



# NEWS RELEASE

United States Department of Agriculture • Rural Development

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## **USDA Rural Development Invites Applications For Renewable Energy and Energy Efficiency Projects**

*Agricultural Producers in Non-rural Areas are Now Eligible,  
Funding May Be Used for Flex-Fuel Pumps*

WASHINGTON, D.C., April 14, 2011 – Agriculture Secretary Tom Vilsack today invited agricultural producers and rural small businesses to apply for loans and grants to implement renewable energy systems and make energy efficiency improvements.

"Biofuels and other renewable energy sources present an enormous economic opportunity for rural America and the rest of the nation," Vilsack said. "President Obama and I recognize that we need to win the future by implementing a long-term strategy to meet our country's current and long-term energy needs. The funding I am announcing today will help make America's farmers, ranchers and rural businesses more energy efficient."

USDA is providing funding for up to \$61 million in guaranteed loans and \$42 million in grants through the Rural Energy for America Program (REAP). Funds are available to help agricultural producers and rural small businesses develop renewable energy systems, make energy efficiency improvements and conduct studies to determine the feasibility of renewable energy systems.

Today USDA issued a rule to clarify that the definition of renewable energy systems in REAP includes flexible fuel pumps, sometimes referred to as "blender pumps." This clarification is intended to provide fuel station owners with incentives to install flexible fuel pumps that will offer Americans more renewable energy options. The Obama administration has set a goal of installing 10,000 flexible fuel pumps nationwide within 5 years.

The rule also makes the following clarifications:

- Grants are available for audits of energy improvements and studies to determine the feasibility of renewable energy systems; and
- Agricultural producers in non-rural areas are eligible for REAP assistance. Small businesses must still be located in rural areas. This clarification makes REAP eligibility requirements consistent with those of other USDA energy programs.

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Since Rural Development's renewable energy and energy efficiency programs were launched in 2003, they have played a key role in helping more than 6,000 local businesses create jobs and make energy efficiency improvements. Under REAP, local businesses receive assistance to deploy wind, solar and other forms of renewable energy. For example, Pagel Ponderosa and partner business Dairy Dreams in Kewaunee County, Wis., used REAP funds to help purchase and install anaerobic digesters. Both businesses use the energy generated from their digesters to run their operations and sell excess power back to the grid. The two digesters have become so successful that along with two wind farms operating in the county they are generating enough electricity to support all of the county's 8,900 households.

The deadlines for submitting completed REAP applications are June 15 and June 30, depending on the type of project to be funded. For information on how to apply for assistance, contact your local USDA Rural Development office or see page 20943 of the April 14 Federal Register, <http://edocket.access.gpo.gov/2011/pdf/2011-8456.pdf>. A list of USDA offices is available at <http://www.rurdev.usda.gov/StateOfficeAddresses.html>.

USDA, through its Rural Development mission area, administers and manages housing, business and community infrastructure and facility programs through a national network of state and local offices. These programs are designed to improve the economic stability of rural communities, businesses, residents, farmers and ranchers and improve the quality of life in rural America. Rural Development has an existing portfolio of nearly \$149 billion in loans and loan guarantees. Visit <http://www.rurdev.usda.gov> for additional information about the agency's programs or to locate the USDA Rural Development office nearest you.

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