



Committed to the future of rural communities.

Rural Energy for America Program

Please note: The following is a fact sheet that gives details about the Rural Energy for America Program offerings that were available in FY 2011. We expect the offerings to continue in FY 2012 and for the details to be similar. Rural Development staff would like to help you as you begin to plan for your application for next year; contact information appears on the reverse side of this fact sheet.

Programs and Deadlines. The United State Department of Agriculture-Rural Development Rural Energy for America Program (REAP) includes three sections that fund 1) renewable energy and energy efficiency projects, 2) feasibility studies, and 3) energy audits and renewable energy development assistance.

1) Renewable Energy and Energy Efficiency Projects (grant and/or loan guarantee)

Who can apply?

Deadline: June 15, 2011, 4:30pm

- Agricultural producers, small rural businesses, entities formed as, or similarly to, Tribal Section 17 Corporations, certain utilities, including rural telephone and electric cooperatives

What kinds of projects are eligible? This section provides for the purchase/installation of

- Renewable energy systems (including wind, solar, geothermal, biomass -including anaerobic digesters, small hydroelectric, hydrogen and *new this year: flexible fuel pumps*)
- Energy efficiency improvement (changing out lighting, freezers, pumps, etc., for more efficient ones)

What is the funding for these projects? Grants and loan guarantees are awarded on a competitive basis.

- Grants: Up to 25% of the total eligible costs; minimum/maximum grant for renewable energy: \$2,500/\$500,000; minimum/maximum grant for energy efficiency: \$1,500/\$250,000. Not to be matched with another federal grant.
- Loan Guarantees: Up to 75% of the total eligible costs can be covered by the loan guarantee, with the following guarantee percentages: If the guarantee covers \$600,000 or less: 85%; greater than \$600,000 up to \$5 million: 80%; greater than \$5 million up to \$10 million: 70%; greater than \$10 million up to \$25 million: 60%.
- Combination Grant/Loan Guarantee: If a combination grant/loan guarantee, 1) the amount of both the grant and the loan guarantee amount must not exceed 75% of total eligible project costs. The applicant must provide the remaining funds (through cash, part of the loan not guaranteed, third-party investment). The minimum combined funding is \$5,000 with the grant portion of the funding request being at least \$1,500. The maximum combined grant/guaranteed loan is \$25 million (representing no more than 75% of the total eligible costs). This program provides no direct loans.

What are eligible costs?

- Post-application purchase and installation of equipment (new, refurbished or remanufactured-not used); post-application construction or improvements, except residential; energy audits or assessments; permit and license fees; professional service fees, except for application preparation; feasibility studies and technical reports; business plans; retrofitting; construction of a new facility under extremely limited circumstances; working capital (only loan guarantee); land acquisition (only loan guarantee). No tillage equipment, residences, or vehicles can be funded.

Is there a "rural area" requirement?

- *For rural small businesses:* The project must be located in a rural area in a State (generally 50,000 or less population according to the 2000 decennial census). *For agricultural producer:* The project may be located in a rural or non-rural area in a State, but, if non-rural, the project must be collocated with, and be part of, the agricultural production operation.

2) Renewable Energy Feasibility Studies (grant only)

Deadline: June 30, 2011, 4:30pm

Who can be an applicant?

- Agricultural producers, small rural businesses, entities formed as, or similarly to, Tribal Section 17 Corporations, certain utilities, including rural telephone and electric cooperatives

What kinds of activities are eligible?

- Feasibility studies for projects using the renewable energy technologies that are listed in the previous section. For all projects, the system must be located in a rural area, must be technically feasible, and must be owned by the applicant. Applications cannot be submitted in a Fiscal Year for a renewable energy system (previous section) if a renewable energy system for the same system is submitted in that same year and vice versa.

What is the funding for these studies?

- **Grant assistance:** Grants are awarded on a competitive basis and will not exceed \$50,000 or 25% of the total eligible project cost of the study, whichever is less. This grant cannot be matched by another federal grant.

Is there a “rural area” requirement? (see first section above; project studied must be in the area described)

3) Energy Audits and Renewable Energy Development Assistance (grant only)

Deadline: June 30, 2011, 4:30pm

Who can apply?

- A unit of State, tribal, or local government; a land-grant college or university, or other institution of higher education; a rural electric cooperative; a public power entity; or an instrumentality of a State, tribal, or local government.

What kinds of activities are eligible?

- This grant must be used to conduct and promote energy audits and to provide renewable energy development assistance for agricultural producers, small rural businesses, entities formed as, or similarly to, Section 17 Corporations, certain utilities, including rural telephone and electric cooperatives

What is the funding for these activities?

- The grants are awarded on a competitive basis and can be up to \$100,000. Recipients of an energy audit are required to pay at least 25% of the cost of the audit. Applicant presenting leveraged funds may increase its score.

What are eligible costs?

- All of the following must be directly related to the project: salaries (direct and indirect), travel expenses, office supplies, administrative expenses up to 5% of the grant but limited to utilities, office space, operation expenses of the office and equipment, and expenses for outreach and marketing of the project audit and assistance activities.

Is there a “rural area” requirement? (see first section above; audits and assistance must be in area described)

Sources of application requirements: Although application packets are available through RD, applicants should note that these packets are provided for the applicant’s convenience and in no way replace the requirements of the funding notice, which can be found at <http://www.gpo.gov/fdsys/pkg/FR-2011-04-14/pdf/2011-8456.pdf> and the regulations, which can be found at <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=0bd297b6bc38576acec1a2fab91857f&rgn=div6&view=text&node=7:15.1.17.2.3.2&idno=7>. More information can be found at the Rural Development website at <http://www.rurdev.usda.gov/rbs/busp/bprogs.htm> or by contacting the RD.

How to begin the application process. The application period is rather short this year, so RD recommends that any potential applicant contact a New Mexico Rural Development office **immediately** to

- 1) Ensure that the applicant and the contemplated project are eligible;
- 2) Provide preliminary environmental information to RD so that it can begin any environmental review (these can take some time, so RD needs to start on this even before the application is submitted); and
- 3) Request and complete the appropriate application template.

CONTACT INFORMATION All applications must be received in the State Office (address below) by the deadlines listed.

State Office: G. Mike McDow, Program Director; Jesse Monfort Bopp, Rural Energy Coordinator, 6200 Jefferson NE, Room 255, Albuquerque, NM 87109; 505.761.4953 or 505.761.4952.

Area Offices

Aztec: Please contact the State Office (see above). Serving Cibola, San Juan, and McKinley counties.

Las Cruces: Clyde Hudson, Area Director, 2510 N. Telshor, Las Cruces, NM 88011; 575.522.8775, Ext. 4. Serving Catron, Dona Ana, Grant, Hidalgo, Luna, Otero, and Sierra counties.

Roswell Sub-Area Office: 1011 S. Atkinson Ave; 505.280.0296/575.662.8745, Ext.4. Serving Chaves, Curry, De Baca, Eddy, Lea, Lincoln, and Roosevelt counties.

Los Lunas: Lydia Gurule, Area Director, 2600 Palmilla Road, Suite C, Los Lunas, NM 87031; 505.865.4643, Ext. 4. Serving Bernalillo, Los Alamos, Rio Arriba, Sandoval, Santa Fe, Socorro, Torrance, and Valencia counties.

Las Vegas Sub-Area Office: Andres Aragon, Team Leader, 1927-A 7th Street, Las Vegas, NM 87701; 505.425.3594, Ext.4. Serving Colfax, Guadalupe, Harding, Mora, Quay, San Miguel, Taos, and Union counties.

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