



**USDA Rural Development - California**  
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## **Energy Audit and Renewable Energy Development Assistance Program Overview**

Rural Energy for America Program (REAP)

*\*PLEASE NOTE: This overview is based on the NOSA published in the Federal Register, Vol.74, No. 46, Wednesday, March 11, 2009.*

### **Program purpose**

In the 2008 Farm Bill Congress added the Energy Audit and Renewable Energy Development Assistance program as a separate section of REAP. This program offers grants to units of State, tribal or local government, land-grant colleges, universities, or other institutions of higher education (including 1994 Land Grant Tribal Colleges and Historically Black Universities), rural electric cooperatives or public power entities to assist agricultural producers and rural small businesses by conducting energy audits and providing recommendations and information on renewable energy development assistance and improving energy efficiency.

Agricultural producers and rural small businesses receiving an energy audit or renewable energy development assistance through this program are required to pay at least 25 percent towards the cost of the assistance being provided.

### **Funds available and maximum grant**

In FY 2009 funding will be up to 4 percent of the funds made available to REAP. To ensure the maximum number of States will benefit from this program, grants awarded to a single applicant will be limited to no more than \$100,000.

### **Eligible project costs**

Eligible project costs are those post application expenses directly related to conducting and promoting energy audits and renewable energy development assistance, which include but are not limited to:

1. Salaries related to the project (direct and indirect);
2. Travel expenses related to the project;
3. Office supplies; and
4. Administrative expenses, up to a maximum of 5 percent of the grant, including but not limited to utilities, office space and office equipment.

### **Ineligible project costs**

Grant funds may not be used to:

1. Pay cost for preparing the application package;
2. Pay cost incurred prior to date of the application;
3. Pay for lobbying activities;
4. Pay for any assistance for a private business not 51% owned by US citizens or legal residents; and
5. Pay debt or judgment owed to the US Government.

### **Scope of work**

As part of the application a written narrative will be provided that includes, at a minimum, an Executive Summary; a plan and schedule for implementation; anticipated number of agricultural producers and/or rural small businesses to be served; an itemized budget; geographic scope of the proposed project; applicant's experience; applicant's resources; leveraging and commitment of other sources (in addition to the required 25% percent contribution from the agricultural producer or rural small business for the cost of an energy audit); outreach activities; method and rationale used to select the areas and businesses that receive the service; and a brief description of how the work will be performed.

### **Energy audits**

An energy audit provided through this program will include a situation report (a narrative description of the facility or process being audited, its energy system and usage, activity profile, etc.); potential improvements; technical analysis (estimate of the annual energy and energy cost savings, direct and indirect costs, cost-effectiveness, etc.); and potential improvement description (preliminary specifications for critical components, preliminary drawings of project layout, baseline data compared to projected consumption, significant changes to future operations, and outcomes to be measured annually).

**Renewable energy development assistance**

Renewable energy development assistance involves making recommendations and providing information on how to improve the energy efficiency of an agricultural producer’s or rural small business’s operations and how to use renewable energy technologies and resources in their operations.

**Additional requirements**

Recipients of energy audits and renewable energy development assistance must be located in a rural area and be either an agricultural producer (individual or business entity receiving at least 50% of gross income from agriculture) or a rural small business. “**Rural**” means any area other than a city or metropolitan statistical area that has a population of greater than 50,000 inhabitants. “**Small**” is as defined by SBA and depends on business type – typically < 500 employees & revenue < \$7 million.

**Application process**

Applications for grants must be received by 4:30 p.m., Tuesday, June 9, 2009. Submit paper applications to USDA Rural Development State Office at 430 G Street, Davis, CA 95616. To submit an electronic application go to [www.grants.gov](http://www.grants.gov) and follow the instructions on the Web site.

Applicants are advised to submit their applications as far ahead of June 9 as possible to assure the application can be determined complete prior to the deadline

**Project Scoring**

Applications are competitively chosen for funding based on the following criteria:

<b>Max Points</b>	<b>Grant selection criteria</b>
10	Applicant has in-house ability to conduct Energy Audits or Renewable Energy Development Assistance
10	Applicant will not use “any grant funds” for administrative expenses
15	Applicant’s organizational experience in completing proposed activity
10	Geographic scope of project in relation to identified need
15	Number of agricultural producers/rural small businesses to be served
25	Potential of project to produce energy savings and its attending environmental benefit
10	Marketing and outreach plan
5	Level and commitment of other funds for the project

**For more information, an application template, or to get on our REAP notification list contact:**

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