



Innovations in Bringing Renewable Energy Opportunities to Rural Communities

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

**Rural Business-Cooperative Service
Ag Outlook Forum-February 23-24, 2023**



Rural Energy for America Program (RES/EEI)

Rural Energy Pilot Program

Justice 40 Initiative

<https://www.rd.usda.gov/programs-services/energy-programs>

RBCS REAP | Project Eligibility

Renewable Energy Systems & Energy Efficiency Improvements Program



Solar



Wind



Small Hydroelectric



Anaerobic Digesters



Biomass



Geothermal



Wave/Ocean Power



Lighting



Heating



Cooling



Ventilation



Fans



Automated Controls



Insulation

The technology must be commercially available. Research and development projects do not qualify.

RBCS REAP | Applicant Eligibility

Agricultural Producer



Individual or entity that receives 50 percent or more of their gross income from agricultural operations – crops, livestock, aquaculture, forestry operations, nurseries, dairies

Small Business



Entity that meets SBA size standards and one of the following (further defined in 4280.103):

- **Private for-profit entity**
- **A cooperative**
- **An electric utility**
- **A tribal corporation or other business entity**

***Project in rural area or non-metro community of \leq 50,000**

***Visit eligibility.sc.egov.usda.gov/:** Select “Rural Business”; link for REAP program; search address

RBCS REAP | Types of Funding

- Grants
 - Loan Guarantees
 - Combined grant and loan guarantee
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- Agricultural producers may also apply for new energy efficient equipment and new system loan guarantees for agricultural production and processing.

RBCS REAP | Program Funding

- Agricultural Improvement Act of 2018 - ~\$50 Million

+

- Inflation Reduction Act of 2022 - ~Additional \$2.02 billion dollars over the next decade to invest in over 45,000 farms and small businesses.
 - \$1.7 Billion general REAP funds
 - \$304 Million for underutilized technologies and technical assistance

REAP IRA | Enhancements

- Increases grant share to 40% of total project costs
 - Grant share remains at 25% of total project costs for mandatory funds
- Maximum grant request increased to \$500,000 for EEI (was \$250,000)
- Maximum grant request increased to \$1,000,000 for RES (was \$500,000)

REAP IRA | FY 2023 Timeline

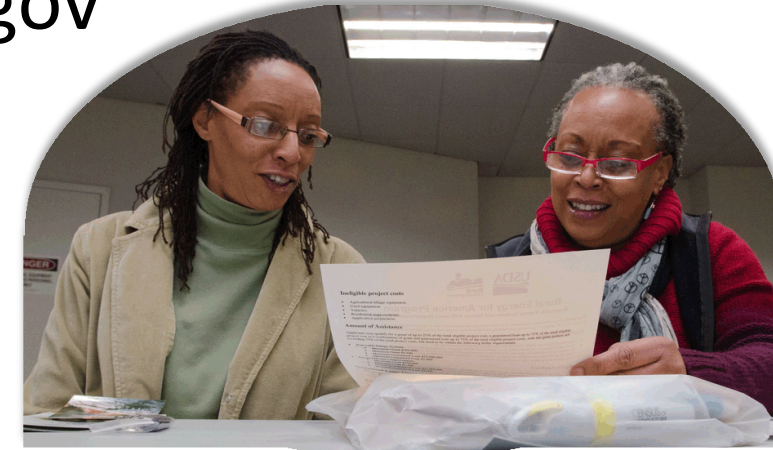
December 16, 2022: FY 23 Notice is published in the Federal Register
(\$250MM IRA & \$50MM FB)

March 31, 2023: Grant Application Deadline

Spring 2023: Second FY 23 Notice Planned

How to Apply

- Contact the USDA Rural Development Energy Coordinator in your state with questions: [State Energy Coordinators](#)
- Application packages can be found under to 'To Apply' tab on the program website. [REAP RES/EEI](#)
- Submit applications via mail, email or grants.gov





Rural Energy Pilot Program (REPP)

<https://www.rd.usda.gov/programs-services/energy-programs>

REPP | Program Overview

The Consolidated Appropriations Act, 2021 (PL116-260), Section 781 authorized program
\$10 million appropriated as available until expended

Provides financial assistance to rural communities to further develop renewable energy to meet our nation's energy needs and combat climate change while prioritizing environmental justice, racial equity, and economic opportunity through the use of **distributed energy technologies, innovations, and/or solutions.**

REPP Summary

Partnerships

Multiple entities with a lead applicant to administer up to \$2 million REPP Grant
(80% of Total Eligible Project Costs; 20% cost share match required)

Distributed energy solutions

At least 80% of grant funds to install community based/scale, renewable, energy systems;
Up to 20% of grant funds may also be used for - Community energy plans, technical assistance, efficiency and weatherization.

Goals

Energy burden relief for Priority Communities;
Reduced climate pollution, increased resilience to climate change impacts;
Advancing environmental justice, racial equity, and economic opportunity.

How will REPP advance environmental justice, racial equity, and economic opportunity?

Targeted Assistance Priority will be afforded to:

- (1) Distressed Rural Communities;
- (2) Distressed Energy Communities;
- (3) Communities with High Energy Burdens;
- (4) Centers for Disease Control – Socially Vulnerable Communities;
- (5) Qualified Opportunity Zone Communities; and
- (6) Disadvantaged Communities.



REPP | Timeline

- NOFO Jan 19, 2022
- Required Letter of Intent due April 19, 2022
- Agency review and issuance of letters of encouragement
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- Application deadline July 18, 2022
- 7 applications were selected for funding and are beginning work



Justice 40 Initiative

<https://www.rd.usda.gov/priority-points>

Justice40 Initiative

Executive Order 14008 - 40 percent of the overall benefits flow to disadvantaged communities

President Biden is committed to securing environmental justice and spurring economic opportunity for disadvantaged communities that have been historically marginalized, overburdened by pollution and underinvestment in housing, transportation, water and wastewater infrastructure, and health care, and unable to realize the environmental, economic, and other benefits of certain federal investments.

Justice40 Initiative

REAP is pilot program for RBCS:

- Stakeholder Engagement

- Internal Staff Surveys

- Staff Interviews

- External Stakeholder Interviews

- Inform IRA Implementation of REAP



Data & Evidence: Justice40 Challenges and Barriers

Challenges and barriers to success identified to date:

- ☐ REAP applications are too complex and burdensome
- ☐ REAP program funding amount alone is insufficient to fund entire projects
- ☐ Appropriated REAP program funding does not cover all eligible projects
- ☐ Lack of resources and applicant capacity to navigate program complexity
- ☐ Financing requirements for applicants are prohibitive
 - Proof of 100% project funding is required to qualify for cost-share grant; grant program is reimbursement-based; applicants typically do not have sufficient collateral to cover match requirements; and the collateral required to secure financing is often land, which is often prohibited by the Tribe

Staff and stakeholder recommendations to address barriers include:

- ☐ Increase and target program funding
- ☐ Educate local communities and provide technical assistance
- ☐ Increase program eligibility
- ☐ Increase program marketing and outreach
- ☐ Simplify the application process



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