, electricity, and/or other forms of energy). Examples include: enclosing sidewalls on poultry houses, insulating buildings or barns, installing more efficient lighting and heating systems, variable speed drives for dairy farms, curing controls for barns, automatic controllers for poultry houses, etc.

Major Points to Note

- ▶ Residential uses are not eligible. However, an applicant may apply for funding for the installation of a second meter or provide certification in the application that any excess power generated by the renewable energy system will be sold to the grid and will not be used by the applicant for residential purposes.
- ▶ Applications must be submitted prior to purchasing equipment and/or starting construction. Funds **cannot** be used for projects started or completed **prior to** Rural Development receiving a complete application.
- ▶ Project costs consist of all cost associated with the purchase and installation of a renewable energy system or energy efficiency improvement project.
- ▶ Grants are awarded based on a competitive scoring process. Your local Rural Development Energy Specialist can provide more information on the scoring criteria and will assist you in the scoring process.
- ▶ Application deadlines are typically in the summer of each year around June or July. However, applications are accepted year round, and anyone interested should apply as soon as possible.

How to Get Started

Contact Lynn Straughan at (336) 629-4449, Ext. 123 or (336) 465-4993 to discuss potential projects and program eligibility. We can guide you through the application process and help ensure that you submit all of the necessary information with your grant request. If she is unavailable, you may contact David Thigpen at (919) 873-2065 for program information.

USDA Rural Development
Rural Energy for America Program (REAP)

Agricultural producers and rural small businesses in towns with less than 50,000 population who are looking for assistance to fund renewable energy projects or make energy efficiency improvements are encouraged to check out the Renewable Energy for America Program (REAP) offered through USDA, Rural Development.

REAP provides grants and guaranteed loans to assist agricultural producers and rural small businesses for renewable energy projects such as solar, biomass, biofuel, and geothermal. Funds can also be used for energy efficiency improvements to a building, facility, or process that reduces energy consumption such as installation of more energy efficient equipment such as grain dryers, heating and cooling systems, ventilation systems, curing systems, lighting systems, fans, pumps, motors, and refrigeration units.

Applicants can apply for grant only, loan only, or loan and grant combination assistance. Grants are available up to 25% of total eligible project cost. Guaranteed loans are available for up to 75% of total eligible project cost for loan only requests, or up to 50% for loan and grant combination requests.

Applications can be filed at anytime, and Rural Development is encouraging applicants to start the application process as soon as possible to allow sufficient time for gathering the necessary information.

For additional information, contact Lynn Straughan at (336) 629-4449, Ext. 123 or by email at lynn.straughan@nc.usda.gov.