



Committed to the Future of Rural Communities

RURAL ENERGY FOR AMERICA PROGRAM

FACT SHEET

Section 9007 – The Rural Energy for America Program, through USDA-Rural Development, offers **grants, loan guarantees, and combination grant/loan guarantees** to help **agricultural producers and rural small businesses** purchase and install renewable energy systems and make energy efficiency improvements in rural areas. Helpful information regarding the Section 9007 program can be found at: <http://www.rurdev.usda.gov/me/Energy/REAP.htm>

Who is eligible?

- ☑ An **agricultural producer** (individual or entity) **directly** engaged in the production of agricultural products and obtains at least 50% or greater of their gross income from their agriculture business.
- ☑ A **rural small business** – an entity is considered a small business in accordance with SBA’s (Small Business Administration) small business size standards (by NAICS codes). SBA small size standards can be found at: http://www.sba.gov/sites/default/files/files/Size_Standards_Table%281%29.pdf
A private entity including a sole proprietorship, partnership, corporation, and a cooperative (including a cooperative qualified under section 501(c) (12) of the Internal Revenue Code.
 - An electric utility, including a Tribal or governmental electric utility that provides service to rural consumers on a cost-of-service basis without support from public funds or subsidy from the Government authority establishing the district, provided such utilities meet SBA’s definition of small business. These entities must operate independent of direct Government control.
- ☑ With the exception of the entities described above, all other non-profit organizations and public entities are **excluded**.

How much assistance can be provided?

	Renewable Energy Projects	Energy Efficiency Improvement Projects
Description	A system that produces or produces and delivers usable energy from a renewable energy source.	Improvements to a facility, building, or process that reduces energy consumption.
Minimum grant (no more than 25% of total eligible project costs)	\$ 2,500	\$ 1,500
Maximum grant (no more than 25% of total eligible project costs)	\$ 500,000	\$ 250,000
Maximum grant per applicant per fiscal year	\$ 750,000	
Minimum guaranteed loan (no more than 75% of total eligible project costs)	\$ 5,000	\$ 5,000
Maximum guaranteed loan (no more than 75% of total eligible project costs)	\$ 25,000,000	\$ 25,000,000
Minimum grant portion of the combined funding request	\$ 1,500	\$ 1,500
Maximum combination grant/guaranteed loan (no more than 75% of total eligible project costs)	\$ 25,000,000	
Services of a Professional Engineer required?	Projects with total eligible costs > \$400,000	Projects with total eligible costs > \$200,000
Energy audit or energy assessment required?	NO	Required for all energy efficiency projects. Projects with total eligible costs > \$50,000 require an energy audit.
Business Level Feasibility study required?	Projects with total eligible costs > \$200,000	NO
Technical Report Required?	YES	YES

We encourage you to start planning your project now.

Two (2) copies of your application are to be submitted to the USDA Rural Development Area Office. A list of Area Offices is included on the last page of this Fact Sheet. You may also visit our website at: www.rurdev.usda.gov/me.

Selection is based on a state-wide competition for funds. If total applications exceed the state allocation of funds, applications will be submitted to the National Office for funding consideration. To qualify for consideration for funding, an application must meet the application, technical, and environmental requirements.

Separate applications must be submitted for renewable energy system and energy efficiency improvement projects. Only one application per each type of project may be submitted per year.

These are the types of projects Rural Development can consider:

	Renewable Energy Projects	Energy Efficiency Improvement Projects
Categories of projects <i>(The project must be located in a rural area.)</i>	Biomass, Anaerobic Digester, Geothermal – electric generation, Geothermal – direct use, Hydrogen, Small and Large Wind, Small and Large Solar, Flexible Fuel Pumps Micro-hydro is now eligible	Energy Efficiency Improvements verified by an energy audit or assessment.
<ul style="list-style-type: none"> • Grants to complete energy audits and renewable energy development assistance • Eligible applicants <ol style="list-style-type: none"> 1. governmental 2. educational 3. electrical cooperative & public power entities 4. other similar organizations 		

What type of application should be submitted to the Maine Rural Development Area Office?

Application process	Total eligible project costs	
Simplified grant application criteria and procedures 4280.114	\$200,000 or less	
Technical Report Guidelines can be found in	Appendix A to 4280-B	
Full grant application criteria and procedures 4280.116	> \$200,000	
Technical Report Guidelines can be found in	Appendix B to 4280-B	
Guaranteed loans – 4280.128 Reduced application and documentation 4280.128 (b)	= or < \$600,000	
Guaranteed loans – Full application and documentation 4280.128 (a)	> \$600,000	
Guaranteed loan - Equity evidence by borrowers	= or < \$600,000 – not less than 15% of eligible project costs > \$600,000 – not less than 25% of eligible project costs	
Maximum percentage of guarantee	= or < \$600,000	85%
	>\$600,000 & = or < \$5 million	80%
	>\$5 million & = or < \$10 million	70%
	>\$10 million & = or < \$25 million	60%
Guaranteed loan - Appraisal	= or < \$600,000 complete self-contained appraisal >\$600,000 complete summary appraisal	

Program information

	Grant	Guaranteed Loan	Combination Grant & Guaranteed Loan
Who is the applicant?	Agricultural producer or rural small business	A lender is the applicant seeking a guarantee on a loan to an agricultural producer or a rural small business.	2 applications needed. The grant application is from the agricultural producer or the rural small business. The lender submits an application for the guaranteed loan.
What are eligible costs? <i>(All eligible projects must be located in a rural area and utilize a replicable pre-commercial or replicable commercially available and feasible technology.</i> <i>The applicant must be the owner of the project and control the operation and maintenance of the proposed project.</i> <i>Applicants must demonstrate the project has sufficient revenues to provide for operation and maintenance.</i> Fees	<ol style="list-style-type: none"> 1. Post application purchase and installation of equipment (new, refurbished, or remanufactured), except agricultural tillage equipment, used equipment and vehicles. 2. Post application construction or project improvements, except residential 3. Energy audits or assessments 4. Permit and license fees 5. Professional service fees, except for application preparation. 6. Feasibility studies and technical reports 7. Business Plans 8. Retrofitting 9. Construction of a new energy efficient facility only when the facility is used for the same purpose; is approximately the same size; and based on the energy audit, will provide more energy savings than improving an existing facility. 	The same eligible costs as listed for a grant, with the addition of: <ol style="list-style-type: none"> 10. Working capital 11. Land Acquisition Guarantee Fee: 1% Annual Renewal Fee: ¼%	Only the guaranteed portion can be used for working capital or land acquisition.

When are applications due in FY 2012 (10-1-11 to 9-30-12) See below

Program	State and/or National Allocation	Application Submission Frequency	Date Applications are due to Maine RD Area Office
RE/EE grants	\$12.5 million Nationally	One Round	03-30-12
RE/EE guaranteed loans	\$48.5 million Nationally	Bi-Weekly State Competitions with minimum score of 50 required	06-29-12
RE/EE combination grants/guaranteed loan	Grant portion from grant allocation. Guaranteed loan portion from guaranteed loan allocation	One Round	03-30-12

Funding – Section 9007 Energy Program

FY 2012 has \$25.4 million in budget authority which will support at least \$12.5 million in grant program level and up to \$48.5 million in guaranteed loan program level nationally.

Is your project in an eligible area? Follow this link for determination:

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=RBSmenu&NavKey=property@13>

Possible sources of matching funds and assistance in the preparation of technical reports.

Maine Energy Information – www.maineenergyinfo.com – go to the Energy Index for a host of related links.
SBA (funds) www.sba.gov/me - Phone: (207) 622-8274
Maine Manufacturing Extension Partnership (MMEP) - www.mainemep.org – Phone: (207) 623-0680
USDA, Farm Services Agency (FSA) – www.fsa.usda.gov/me/ - Phone: (207) 990-9140
Efficiency Maine - www.energymaine.com

Possible sources of help for preparing financial information.

Your local banker or your accountant
Maine Small Business Development Centers www.mainesbdc.org - Phone: (207) 780-4420
Small Business Administration and SCORE (retired executives counseling small businesses)
www.sba.gov/me - Phone: (207) 622-8274
USDA, Farm Services Agency (FSA) – www.fsa.usda.gov/me/ - Phone: (207) 990-9140

For Help in reviewing an application for completeness or Help in preparing an application.

Maine Rural Development contacts are listed on the last page of this Fact Sheet.

Resource Conservation and Development Districts (RC&D) Coordinators – for names and locations, please go to:
www.me.nrcs.usda.gov/partnerships

Small Business Administration and SCORE (retired executives counseling small businesses)
www.sba.gov/me - Phone: (207) 622-8274

USDA, Farm Services Agency (FSA) – for names and locations, please go to: www.fsa.usda.gov/me/
 Or call Phone: (207) 990-9140

Examples of Nationwide Energy Projects Awarded Grants

Renewable Energy	
Small Business	Installation of a Cogeneration wood fired boiler system primarily to create heat to operate the kilns and steamer and also produce electricity.
Agricultural Producer	Install a factory made wood burning furnace that is located outside. The furnace will heat water that will be pumped through insulated underground pipes.
Small Business	Install hot water renewable fuel boiler along with solar PV electric and solar thermal supplemental design for heating a greenhouse project.
Agricultural Producer	Installing a geothermal renewable energy system at a winery and farm.
Agricultural Producer	Erect a Bonus 450 KW wind turbine in order to strengthen farming operation through efficiency and diversity of operations and additional source of income.
Small Business	Provide electric power to headquarters facility with 2 wind turbines and photovoltaic systems.
Small Business	Construct a wind turbine (67-1650KW) electric generation farm.
Agricultural Producer	Manure processing project that generates own energy for drying manure on a dairy farm.
Small Business	Installation of wind turbines and solar PV array pumping system.
Small Business	Build a 12,000,000 gallon bio-diesel production plant.
Agricultural Producer	Installation of a 5,600,000 kW wind turbine on a farm.
Agricultural Producer	Installation of 10 kW wind turbine on a farm for farm electrical usage.
Small Business	Installation of thermal solar array to reduce dependence on fossil fuel for water usage

Energy Efficiency	
Agricultural Producer	Installation of energy-efficient, large (24") fans in free-stall barn for dairy producer
Agricultural Producer	Installation of an energy efficient grain drying bin.
Agricultural Producer	Installation of Solar Energy Panels on irrigation equipment for agricultural crop producer.
Small Business	Install energy efficient equipment in a linen cleaning facility using a Reverse Ambient Solar Energy Refrigeration System (RASERS).
Maple Syrup Producer	Installed energy efficient evaporator pans to reduce energy consumption
Small Business	Install new boiler system and high efficiency dry kilns.
Small Business	Energy conservation and efficiency for office/warehouse for calibrated day lighting controls, lighting controls, lighting design alternatives, conditioning of outside air, and insulation.

MAINE RURAL DEVELOPMENT
RURAL ENERGY FOR AMERICA PROGRAM (REAP) CONTACTS

- Program Director: Dean R. Churchill Dean.Churchill@me.usda.gov
967 Illinois Ave., Suite 4, Bangor, ME 04401
(207) 990-9168
- Energy Coordinator: Beverly A. Stone Beverly.Stone@me.usda.gov
967 Illinois Ave., Suite 4, Bangor, ME 04401
(207) 990-9168

Area Offices:

- Presque Isle: Cheryl D. Pelletier Cheryl.Pelletier@me.usda.gov
735 Main Street Suite 1, Presque Isle, ME 04769
(207) 764-4157, ext 135
Aroostook, Hancock, northern Penobscot (Howland north),
Piscataquis & Washington Counties
- Bangor: John F. Sheehan John.Sheehan@me.usda.gov
1423 Broadway Suite 3, Bangor, ME 04401
(207) 990-3676, ext 130
Kennebec, Knox, southern Penobscot (south of Howland),
Somerset & Waldo Counties
- Lewiston: Bobbi J. Arnold Bobbi.Arnold@me.usda.gov
254 Goddard Road, Lewiston, ME 04240
(207) 753-9400, ext 240
Androscoggin, Cumberland, Franklin, Lincoln, Oxford,
Sagadahoc, & York Counties