

## Rural Energy for America Program (REAP)



Renewable energy and energy efficiency systems provide a significant opportunity for rural economic development and growth. These opportunities include increasing local revenue, bolstering the local job market, and increasing the economic yield of land. As many U.S. farmers have discovered, renewable energy is the new cash crop of the 21st century.

Landowners are reaping long-term additional revenue from their land while continuing with their existing operations.



Energy efficiency improvements are a useful tool for increasing farm or business productivity while reducing costs. By investing in energy efficient equipment, agricultural producers and rural small businesses can enjoy savings and increased reliability for years to come.

### What is the REAP program?

To foster rural economic development and growth, Congress passed the *Rural Energy for America (REAP) Program* as part of the 2008 Farm Bill.

This program provides financial assistance to agricultural producers and rural small businesses to purchase renewable energy systems or make energy efficiency improvements.

The Rural Business and Cooperative Services of the United States Department of Agriculture (USDA) administers this program.

### How much is available?

In FY 2008, \$15.8 million was available in grants and \$204 million was available in guaranteed loans.

Grants can fund up to 25% of a project's total eligible costs. Grants are limited to \$500,000 for renewable energy projects or \$250,000 for energy efficiency improvements.

Grants as low as \$2,500 for renewable energy projects and \$1,500 for energy efficiency projects will be considered.

Guaranteed loans can fund up to 50% of a project's total eligible costs – with a minimum of \$5,000 and a maximum of \$25 million.

Combination grants and guaranteed loans can fund up to 50% of a project's total eligible costs.

Watch the Federal Register for  
Notice of Funds Availability (NOFA)  
after Oct. 1  
Applications can't be accepted until after the  
NOFA appears

### What types of projects are eligible?

Projects such as retrofitting lighting or insulation, or purchasing or replacing equipment with more efficient units are eligible. Energy efficiency improvements in new building construction are typically not eligible.

Eligible renewable energy projects include projects that produce energy from wind, solar, biomass, geothermal, and hydrogen-based sources. The project can produce any form of energy, including heat, electricity, or fuel.

For all projects, the system must be located in a rural area, must be technically feasible, meet environmental requirements, and must be owned by the applicant.

### How Do I Apply?

**Determine your eligibility.** If you have any questions, contact your USDA Rural Development state office for help in determining your eligibility.

**Consider your project.** You will need to assemble a project team. First contact area experts to assist you in designing your project.

**Start early.** Use of application templates can be useful in completing your application. These can be obtained from the state rural energy contact. Applications require both well designed projects and some detailed information about the applicant's agricultural or business operations. The application process can be time consuming.

### Make the technical report a team effort.

Your system installer or contractor should be able to provide most of the technical information required in the application. The USDA has guidelines to help clarify the technical requirements.

**Make sure your application is complete.**

Applications that are deemed incomplete will be ruled ineligible and not considered for funding. Work with your state USDA Rural Energy Coordinator to ensure that you have completely filled out the necessary forms and provided the required information.

**Submit your application before the deadline.**

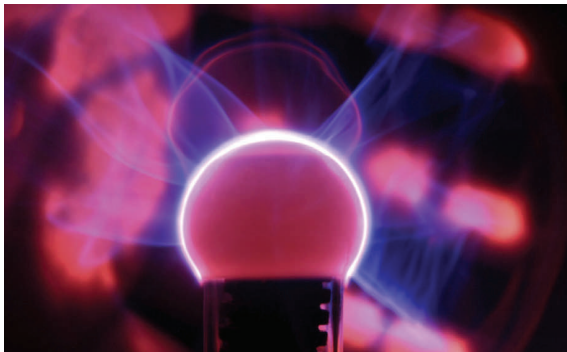
Applications are submitted to the USDA Rural Energy Coordinator. If you submit your application early, the USDA state contact can often let you know if information is missing. That will give you an opportunity to add information before the deadline.

**Who is eligible?**

The program is designed to assist agricultural producers and rural small businesses that have financial need.

All agricultural producers, including farmers and ranchers who gain 50% or more of their gross income from the agricultural operations, are eligible.

Businesses in a rural area meeting the Small Business Administration size standards can also apply. A private entity, a rural utility, and rural electric cooperatives are typically eligible, but non-profit entities are not eligible.



**Rural Energy Coordinator**

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**For more information**

Visit the North Dakota Rural Development Web site:  
<http://www.rurdev.usda.gov/nd/busdevel.htm>

For the Rural Development's national Web site, go to: [www.rurdev.usda.gov/rbs/farmbill](http://www.rurdev.usda.gov/rbs/farmbill)

For further information on the application process, including forms and technology-specific project guidance, go to:  
<http://www.rurdev.usda.gov/rbs/busp/9006grant.htm>  
<http://www.rurdev.usda.gov/rbs/busp/9006loan.htm>

Revised July 2008.



Committed to the future of rural communities.

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