



United States  
Department of  
Agriculture

## Rural Development



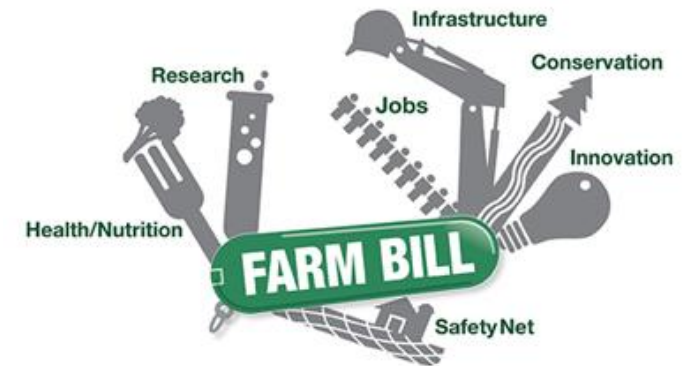
Presented by Gary Pereira  
Energy Coordinator

# Rural Energy for America Program

*Community Distribution Generation Summit*

# Program History and Background

- Created in 2002 Farm Bill, renewed and expanded in 2008 and again in 2014
- Grants and loan guarantees for:
  - Renewable energy installations
  - Energy efficiency improvements to existing facilities or processes



**"It's like a Swiss Army knife."**

- President Obama 2/7/14

# Eligible Projects

## Renewable Energy

- Wind
- Solar
- Biomass
- Anaerobic Digesters (no landfill gas)
- Geothermal
- Hydrogen
- Hydropower (< 30 mW)

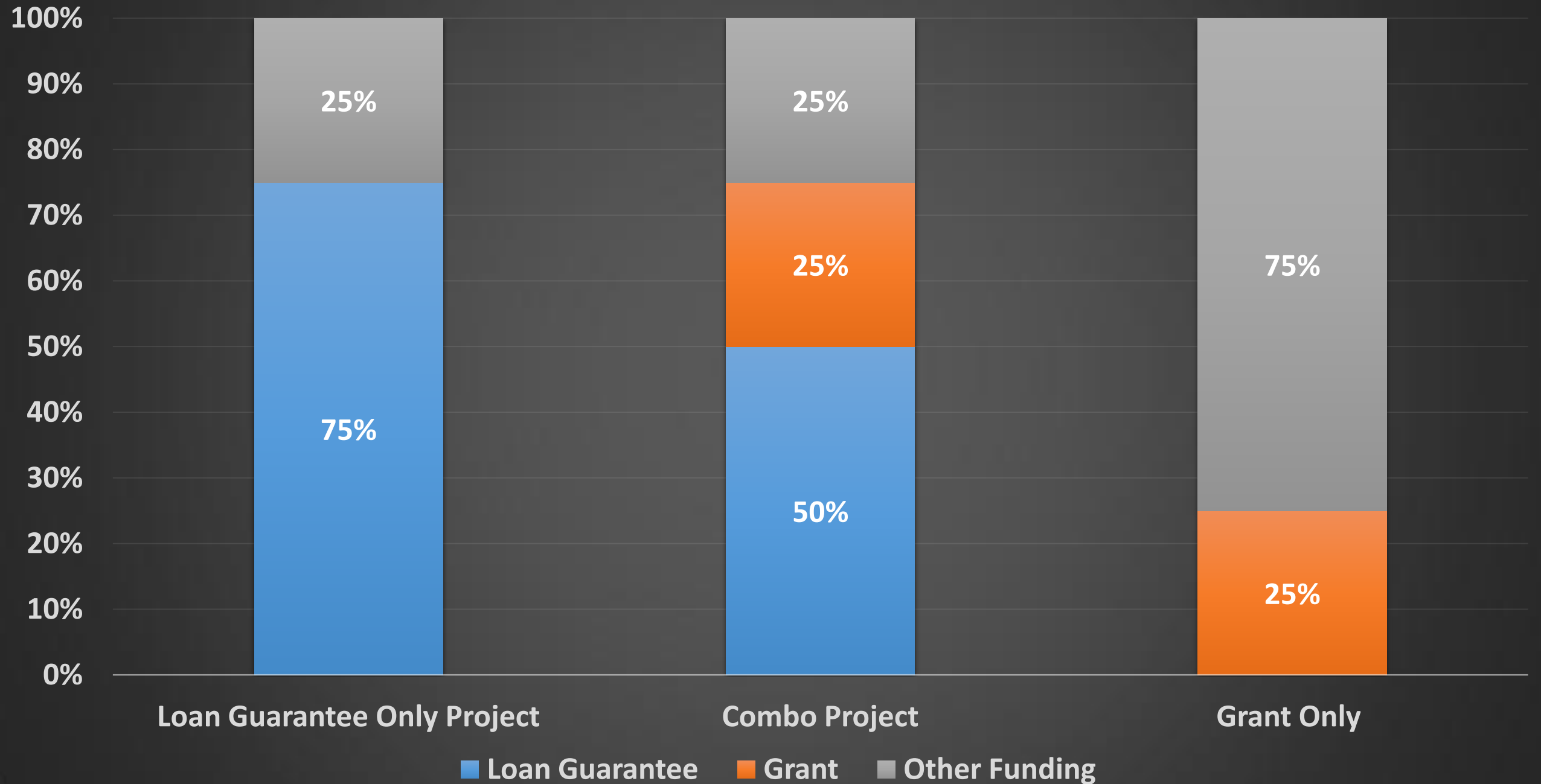
## Energy Efficiency

- Energy Efficiency Improvements verified by an energy audit or assessment

# Funding Basics

- Loan guarantees: up to 75% total project cost, capped at \$25 million
- Combos (loan and grant): up to 75% of total project cost
- Grant: up to 25% of total project cost
  - Minimum \$2,500; Maximum \$500,000 for RE project
  - Minimum \$1,500; Maximum \$250,000 for EE project

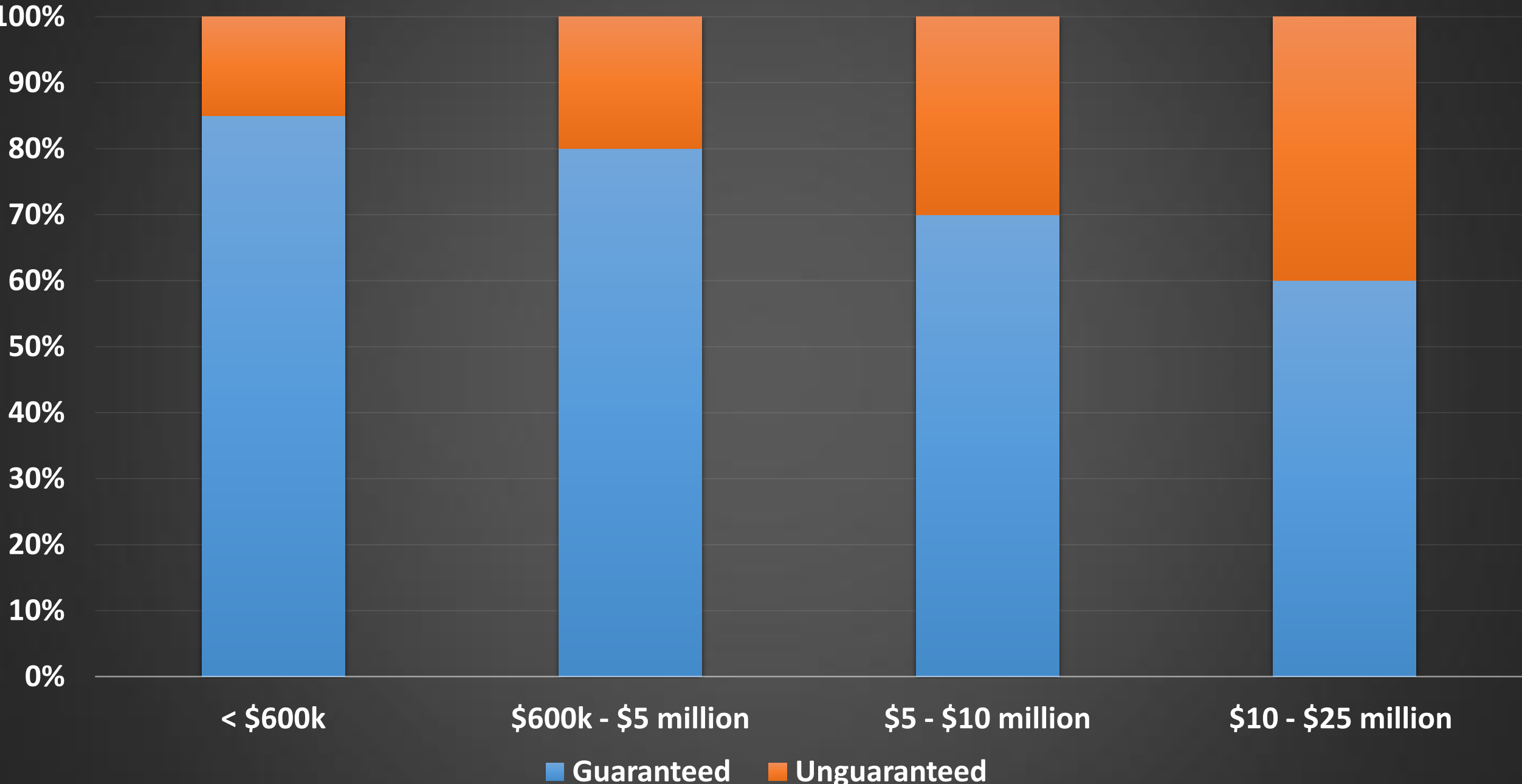
# Funding Basics



# Applicant Types

- Eligible applicants include:
  - Agricultural Producers
    - At least 50% of gross income from the Ag business
  - Rural Small Businesses
    - SBA Standards
    - Rural location – USDA website
- Non-profit organizations and public entities are NOT eligible

# REAP Loan Guarantee Percentages by Loan Size

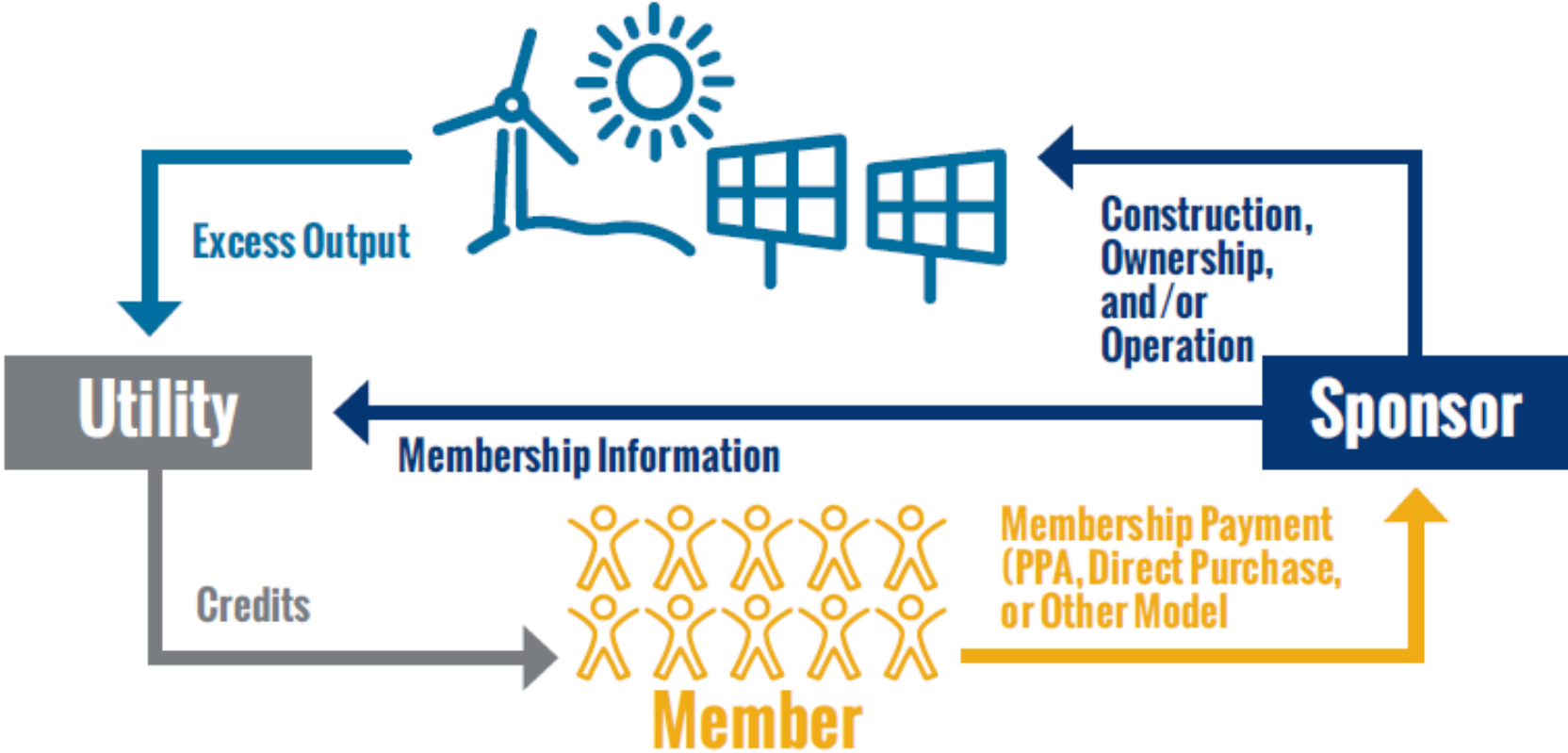


# Loan Requirements

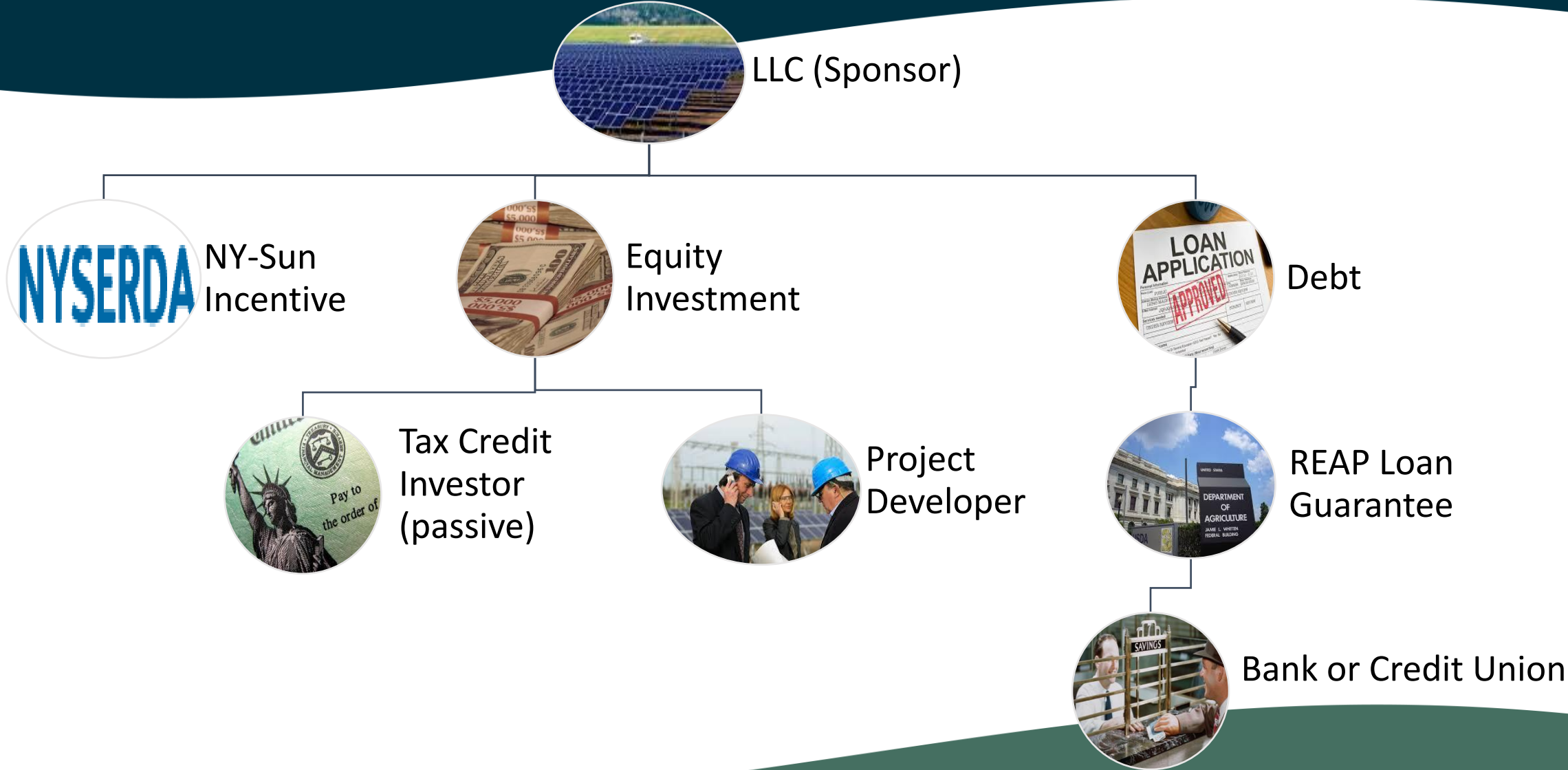
- Interest Rate is negotiated between borrower and lender
- Term cannot exceed the useful life of the equipment or 15 years for M&E
- 30 years for RE
- No equity requirement
- Loan cannot be more than 75% of the total project cost
- Passive investors do not have to personally guarantee
- No balloon payments
- Collateral – Loan to Value can be as high as 100% (must exhibit strong cash flow)



# CDG via NY-Sun



# CDG and Loan Guarantees







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*USDA Rural Development is committed to the future of rural communities.*