



Rural Energy for America Program

REAP

*Renewable Energy
Systems & Energy
Efficiency Improvements
Program*



Eligible Applicants

Agricultural Producer



- **Individual or entity that receives 51 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 $\leq 50,000$**



Small Business. An entity or utility, as applicable, described below that meets Small Business Administration's (SBA) definition of Small Business as found in 13 CFR part 121.301(a) or (b). With the exception of the entities identified in this paragraph, all other non-profit entities are ineligible.

- (1) A private for-profit entity, **including a sole proprietorship**, partnership, and corporation;
- (2) A cooperative (including a cooperative qualified under section 501(c)(12) of the Internal Revenue Code);
- (3) An electric utility (including a Tribal or governmental electric utility) that provides service to rural consumers and must operate independent of direct government control; and
- (4) Tribal corporations or other Tribal business entities (as described in paragraph (4)(i) and (ii)). The Agency shall determine the Small Business status of such Tribal entity without regard to the resources of the Tribal government.
 - (i) Chartered under Section 17 of the Indian Reorganization Act (25 U.S.C. 477), or
 - (ii) Other Tribal business entities that have similar structures and relationships with their Tribal governments as determined by the Agency.

Improve Profits for Your Rural Small Business, Farm or Ranch with REAP

Energy Efficiency		Renewable Energy	
	Lighting		Solar
	Heating		Wind
	Cooling		Small Hydroelectric
	Ventilation		Anaerobic Digesters
	Fans		Biomass
	Automated Controls		Geothermal
	Insulation		Wave/Ocean Power

The technology must be commercially available. Research and development projects do not qualify.



Eligible Project Costs

- **Equipment:**
 - Purchase & installation
 - New or refurbished
- **Post-application construction & facility improvements**
- **Retrofitting**
- **Professional service fees**
- **Permits & license fees**
- **Working capital, land acquisition (Guarantee loan ONLY with restrictions)**





Ineligible Project Costs

- **Residential energy projects**
- **Equipment:**
 - Farm tillage equipment
 - Used equipment
 - Vehicles
- **Pre-application construction & facility improvements**
- **Application preparation or grant writer fees**
- **Line of credit**
- **Lease payments**
- **Payment to the applicant/business owner, beneficiary, or relative**

REAP Grant Assistance

Up to 25%
of Eligible Project Costs

 Renewable Energy Systems		 Energy Efficiency Improvements	
Minimum Grant Request	\$2,500 Total eligible project costs \geq \$10,000	Minimum Grant Request	\$1,500 Total eligible project costs \geq \$6,000
Maximum Grant Request	\$500,000 Total eligible project costs \geq \$2 million	Maximum Grant Request	\$250,000 Total eligible project costs \geq \$1 million

REAP Guaranteed Loan Assistance

Up to 75%
of Eligible Project Costs

<p>Minimum Loan Amount</p>	<p>\$5,000 Total eligible project costs \geq \$6,667</p>
<p>Maximum Loan Amount</p>	<p>\$25 million Total eligible project costs \geq \$33.4 million</p>
<p>Details</p>	<ul style="list-style-type: none"> • USDA guarantees a commercial loan; applicant must have a willing lender. • Terms are negotiated between the lender and borrower. • Fees, appraisals, equity & collateral requirements apply.



REAP Application Window Closing Deadlines

April 30, 2015	<ul style="list-style-type: none">➤ Set Aside Fund Competition-Grant Request \$20,000 or less➤ Grant Request > \$20,000➤ Combination Grant/Loan Request
June 30, 2015	<ul style="list-style-type: none">➤ Grant Request \$20,000 or less not competing for set aside➤ Grant Request > \$20,000➤ Combination Grant/Loan Request
Continuous Application Cycle	<ul style="list-style-type: none">➤ Guaranteed Loans <p>*Loan must score a minimum of 50 to compete monthly</p> <p>*First monthly competition held once 8 applications on file</p>

Van der Salm Farms

Wholesale Grower of bulbs, flowers, and root perennials

- Replace 40,000 square feet of warehouse lights and 14 large coolers with new LED lighting and Occupancy Sensors.
- Total Project cost \$75,000
- REAP Grant \$18,750
- Clark PUD Rebate \$37,500 (estimate)
- Applicant share \$56,250
 - Payback = 3.9 years
 - Energy savings expected: 278,000 kwh

April Joy Farm Solar Project Successful REAP Grant Applicant



The Story

- Small farm located in Ridgefield, WA
- CSA, sell direct to local restaurants, raises heritage pork.



- Agricultural producer-more than 50% of revenue is derived from agricultural products.
- Offset close to 50% of yearly energy.
- Business can utilize all of solar power produced.
- Strong financial return.

The Financials

- System size: 8.64kW (32 270W solar panels)
- Made in WA equipment
- Example System Cost: \$50,000
- **REAP Grant: \$12,500**
- Federal Tax Credit: \$15,000
- WA Production Incentive: \$5,000/year until 2020
- Accelerated Depreciation (based on 85% of system cost)
- Energy Savings (9,300 kwh*\$0.0816=\$760/year)
- 3-4 year payback



Chicken Farm



Radiant heat, fans, vents & computerized controls



- \$99,293 Total Cost
- \$20,000 REAP Grant
- \$79,293 Commercial Loan



Improved egg production, reduced time and labor, energy savings

Energy Efficiency



Veterinary Hospital

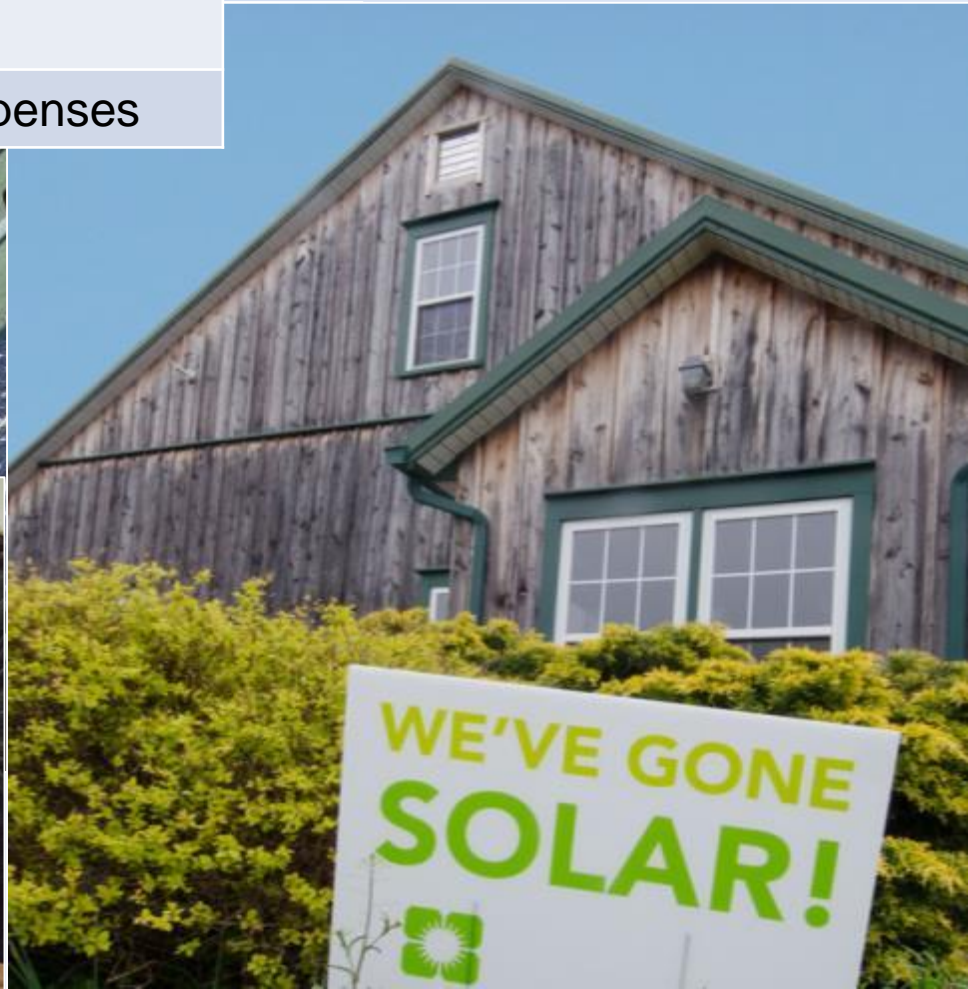


Rooftop solar panels

- \$148,050 Total Cost
- \$ 20,000 REAP Grant
- \$128,050 Applicant Funds

30-40% reduction in operating expenses

Renewable Energy



Laundromat & Dry Cleaner



Energy efficient equipment

- \$42,040 Total Cost
- \$10,510 REAP Grant
- \$31,531 Dealer Financing

52% energy savings



Energy Efficiency



Renewable Energy



Small Energy Company & Dairy Farmers



1 MW Anaerobic digester

- \$4.15 Million Total Cost
- \$100,000 REAP Grant
- \$2.65 Million REAP Guarantee

Powers an equivalent of 700 homes/year



Energy Efficiency



Nursery



Energy efficient glass roof, radiant heat, fans, vents, & computerized controls



- \$287,855 Total Cost
- \$ 71,964 REAP Grant
- \$100,000 REAP Guarantee
- \$115,891 Commercial Loan



40% reduction in energy costs



Renewable Energy



Rural Auto Repair Shop



11 kW micro-hydropower turbine

- \$78,511 Total Cost
- \$19,695 REAP Grant
- \$58,816 Applicant Funds

51% reduction in energy costs

Energy Efficiency



Rural Manufacturer

Grocery Store



Efficient lighting system

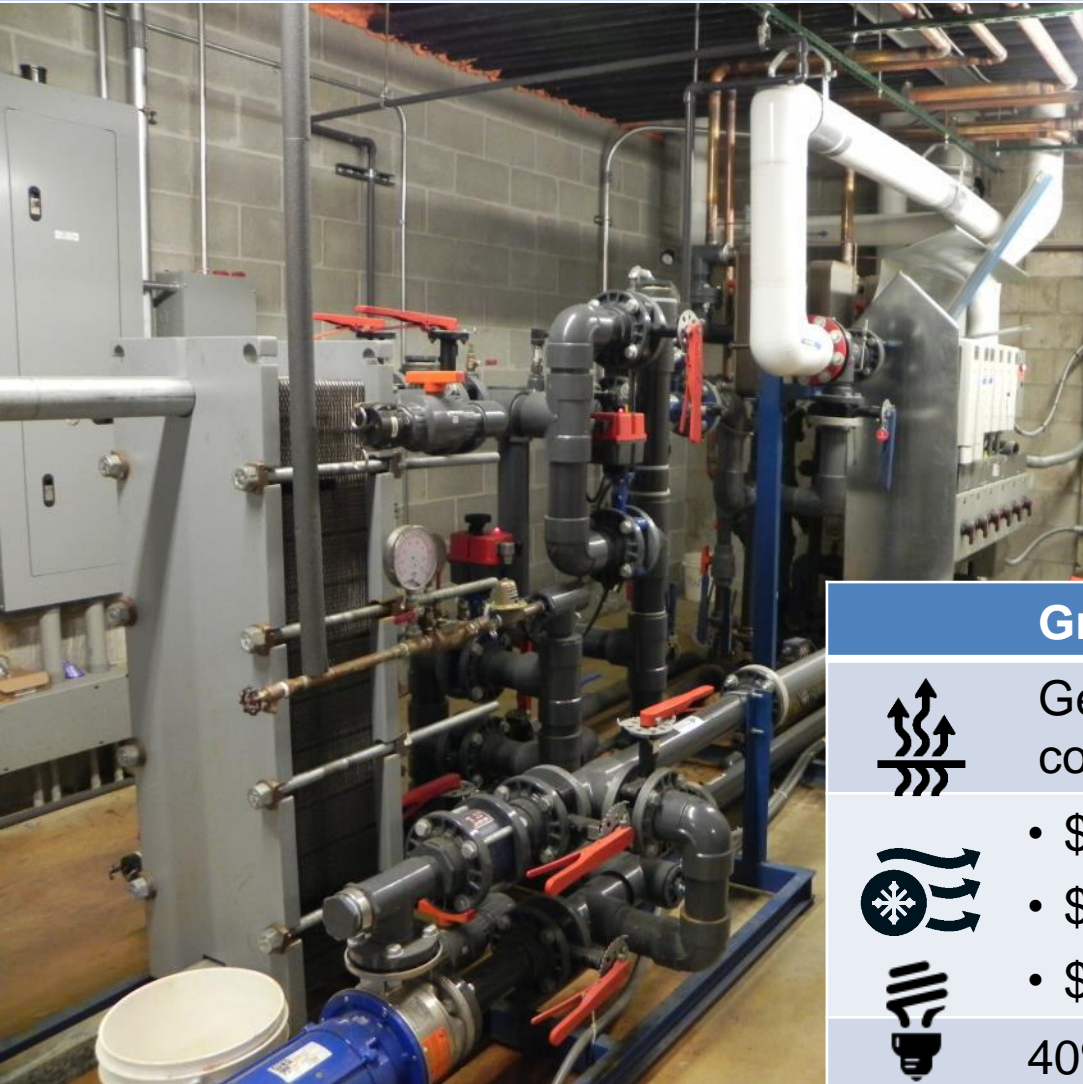
- \$78,511 Total Cost
 - \$19,695 REAP Grant
 - \$58,816 Applicant Funds
- 50% savings on lighting bill



Energy efficient cooler doors

- \$41,363 Total Cost
 - \$8,827 REAP Grant
 - \$2,950 Electric Co-op Rebate
- \$500 per month savings

Renewable Energy



Grocery Store



Geothermal heat, energy efficient coolers & lighting



- \$198,600 Total Cost
- \$49,650 REAP Grant



- \$148,950 Commercial Loan
- 40% reduction in energy costs

Energy Efficiency



Flower & Gift Shop



Energy efficient heating & cooling, insulation



- \$34,509 Total Cost
- \$8,627 REAP Grant



- \$17,200 REAP Guarantee
- \$8,682 Applicant Funds

60% reduction in energy costs

Application forms

- Projects of total costs up to \$80k use 4280-3A
- Projects of total costs between \$80k and \$200k use 4280-3B
- Projects of total costs \$200k and up use 4280-3C



Environmental

Discuss environmental review process for your project with the Business Specialist

Any *ground breaking* requires NEPA (National Environmental Protection Act review)

Application process and forms

- 3 years tax return info
- Organizational Docs except sole proprietor
- DUNS and SAM registration
- Audit (project cost +\$200k) or Assessment for -\$50k for energy assessment
- Site assessment report that describes the project and details of energy saved, replaced or produced, pay back information including other rebates, incentives.
- Environmental requirements, if any
- Application forms and certifications

Continued

- Bank statement or letter of credit for matching funds
- One year's bills for those energy sources/fuel types affected by this project (energy efficiency)

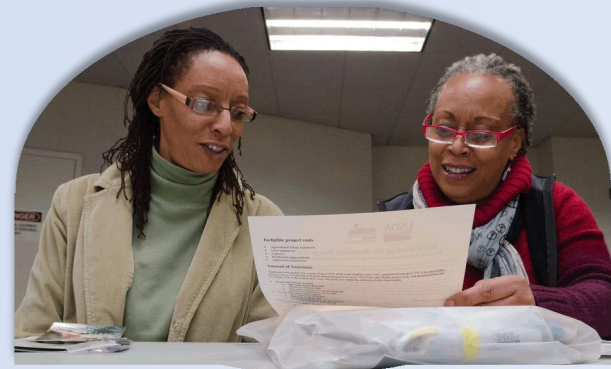
How to Apply

- Contact

Carlotta Donisi, Western Washington 360-704-7724
Carlotta.donisi@wa.usda.gov
1835 Black Lake Blvd. SW, Ste. C
Olympia, WA 98512

Roni Baer, Eastern Washington 509-454-5740, Ext. 134
Veronica.baer@wa.usda.gov

- Submit applications any time of year.
- Applications compete for funding based on score throughout the year. *





Resources

Washington REAP website:

<http://www.rurdev.usda.gov/wa/BUSREAP.htm>

http://www.rurdev.usda.gov/regs/regs_toc.htm

Part 4280-B Regulations

Additional Funding & Technical Assistance

- State Agencies & Programs
- Incentives From Local Utilities
- Commercial Lenders





Rural Energy for America Program (REAP)

www.rd.usda.gov/reap

Rural Business-Cooperative Service
Energy Programs

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., S.W., Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).