

Rural Energy for America Program: Inflation Reduction Act Changes

Applicable to REAP RES/EEI grant applications received on or after April 1, 2023

Description of Change	Brief Description
NEW Funding Source: Inflation Reduction Act of 2022	\$1.055 Billion in Inflation Reduction Act Funding Underutilized Technology Set-aside

Subject	Current Language	Regulation Location	Brief Description of Change
REAP Energy Efficiency Improvements and Renewable Energy Systems			
Underutilized Technology <i>Applicable to IRA funding only</i>		3/31/23 REAP Notice	Renewable Energy technologies that make up less than 20% of total grant dollars obligated at the end of the fiscal year (FY) two years previous to current year. No single technology may receive more than 50 percent of the total funding available each FY, excepting years in which all underutilized technology applications have been processed and applications remain unfunded with funding still available in the set-aside.
Number of Employees Calculation	Uses preceding 12 months	4280.103 Small Business 3/31/23 REAP Notice	Conforming REAP to SBA calculation of number of employees which has been updated to use preceding 24 months
Application Limits	Applicants may compete one RES and one EEI grant application per fiscal year. Legally formed entities based on tax identification number were viewed as independent applicants	4280.110 (c) 3/31//23 REAP Notice	Maximum grant award applies to all affiliated entities as if they applied as one applicant. Maximum grant assistance to an applicant in a fiscal year is \$1,500,000
Grant Minimums	Minimum RES grant request of \$2,500 Minimum EEI grant request of \$1,500	4280.115 (a) 3/31/23 REAP Notice	Minimum grant request has been changed to a minimum total project cost. Regardless of federal grant share eligible projects must meet the minimum total project costs: RES of \$10,000 and EEI of \$6,000

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REAP Energy Efficiency Improvements and Renewable Energy Systems (Cont'd)																																									
Federal Grant Share	25 % of Total Eligible Project Costs	4280.115 3/31/23 REAP Notice	<p>Federal grant share of up to 50% using IRA funding for projects that meet one of the following:</p> <ul style="list-style-type: none"> -Renewable energy systems or retrofits that produce zero greenhouse gas emissions at the project level; -Projects located in an Energy Community defined in 26 U.S.C. 45 (b)(11)(B); -Energy efficiency improvement projects; -Projects proposed by eligible Tribal entities <p>All other projects remain limited to 25% or less federal grant share</p>																																						
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Application Windows	October 31 March 31	4280.122 3/31/23 REAP Notice	<p>Announces 6 quarterly application windows. Complete applications <i>compete</i> in the following quarter:</p> <table border="0"> <tr> <td>Q1</td> <td>April 1, 2023</td> <td>-</td> <td>June 30, 2023</td> </tr> <tr> <td>Q2</td> <td>July 1, 2023</td> <td>-</td> <td>September 30, 2023</td> </tr> <tr> <td>Q3</td> <td>October 1, 2023</td> <td>-</td> <td>December 31, 2023</td> </tr> <tr> <td>Q4</td> <td>January 2, 2024</td> <td>-</td> <td>March 31, 2024</td> </tr> <tr> <td>Q5</td> <td>April 1, 2024</td> <td>-</td> <td>June 30, 2024</td> </tr> <tr> <td>Q6</td> <td>July 1, 2024</td> <td>-</td> <td>September 30, 2024</td> </tr> </table>	Q1	April 1, 2023	-	June 30, 2023	Q2	July 1, 2023	-	September 30, 2023	Q3	October 1, 2023	-	December 31, 2023	Q4	January 2, 2024	-	March 31, 2024	Q5	April 1, 2024	-	June 30, 2024	Q6	July 1, 2024	-	September 30, 2024														
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