



United States Department of Agriculture

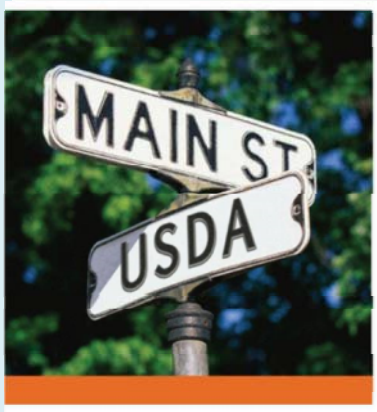
USDA Rural Development Funding Opportunities for Renewable Energy and Energy Efficiency

2016 Rural Energy Conference

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Backing the
Business of
Rural America



USDA Rural Development

Mission:

“To increase economic opportunity and improve the quality of life for all rural Americans.”



USDA - Rural Development

Community Programs:

- **Community Facilities**
 - Grants (very limited)
 - Direct Loans
 - Loan Guarantees

Business Programs:

- **Technical Assistance Opportunities**
- **Rural Energy for America Program (REAP)**
- **Business & Industry Loan Guarantees**

Rural Utility Services – HEC Grant – Telecom Grants

Electric Infrastructure Loans – Utility Loans

Rural Alaska Village Grant - for water and waste

Rural Housing Services



Guaranteed Loans (Loan Guarantee)

- Guaranteed Loans are loans made by private lenders to rural communities. The loans made by lenders are guaranteed by USDA up to 90%.
- Rates and terms will vary and in most cases are negotiated with the bank
- Eligible rural areas are cities, towns, or unincorporated areas that have populations of 20,000 to 50,000 inhabitants or less
- Eligible lenders are federal and state chartered banks, thrifts, Farm Credit System, insurance companies regulated by a State or National insurance regulatory agency. Lenders must be subject to credit examination by state or federal bank regulators
- **Each USDA Department and Program will have different structured loan programs – ask us for more information.**



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How to contact the USDA for more information?

Contact the USDA Rural Development Area Director or a Program Specialist:

Kenai, Palmer, Fairbanks, Sitka, and Anchorage

Contact one of the organizations that we have recently established Cooperative Agreement with:

NWAB, Maniilaq, Kawerak, AVCP and BBNA

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All Programs

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- Cooperative Programs
- Electric Programs
- Energy Programs
- Multi-Family Housing Programs
- Single Family Housing Programs
- Telecommunications Programs
- Water & Environmental Programs

For Businesses

- Rural Economic Area Partnership Program (REAP Zones)
- Rural Energy for America Program

For Communities & Nonprofits

- Community Facilities Direct Loans and Grants
- Rural Community Development Initiative Grants

For Cooperatives

- Rural Cooperative Development Grants
- Value Added Producer Grants

For Individuals

- Single Family Housing Guaranteed Loan
- Single Family Housing Direct Home Loans

For Lenders

- Multi-Family Housing Loan Guarantees
- Community Facilities Guaranteed Loan Program

Services

- For Engineers
- RUS Interest Rates
- Electric Loan Prepayment Closing Dates

View All State Offices

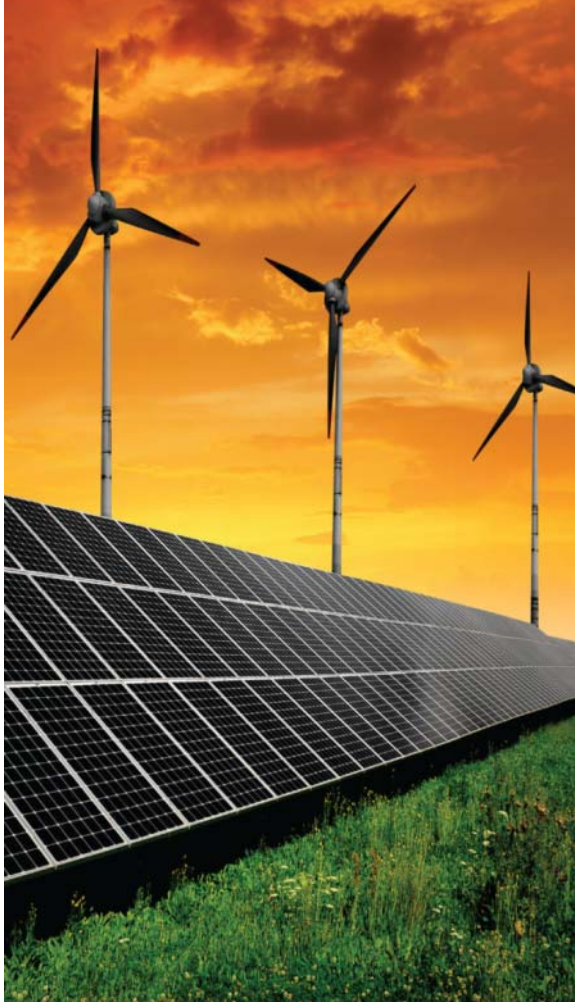
Community Facilities Direct Loans & Grant Program

Single Family Housing Guaranteed Loan Program

Contact Information

Development provides federal resources throughout rural Alaska and nearly \$2 billion dollars in communities in the last six years.

Development State Office
Green Avenue, Suite 201
907-45-6539
907) 761-7705
907-761-7783



Rural Energy for America Program (REAP)

Rural Energy for America Program

25% REAP Grant
REAP Loan Guarantees
Technical Assistance Grant
Biomass Industry Assistance



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Rural Energy For America Program (REAP) 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 $\leq 50,000$**



Improving profits for Rural Small Businesses and Agriculture ventures with REAP grants and loans

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

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
50% if combining with grant

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.• Fees, appraisals, equity & collateral requirements apply.



Pristine Products Solar PV for Oyster Farm – April 2015



2 KW Solar Array

Breaker box

Charge controller



Battery bank

Efficient electric motor

Paddle wheel

- \$14,951 **Total Cost**
- \$3,735 **REAP Grant**
- Did not use his generator all year, saving 960 gallons of Diesel
- At \$4.00 a gallon delivered = \$3,840 savings a summer.
- Increased production from 4 months to 6 months

Solar Powered Oyster Farm



[Video Link](#)





Other REAP Projects in Alaska

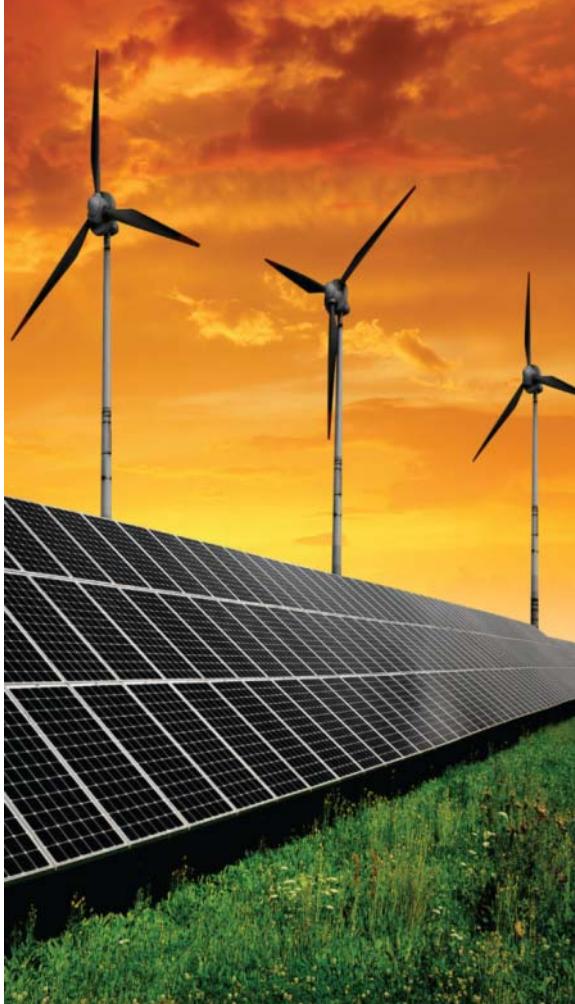
- Fairbanks Commercial Building – **Smart metering, LED lights, and new doors**
- Rural Interior AK Lodge - **Solar PV array**
- Interior AK Pellet production facility – **Wood pellet fuel equipment**
- Rural Interior AK Grocery Store – **LED lighting**
- Copper Valley Gas Station – **Solar PV array**
- Copper Valley Lodge – **Biomass boiler**
- Kenai Peninsula Fishing Lodge – **Solar PV array**
- Southeast Alaska Brewery – **Biomass boiler /burn spent grain for steam**





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Rural Energy for America Program (REAP)



Project Structuring Opportunities



Use multiple programs together

B&I and REAP loans can be used together to maximize benefits.

- Fees reduced by \$9,300, over 38%, when utilizing both programs
- Able to provide 100% Financing
- Guaranteed Portion increased by 30,000

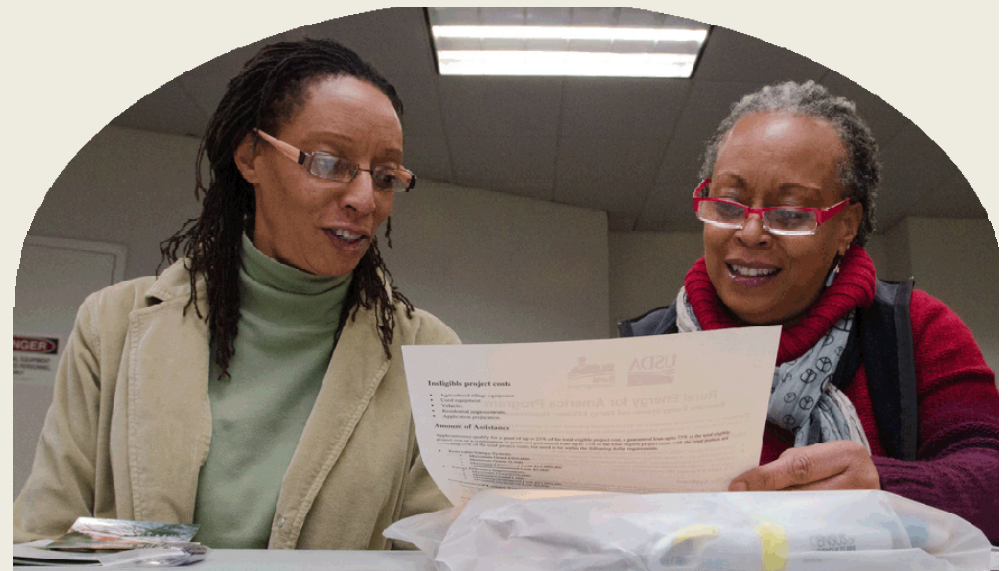
B&I Only		B&I and REAP Structure		
Loan Amount	\$ 1,000,000		B&I	REAP
Guarantee Percentage	80%	Loan Amount	\$ 400,000	\$ 750,000
Guaranteed Amount	\$ 800,000	Guarantee Percentage	80%	85%
Guarantee Fee	\$ 24,000	Guaranteed Amount	\$ 320,000	\$ 510,000
		Guarantee Fee	\$ 9,600	\$ 5,100
		Total Guaranteed Amount	\$ 830,000	
		Total Fees	\$ 14,700	
		*Note: REAP project is \$1,00,000. REAP loan is \$600,000 or 60% of project costs and 40% match (\$400,000) is part of the B&I.		



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How to Apply For REAP

- Contact State Energy Coordinator:
Jessie Huff
(907) 761-7726
Jessie.Huff@AK.usda.gov
- Submit applications any time of year.
- Applications compete for funding based on score in May and November

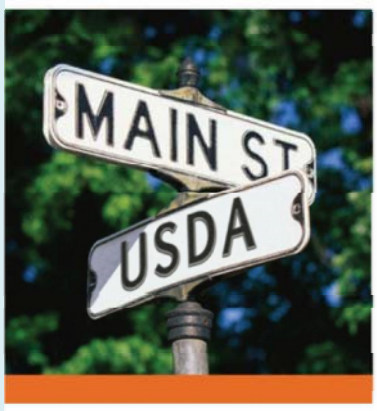




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Thank You



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