



# USDA Rural Development

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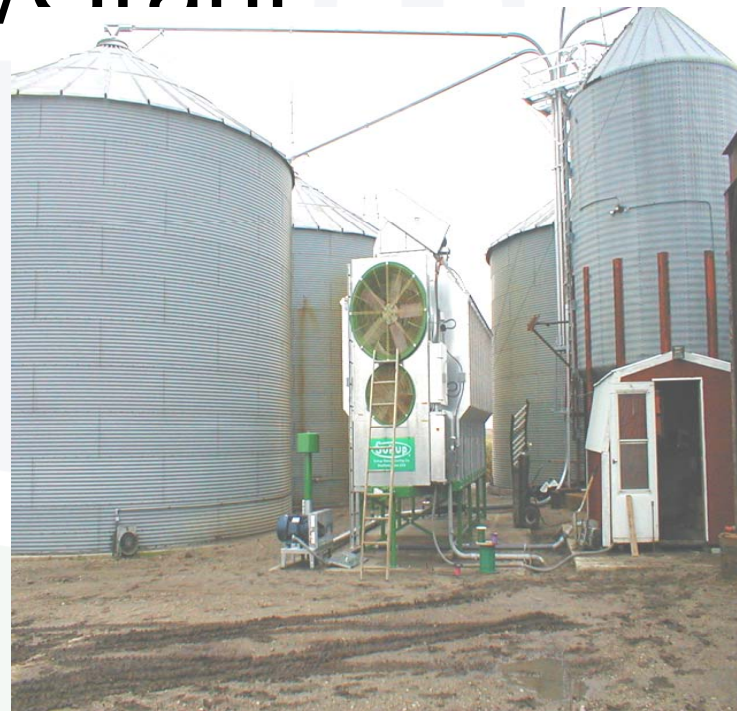
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Committed to the future of rural communities.

# Renewable Energy and Energy-Efficiency Improvement Loan/Grant



# Renewable Energy and Energy-Efficiency Improvement Loan/Grant

- Created by the 2002 farm bill
- Assists farmers, ranchers, and rural small business in purchasing renewable energy systems and making energy efficiency improvements

# Renewable Energy and Energy-Efficiency Improvement Loan/Grant

- Section 9006 – Cost Sharing
  - The amount of the grant shall not exceed 25% of the cost of the activity funded.
  - The combined guaranteed loan and grant shall not exceed 50% of the cost of the activity funded.



# Renewable Energy and Energy-Efficiency Improvement Grant

- Eligible Technologies
  - Wind
  - Solar
  - Biomass
  - Geothermal
  - Hydrogen
  - Energy Efficiency



# What Agricultural Producers Are Eligible?



- **Must directly engage in production of agricultural products.**
- **At least 50% of gross income must be from their agriculture business**  
*(IRS income tax forms used to verify)*
- **Citizenship**
- **No federal court judgments, delinquent taxes, delinquent federal debt, never been debarred.**
- **Certification of demonstrated financial need**
- **Satisfactory progress on previously funded project (s).**

# What Small Businesses are Eligible?

- **Meets the definition of a small business** according to SBA - Go to the index table at: <http://sba.gov/size/index.html>
- A **private entity** including a sole proprietorship, partnership, corporation, cooperative, & electric utility
- **Citizenship**
- **No federal court judgments, delinquent taxes, federal debt, never been debarred.**
- **Certification of demonstrated financial need.**
- **Satisfactory progress on previously funded project (s). All other N/P are not eligible.**

# What projects are eligible?



- Must be for the **purchase** of a renewable energy system or energy efficiency improvement.
- Pre-commercial or commercially available and replicable technology.
- Technical merit as per 4280.112 (d)
- Located in a **rural** area
- Applicant must be **owner** of system & control revenue & expense, incl. O&M
- Sites must be **controlled** by applicant
- Satisfactory sources of revenue



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<b>Amount of financial assistance</b>	<b><i>Renewable Energy</i></b>	<b><i>Energy Efficiency</i></b>
<b><i>Minimum grant (up to 25 % of total eligible project costs)</i></b>	<b>\$ 2500</b>	<b>\$ 1500</b>
<b><i>Maximum grant (up to 25 % of total eligible project costs)</i></b>	<b>\$ 500,000</b>	<b>\$ 250,000</b>
<b><i>Minimum guaranteed loan (up to 50 % of total eligible project costs)</i></b>	<b>\$ 5000</b>	<b>\$ 5000</b>
<b><i>Maximum guaranteed loan (up to 50 % of total eligible project costs)</i></b>	<b>\$10 million</b>	<b>\$10 million</b>
<b><i>Minimum combination grant &amp; loan (up to 50 % of total eligible project costs)</i></b>	<b>\$ 5000</b>	<b>\$ 5000</b>
<b><i>Minimum grant portion of the combined funding request</i></b>	<b>\$ 1500</b>	<b>\$ 1500</b>
<b><i>Maximum grant assistance in any one fiscal year per borrower</i></b>	<b>\$ 750,000</b>	
<b><i>Maximum total amount of loans guaranteed to any one borrower</i></b>	<b>\$10 million</b>	
<b><i>Guaranteed loan - Equity evidence by borrowers</i></b>	<b>= or &lt; \$600,000 – not less than 15% of eligible project costs</b> <b>&gt; \$600,000 – not less than 25% of eligible project costs</b>	
<b><i>Maximum percentage of guarantee</i></b>	<b>=or&lt; \$600,000</b>	<b>85%</b>
	<b>&gt;\$600,000 &amp; =or&lt; \$5 million</b>	<b>80%</b>
	<b>&gt;\$5 million &amp; =or&lt; \$10 million</b>	<b>70%</b>