

Rural Energy for America Program Guaranteed Loans and Grants

PURPOSE

The purpose of this program is to help farmers, ranchers and rural small businesses reduce energy costs and consumption to help the nation meet its energy needs. The program will also help support and stimulate rural economic development by helping agricultural producers and rural small businesses create new renewable energy sources and income, create new jobs, and create new uses for agricultural products.

DEFINITIONS

Energy Efficiency: Installation of energy efficient equipment and improvements to a facility, building, or process or that reduces energy consumption.

Renewable Energy: Purchase and installation of a system that produces or produces and delivers usable energy derived from wind, solar, biomass, geothermal, oceanic, hydroelectric, or hydrogen derived from these sources.

ELIGIBLE APPLICANTS

Applicants must be either an agricultural producer or a small business. This program *excludes residential purposes*. The project must be located in a rural area.

Agricultural Producers: An individual or entity directly involved in the production of agricultural products and 50% or greater of their gross income is derived from the agricultural production.

Small Business: A private entity, including a sole proprietorship, partnership, corporation, and cooperative. Municipal or Tribal electric utilities may also qualify. Must meet SBA small business size standards, including aggregate of affiliated and subsidiary entities; excludes other non-profit entities.

Rural: All areas other than a city with a population greater than 50,000 and urbanized area contiguous and adjacent to such city.

FUNDING AVAILABILITY

Grants can fund up to 25% of eligible project costs. Minimum and maximum grant awards for efficiency projects are \$1,500 - \$250,000 and \$2,500 - \$500,000 for renewable energy projects.

Guaranteed loans cannot exceed 75% of eligible project costs. Loan amounts range from \$5,000 to \$25,000,000 with a 1% guarantee fee, a 1/4% annual servicing fee, and a 70-85% guarantee of loss.

Total program participation in a project cannot exceed 75% of eligible project costs.

ELIGIBLE USES

- Purchase and installation of equipment, *except* ag tillage equipment/vehicles (post-application)
- Construction (post-application)
- Feasibility studies and business plans
- Professional service fee, *excluding* application preparation
- Permit fees and energy audits

FUNDING CYCLES AND APPLICATION INFORMATION

Please see the NOFA for application deadlines.

For more information or to request application materials, please contact the Rural Development State Office: Rural Development, Business & Community Programs, 4949 Kirschling Court, Stevens Point, WI 54481 Phone (715) 345-7610 · FAX (715) 345-7616 · RD.BCP.SO@wi.usda.gov · Application materials are also available online at www.rurdev.usda.gov/wi.

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