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Feasibility Study Grants for Renewable Energy Systems 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. 99, Tuesday, May 26, 2009.*

Grants to fund Feasibility Studies for renewable energy projects - wind, solar, biomass, biofuels, micro-hydropower, geothermal, & anaerobic digesters

The 2008 Farm Bill added “stand alone” Feasibility Study Grants for renewable energy systems as a separate program within REAP. This new program provides grants to rural small businesses and agricultural producers to help finance the cost of feasibility studies.

Eligible applicants

- Rural small businesses – “**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.
- Agricultural producers (including nurseries & dairies) – individuals or business entities receiving at least 50% of gross income from agriculture. (The SBA-“small business” limitation does not apply to ag producers.)
- The applicant must have a demonstrable financial need for the grant assistance.
- Majority ownership must be held by US citizens or permanent residents.
- Applicants cannot have a judgment filed by US Federal Court, be delinquent on Federal taxes or debt or be debarred for Federal Assistance.
- Nonprofits & public projects are **not** eligible.
- Preference is given to “very small businesses” – those with < 15 employees & < \$1 million in annual receipts and “small agricultural producers” that produce products with a gross market value < \$600,000.

Funds available

\$6,000,000 is available under REAP for feasibility studies in FY 2009. Grants may finance up to 25% of eligible feasibility study costs or \$50,000, whichever is less, and will be awarded via a nationwide competition. *Applicants applying for a feasibility study grant in FY 2009 are not eligible to also apply in the current FY for either a REAP Renewable Energy System grant or REAP Loan Guarantee for the same project.*

Project Eligibility

Feasibility studies must be for a renewable energy system that:

- i. is for the purchase, installation, expansion, or other energy-related improvement of a renewable energy system;
- ii. is located in a rural area; and
- iii. is for technology that is pre-commercial or commercially available and that is replicable.

Eligible costs include only post application costs and are limited to costs associated with development of a feasibility study. Engineering and design costs are not considered eligible costs.

An application cannot be submitted for a renewable energy system project for which a feasibility study has already been conducted or for a feasibility study that has been funded under any other Federal or State program.

An application can be submitted for a modification to an existing renewable energy system (e.g. for the expansion portion of an existing windmill farm).

Scope of work

As part of the application a workplan must be provided that describes the proposed renewable energy system the feasibility study will evaluate, the scope of the study, as well as the timeframe for completion, the experience of the company/individual completing the study, the source and amount of other project funds, and include sufficient information to allow the Agency to determine the applicant’s size.

Feasibility studies

Elements in an acceptable feasibility study include, but are not necessarily limited to, the following: Executive Summary, Economic Feasibility, Market Feasibility, Technical Feasibility (including the appropriate technical report), Financial Feasibility, Management Feasibility and Qualifications.

Application process

Applications for grants must be received by 4:30 p.m., Friday, July 31, 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 and follow the instructions on the Web site.

Applicants are advised to submit their applications as far ahead of July 31 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:

Max Points	Grant selection criteria
25	Energy replacement (25 points) vs energy generation (15 points)
10	Commitment of other funds necessary to complete study
20	Designation as a <i>small agricultural producer/very small business</i>
15	Experience and qualifications of entity identified to perform study
20	Size of Feasibility Study grant requested
10	Available resources to implement project

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

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