

Rural Energy for America Program (REAP)

Rural Energy for America Program (REAP) Grants and Loans

Rural Small Businesses and Ag Producers

Installing renewable energy systems (RES)

Energy efficiency improvements (EEI)



Inflation Reduction Act - Section 22002 of the IRA

- Grant percentage increased from 25 to 50 percent of total eligible project cost
- Quarterly application deadlines
- Max RES and EEI grant amounts doubled
- \$2.025 Billion of REAP grant funding

Renewable Energy Systems or Energy Efficiency



Energy Efficiency Improvements





Agricultural Producers

- Individual or Entity
- 51% of Gross Income from Ag Operations
- Crops, Livestock, Forestry, Dairies
- Farm Schedules or Tax Returns
- No "rural" requirement
- No "small" requirement

The entity applying must be engaged in the PRODUCTION of ag products!



Rural Small Business Definition

"Rural" – Map to check rural designation here.

"Small" – review the SBA Small Business Standards <u>HERE</u> and search the definition of a small business based on the entities NAICS code (this size determination includes affiliate entities). SBA guide to size limitations and affiliation rules <u>here</u> can answer questions.

"Business"

- For-Profit Businesses (sole prop, partnership, corporation.)
- Cooperatives
- Electric Utilities
- Tribal Corporation

Examples of ineligible entities: authorities, cities, churches, schools, government agencies, etc.

Application Deadlines and Award

Applications are accepted year-round but per the **REAP NOSA**, has one deadline remaining:

FY25 Quarter 6-9/30/24

Currently awaiting the next Notice in the Federal Register that will announce deadlines to apply after the 9/30/24 deadline

FUNDING

Drastically increased!

- \$20k and under grants less competitive
- Grants requests for 25% or less of total project – less competitive

	2022	2023	2024	2025 (Q1 apps)
Applications	\$578M	\$10,297M	\$12,198M	\$6,894M
Allocation	\$578M	\$8,043M	\$10,394	\$2,599M
Awarded	\$578M	\$7,000M	\$10,300	TBD

Most competitive - grant requests that are over \$20k and 50% of the total project cost

REAP-Guaranteed Loan

USDA provides guaranty on commercial loan

75% of eligible project costs maximum loan

Same project eligibility requirements

Any lender can utilize

Approach your local lender; provide USDA contact info

\$10k project funded with REAP G loan/grant combo:

\$5k REAP grant (50%)

\$2.5k borrower contribution (25%)

\$2.5k guaranteed loan (25%)





Rural Movie Theatre	Rural Dairy Farm	
Upgraded HVAC, movie projectors and screens.	540 kW Solar PV	
Total cost \$622,509	Total Cost \$1,037,500	
REAP Grant \$311,254 (50%)	REAP Grant \$415,000 (40%)	
40% reduction of their energy	Replace 34% of the energy used for ag	
consumption	operations	
\$8,500 annual energy cost savings	\$56,000 annual energy cost savings	

Helpful Links

- 7CFR 4280, Subpart B REAP Regulation
- REAP NOSA
- <u>Disadvantages or Distressed Community Map</u> projects receive additional points if located in a designated community
- Rural Development Priorities
- Rural Business and Cooperatives How-To Videos
- SBA Small Business Standards
 SBA Affiliation Rules
- REAP Website
- REAP Frequently Asked Questions

WA State Contacts



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Questions?

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