

USDA/Rural Development

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USDA ANNOUNCES \$44 MILLION IN GRANTS FOR RENEWABLE ENERGY INITIATIVES

\$23 Million Targeted for Farmers, Ranchers, and Small Business to Improve Energy Efficiencies and \$21 Million Provided for the Biomass Research and Development Initiative

TEMPLE, TX, April 7, 2003 – Bryan Daniel, State Director, USDA Rural Development today announced the availability of approximately \$44 million in grants that will support President Bush’s energy plan to develop renewable energy and expand the economic prospects and environmental promise of biomass.

“These programs support President Bush’s goal for increasing renewable energy supplies,” said Daniel. “Developing alternative energy sources is an important part of the Administration’s overall energy policy that will in turn reduce pollution and increase energy security.”

Both programs were authorized by the 2002 Farm Bill and will be conducted in collaboration with the Department of Energy.

Daniel said that \$23 million is available from USDA Rural Development for the Renewable Energy Systems and Energy Efficiency Improvements programs to assist farmers, ranchers, and rural small businesses develop renewable energy systems and make energy efficiency improvements to their operations.

“American agriculture is going through a time of enormous transformation,” said Daniel. “We need to be bold in recognizing and capitalizing on new opportunities. Energy is unquestionably one of those areas that presents tremendous opportunities for economic gains and ultimately an improved quality of life for rural Texans.”

Applicants for the Renewable Energy Systems and Energy Efficiency Improvements program must be agricultural producers or rural small businesses, U.S. citizens or legal residents, and have demonstrated financial need. Rural Development grant funds may be used to pay up to 25 percent of the eligible project costs. Eligible projects include those that derive energy from a wind, solar, biomass, or geothermal source, or hydrogen derived from biomass or water using wind, solar, or geothermal energy sources. Awards will be made on a competitive basis for the purchase of renewable energy systems and to make energy improvements.

Through the Biomass Research and Development Initiative, \$21 million in grants are available to eligible entities to carry out research, development and demonstrations on biobased products, bioenergy, biofuels, biopower and related processes.

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Eligible applicants include private sector entities, institutions of higher education, nonprofit organizations, national laboratories, federal and state research agencies and consortiums of two or more of these entities. Grants will be awarded competitively based on technical merit and program priorities identified in the solicitation package. For this solicitation, a minimum non-federal share of 20 percent of the total project cost is required. The federal share of each grant is expected to range from \$250,000 to \$2 million, with the work proposed to be completed within a three-year timeframe. USDA intends to make up to \$16 million available and DOE intends to make up to \$5 million available to fund proposals of merit under this solicitation.

Biomass is defined as organic nonfossil material of biological origin constituting a renewable energy source.

Information about additional energy grants provided for by the Farm Bill and about USDA's energy policy can be found at <http://www.usda.gov/farmbill> and <http://www.usda.gov/energy/> respectively.

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