



Committed to the future of rural communities.

NEWS RELEASE

1303 SW First American Place, Suite 100, Topeka, KS 66604-4040

Voice (785) 271-2701, FAX (785) 271-2708

www.rurdev.usda.gov/ks

Contact: Jessica Bowser
USDA Rural Development
785-271-2701

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

Topeka, Kan., April 18, 2011 – USDA Rural Development is inviting agricultural producers and rural small businesses to apply for loans and grants to implement renewable energy systems and make energy efficiency improvements.

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.

REAP is designed for rural small business and agriculture producers that complete energy efficiency improvements in their existing business or install renewable energy systems for their current or new business. Rural is defined as populations less than 50,000. Grants are available for up to 25 percent of the total project costs. The minimum requirement for a grant for energy efficiency improvements is \$1,500 and for \$2,500 for renewable energy systems. Loan guarantees can also be obtained for up to 75 percent of the total project costs; loan guarantees can mitigate a lender's risk up to 85 percent of the loan.

USDA recently 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 and convenience store owners with incentives to install flexible fuel pumps that will offer Americans more renewable energy options. In an effort to enhance growth in the biofuels industry in the U.S., the Obama administration has set a goal of installing 10,000 flexible fuel pumps nationwide within 5 years. In addition to the REAP incentives for blender pumps, the Kansas Corn Growers Association provides incentives and tax credits are available.

The deadlines for submitting completed REAP applications are June 15 and June 30, depending on the type of REAP project to be funded.

- Renewable energy system and energy efficiency improvement grant applications and combination grant and guaranteed loan applications are due June 15.
- Renewable energy system and energy efficiency improvement guaranteed loan applications are due June 15.
- Renewable energy system feasibility study applications are due June 30.
- Energy audits and renewable energy development assistance applications are due June 30.

To obtain more information about this program, please contact the following USDA Rural Development Area Office Specialist located in your area.

Brandon Prough – Hays USDA RD office, 785-628-3081, brandon.prough@ks.usda.gov

Larry Holz – Manhattan USDA RD office, 785-776-7582, larry.holz@ks.usda.gov

Katie Casper – Iola USDA RD office, 620-365-2901, katie.casper@ks.usda.gov

Doug Clary – Newton USDA RD office, 316-283-0370, douglas.clary@ks.usda.gov

For additional information regarding this and other USDA Rural Development programs visit the Agency's website www.rurdev.usda.gov/ks, or call the Agency's state office at 785-271-2700.

#