



United States Department of Agriculture

Rural Business-Cooperative Service
Energy Programs



Rural Energy for America Program

REAP

*Powering Michigan Agriculture
with
Renewable Energy Conference
East Lansing, MI*

03-10-2016





Purpose

Program is designed to promote renewable energy development and energy efficiency for Agricultural Producers and Rural Small Businesses.

Eligible Applicants

Agricultural Producer



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

Must have a registered (DUNS) number and a registered (SAMS) number prior to submitting an application



Project Eligibility















- Must be for the purchase of a renewable energy system
- Must be to purchase energy efficiency improvements
- Must be for commercially available and replicable technology
- Must have technical merit
- Rural Small Business Projects must be located in a rural area.
To check, go to:

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

- Agricultural Producer Projects have no rural limitations



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.



Project Costs



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 (Guaranteed 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

Multiple Competitions

\$20,000 or less

Unrestricted (>\$20,000)

Will compete 5 times in FY

Will compete 2 times in FY



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

Applicants must provide at least 75% of the project costs if applying for only a grant.



REAP Guaranteed Loan Assistance

Up to 75%
of Eligible Project Costs

Minimum Loan Amount	\$5,000 Total eligible project costs \geq \$6,667
Maximum Loan Amount	\$25 million Total eligible project costs \geq \$33.4 million
Details	<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 (must be within USDA maximum allowed terms).• Fees, appraisals, equity & collateral requirements apply.



Michigan REAP Allocations - FY2016

- **Grants** **Est. \$1.2 million**

- **Guaranteed Loans** **Funds to be held Nat'Office**



REAP Application Window Closing Deadlines

April 30, 2016

- Set Aside Fund Competition-Grant Request \$20,000 or less
- Grant Request > \$20,000
- Combination Grant/Loan Request

Oct. 30, 2016

- Grant Request \$20,000 or less not competing for set aside

**Continuous
Application
Cycle**

- Guaranteed Loans

*Loan must score a minimum of 50 to compete monthly

*First monthly competition held once 8 applications on file

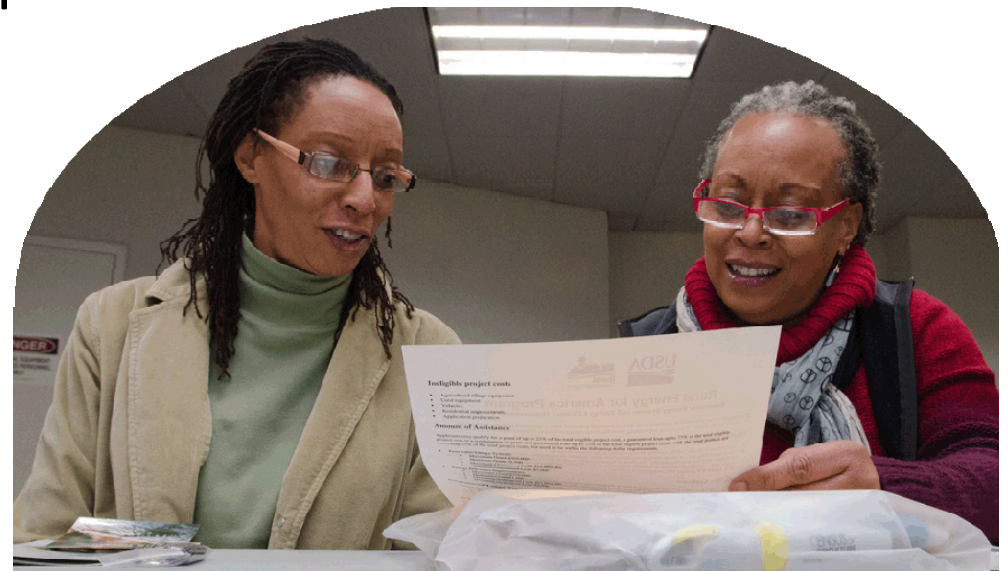


How to Apply

- Contact the local USDA Rural Development office in your area for application materials and resources:

www.rd.usda.gov/reap

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



Business Programs

- Business and Industry Guaranteed Loans
- Rural Energy for America Program Grants & Loans
- Rural Business Enterprise Grants
- Value Added Producer Grants
- Renewable Energy Program Loans & Grants
- Intermediary Re-lending Program Loans
- Rural Economic Development Loans and Grants
- Cooperative Development Assistance

USDA – Rural Development
Jim Turner, State Director

State Office

Traci Smith, Business Program Director
Bobbie Morrison, Business Specialist
Rick Vanderbeek, Business Specialist
Carol Webb, Business Specialist
 3001 Coolidge Road, Suite 200
 East Lansing, MI 48823
 COM: 517-324-5157
 E-Mail: traci.smith@mi.usda.gov

Alan Anderson, Business Specialist
 Traverse City Area Office
 231-941-0951, ext. 128

Lori Krause, Business Specialist
 Gladstone Area Office
 906-428-1060, ext. 112

Kevin Whitright, Loan Assistant
 Caro Area Office
 989-673-8173, ext. 132

Jackie Morgan, Business Specialist
 Gladwin Home Office
 989-426-2750

Lisa Epple, Business Specialist
 Watervliet Home Office
 269-463-8030

Bruce Miles, Business Specialist
 Mason Area Office
 517-676-1808, ext. 114

