

## **USDA Funding Programs for Energy Conservation and Renewable Energy**

Grants, loan guarantees, and financial assistance awarded by U.S. Department of Agriculture through the Farm Bill is one of the primary methods for farms to partially fund the installation of energy conservation and efficiency projects and practices. NRCS has been addressing energy-related issues since 2004, when energy enhancements were offered under the Conservation Security Program and the Agency's 2005-2010 Strategic Plan listed "an adequate energy supply" as one of three venture mission goals. Recent updates to the agency Strategic Plan replaced Venture Goals with Strategic Initiatives for "Climate Change Adaptation and Mitigation" and "Energy Conservation and Sustainable Production." These new initiatives support the Secretary of Agriculture's corporate goals for national leadership in climate change mitigation and adaptation, which include emphasis on conservation and greater efficiency in energy, use as well as greater emphasis on biofuels and renewable energy.

### **FARM SERVICE AGENCY (FSA)**

#### **Conservation Loan (CL) program**

Provides farm owners and farm-related business operators access to credit to implement conservation techniques that will conserve natural resources. CL funds can be used to implement conservation practices approved by the Natural Resources Conservation Service (NRCS) including implementation of manure management and manure digester systems and the adaptation of other emerging or existing conservation practices, techniques or technologies.

Direct CLs can be obtained through local Farm Service Agency (FSA) offices with loan limits up to \$300,000. Guaranteed CLs up to \$1,112,000 are available from lenders working with FSA.

For more information on the Conservation Loan program, contact a local FSA office or visit the FSA website at [www.fsa.usda.gov](http://www.fsa.usda.gov). For more information about this announcement, please see the notice which will appear in the September 3 edition of the Federal Register:

<http://www.fsa.usda.gov/FSA/federalNotices?area=home&subject=lare&topic=frd-ii>

### **RURAL DEVELOPMENT (RD)**

#### **\* Business and Cooperative Services (RBS)**

##### **REAP Feasibility Study Grants**

The fiscal year 2010 NOFA for the Feasibility Study grant under the Rural Energy for America Program was published in the Federal Register on Friday August 6, 2010. The deadline for applicants was October 5, 2010. \$3,000,000 was available for fiscal year (FY) 2010 to conduct feasibility studies for renewable energy systems for agriculture producers and rural small businesses. This funding will be available in the form of grants.

The grant request may not exceed 25 percent of eligible project costs or \$50,000, whichever is less and may not include other State or Federal funds as matching. State Energy Coordinator is the point of contact. <http://www.rurdev.usda.gov/BCPReapGrants.html>

\* **Energy Programs** (<http://www.rurdev.usda.gov/energy.html>)

### **Section 9007-Rural Energy for America Grant and Loan Program (REAP)**

The REAP Guaranteed Loan Program encourages the commercial financing of renewable energy (bioenergy, geothermal, hydrogen, solar, wind and hydro power) and energy efficiency projects. Under the program, project developers will work with lenders, who in turn can apply to USDA Rural Development for a loan guarantee up to \$25 million or 75% of total eligible project costs, whichever is less. <http://www.rurdev.usda.gov/BCPReapLoans.html>

The REAP Grant Program provides grants for energy audits and renewable energy development assistance.

#### **Section 9007(b): Energy Audits and Renewable Energy Development Assistance**

Eligible recipients include state, tribal or local government, land-grant college or university, rural electric cooperative or public power entity. Selection criteria includes (but is not limited to)

- ability of recipient in providing audits and assessments
- scope of program in relation to identified need
- number of persons assisted by the program
- potential of program for energy savings and environmental benefits
- plan for outreach and education to other agricultural producers and rural small businesses on benefits of renewable energy
- ability to obtain other funding sources.

Funds are allowed to be used for conducting and promoting energy audits, providing recommendations on improving energy efficiency and using renewable energy sources in their operations. However, only 5% of the grant may be used for administration costs

The cost-sharing section requires a grant recipient that conducts an energy audit for an agricultural producer or rural small business owner to collect 25% of the cost of the audit from the producer or owner as a condition of that producer or owner obtaining the audit (note that audits are required for producers to obtain funding under Section 9007(c)).

Section 9007 also provides funds to agricultural producers and rural small businesses to: conduct feasibility studies for renewable energy systems; purchase and install renewable energy systems; and make energy efficiency improvements. The grants are awarded on a competitive basis and can be up to 25% of total eligible project costs. The maximum dollar amounts vary depending on purpose. Grants to conduct feasibility studies are limited to \$50,000, grants for renewable energy systems are limited to \$500,000, and grants for making energy efficiency improvements are limited to \$250,000.

For more information: [www.rurdev.usda.gov/rbs/busp/9006grant.htm](http://www.rurdev.usda.gov/rbs/busp/9006grant.htm) or contact your state Rural Development Office, which is listed at [www.rurdev.usda.gov/recd\\_map.html](http://www.rurdev.usda.gov/recd_map.html).

### **Business and Industry Guaranteed Loans (B&I)**

The purpose of the B&I Guaranteed Loan Program is to improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities. This purpose is achieved by bolstering the existing private credit structure through the guarantee of quality loans which will provide lasting community benefits. It is not intended that the guarantee authority will be used for marginal or substandard loans or for relief of lenders having such loans.

General overview: <http://www.rurdev.usda.gov/BCPgar.html>

Step by step guide: <http://www.rurdev.usda.gov/rbs/RDWebsite/index.html>

### **\* Cooperative Programs**

#### **Value Added Producer Grant (VAPG)**

Value-added producer grants (VAPGs) may be used for feasibility studies or business plans, working capital for marketing value-added agricultural products, and farm-based renewable energy projects.

Applicants may not request funds for both planning activities and working capital expenses in one application. Eligible applicants include independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures. Planning grants of up to \$100,000 per project are available and working capital grants are capped at \$300,000 per project. A cost share of at least 50 percent is required. Working capital applicants need to have completed both a business plan and an independent feasibility study on their projects to be eligible.

For more information: [www.rurdev.usda.gov/rbs/coops/vadg.htm](http://www.rurdev.usda.gov/rbs/coops/vadg.htm) or contact your state Rural Development Office, which is listed at [www.rurdev.usda.gov/recd\\_map.html](http://www.rurdev.usda.gov/recd_map.html).

#### \* Rural Utilities Services (RUS)

##### **Electric Loan Program**

Providing reliable, affordable electricity is essential to the economic well-being and quality of life for all of the nation's rural residents. The Electric Programs provide leadership and capital to upgrade, expand, maintain, and replace America's vast rural electric infrastructure. Under the authority of the Rural Electrification Act of 1936, the Electric Programs make direct loans and loan guarantees to electric utilities to serve customers in rural areas.

The loans and loan guarantees finance the construction of electric distribution, transmission, and generation facilities, including system improvements and replacement required to furnish and improve electric service in rural areas, as well as demand side management, energy conservation programs, and on-grid and off-grid renewable energy systems. Loans are made to corporations, states, territories and subdivisions and agencies such as municipalities, people's utility districts, and cooperative, nonprofit, limited-dividend, or mutual associations that provide retail electric service needs to rural areas or supply the power needs of distribution borrowers in rural areas.

<http://www.usda.gov/rus/electric>

#### **NATURAL RESOURCES CONSERVATION SERVICE**

Visit the Programs Web site to stay informed about program updates, deadlines, initiatives, and signups. <http://www.nrcs.usda.gov/programs/>

##### **Environmental Quality Incentives Program**

Environmental Quality Incentives Program (EQIP) offers financial and technical help to assist eligible participants install or implement structural and management practices to improve environmental quality on agricultural lands. State conservationists have discretion over the allocation of the funding within their areas. Workgroups, convened by the local Soil and Water Conservation Districts, identify the specific resource concerns to be addressed, set priority area goals, select cost-share practices, establish ranking criteria for evaluating applications, and set their own schedule for approving applications.

EQIP offers contracts with a minimum term that ends one year after the implementation of the last scheduled practices, up to a maximum of 10 years. These contracts provide financial assistance to implement conservation practices. EQIP may provide financial assistance up to 75 percent of the costs of certain conservation practices. Limited resource producers and beginning farmers and ranchers may be eligible for financial assistance up to 90 percent. Farmers and ranchers may elect to use a certified third-party provider for technical assistance. An individual or entity may not receive, directly or indirectly, financial assistance payments that, in the aggregate, exceed \$300,000 for all EQIP contracts entered during the term of the 2008 Farm Bill. The NRCS Chief has the discretion to make exceptions for

funding practices such as anaerobic digesters and may allow producers to receive financial assistance payments up to \$450,000.

For more information: [www.nrcs.usda.gov/programs/eqip](http://www.nrcs.usda.gov/programs/eqip) or contact your USDA service office, which is listed at <http://offices.sc.egov.usda.gov/locator/app>.

### **Conservation Innovation Grants**

Conservation Innovation Grants (CIG) is a voluntary program intended to stimulate the development and adoption of innovative conservation approaches and technologies while leveraging federal investment in environmental enhancement and protection, in conjunction with agricultural production. CIG was authorized as part of EQIP. CIG is not a research program but rather a tool to stimulate the adoption of conservation approaches or technologies that have been studied sufficiently to indicate a high likelihood of success, and are likely candidates for eventual technology transfer. CIG will fund projects targeting innovative on-the-ground conservation, including pilot projects and field demonstrations. CIG funds pilot projects and conservation field trials that can last from one to three years. Grants for approved projects cannot exceed 50 percent of the total project cost and the federal contribution for a single project cannot exceed \$1 million. Technologies and approaches that are commonly used in the project's geographic area, and which are eligible for funding through EQIP, are not eligible for funding through CIG.

For more information: <http://www.nrcs.usda.gov/programs/cig> or contact your USDA service office, which is listed at <http://offices.sc.egov.usda.gov/locator/app>.

## **NATIONAL INSTITUTE OF FOOD AND AGRICULTURE**

### **Sustainable Agriculture Research and Education Funding Opportunities**

The USDA NIFA (formerly CSREES) sponsors this grant program with the goal of assisting farmers in adopting sustainable agricultural practices to improve profits, protect the environment, and enhance quality of life. Grants are available in the following areas: Research and Education Grants range from \$30,000 to \$150,000 to fund projects that usually involve scientists, producers, and others in an interdisciplinary approach. Professional Development Grants are designed to educate Extension staff and other agriculture professionals about sustainable concepts and practices. Producer Grants target funding between \$1,000 and \$15,000 to support farmers and ranchers in conducting research and undertaking marketing and demonstration projects, and to share results. Regional Sustainable Agriculture Research and Education (SARE) programs may offer other types of grants.

For more information: <http://sare.org/grants> or contact your regional SARE office, which is listed at <http://sare.org/about/regions.htm>.