



## United States Department of Agriculture

Rural Development • Rural Business-Cooperative Service

# Rural Energy for America Program - Energy Audit & Renewable Energy Development Assistance Grants

### What does this program do?

Grantees assist rural small businesses and agricultural producers by conducting and promoting energy audits, and providing renewable energy development assistance (REDA).

### Who may apply for this program?

- State and local governments;
- [Federally-recognized Tribes](#);
- [Land Grant Institutions](#);
- Rural electric cooperatives;
- Public power entities;
- An Instrumentality of a state, tribal, or local government;
- A Resource Conservation & Development Council (as defined in [16 USC §3451](#))

### How may funds be used?

The assistance must be provided to agricultural producers and rural small businesses. Rural small businesses must be located in [eligible rural areas](#). This restriction does not apply to agricultural producers. Assistance provided must consist of:

- Energy Audits.
- Renewable energy technical assistance.
- Renewable energy site assessments.

Eligible project costs may include:

- Salaries directly related to the project.
- Travel expenses directly related to conducting energy audits or renewable energy development assistance.
- Office supplies.
- Administrative expenses, up to a maximum of 5% of the grant, which include but are not limited to utilities, office space, operation expenses of office and other project-related equipment.

Funds may not be used for:

- Payment for construction related activities.
- Purchase or lease of equipment.
- Payment of judgments or debt owed the government.
- Goods or services provided by a person or entity who has a conflict of interest.
- Costs incurred by preparing an application package.
- Funding political or lobbying activities.

### What are the grant terms?

Applicants must submit separate applications, limited to one energy audit and one REDA per fiscal year. The maximum aggregate amount of an energy audit and REDA grant in a Federal fiscal year is \$100,000.

### How do we get started?

- Applications for this program are accepted year round at your [local office](#).
- Program Resources are available online (includes forms needed, guidance, certifications, etc.).

### Who can answer questions?

Contact your [State Rural Development Energy Coordinator](#).

### What governs this program?

- Basic Program – [7 CFR 4280, Subpart B](#)
- This program is authorized by Title IX of the [Agricultural Act of 2014](#), (2014 Farm Bill)

### Why does USDA Rural Development do this?

This program helps increase American energy independence by increasing the private sector supply of renewable energy and decreasing demand through energy efficiency improvements. These investments can also help lower energy costs for small businesses and agricultural producers.

NOTE: Because citations and other information may be subject to change please always consult the program instructions listed in the section above titled "What Law Governs this Program?" You may also contact your [local office](#) for assistance.

**You will find additional forms, resources, and program information at [www.rd.usda.gov](http://www.rd.usda.gov)**



## United States Department of Agriculture

Rural Development • Rural Business-Cooperative Service

### Rural Energy for America Program - Renewable Energy & Energy Efficiency

#### What does this program do?

Provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses to purchase or install renewable energy systems or make energy efficiency improvements.

#### Who may apply?

- Agricultural producers with at least 50% of gross income coming from agricultural operations, and
- Small businesses in [eligible rural areas](#).

**NOTE:** Agricultural producers and small businesses must have no outstanding delinquent federal taxes, debt, judgment or debarment.

#### What is an eligible area?

- Businesses must be in an area other than a city or town with a population of greater than 50,000 inhabitants and the urbanized area of that city or town. [Check eligible business addresses](#).
- Agricultural producers may be in rural or non-rural areas.

#### How may the funds be used?

Funds may be used for the purchase, installation and construction of renewable energy systems, such as:

- Biomass (for example: biodiesel and ethanol, anaerobic digesters, and solid fuels).
- Geothermal for electric generation or direct use.
- Hydropower below 30 megawatts.
- Hydrogen.
- Small and large wind generation.
- Small and large solar generation.
- Ocean (tidal, current, thermal) generation.

Funds may also be used for the purchase, installation and construction of energy efficiency improvements, such as:

- High efficiency heating, ventilation and air conditioning systems (HVAC).
- Insulation.

- Lighting.
- Cooling or refrigeration units.
- Doors and windows.
- Electric, solar or gravity pumps for sprinkler pivots.
- Switching from a diesel to electric irrigation motor.
- Replacement of energy-inefficient equipment.

#### What funding is available?

- Loan guarantees on loans up to 75% of total eligible project costs.
- Grants for up to 25% of total eligible project costs.
- Combined grant and loan guarantee funding up to 75% of total eligible project costs.

#### What are the loan guarantee terms?

- \$5,000 minimum loan amount.
- \$25 million maximum loan amount.
- Up to 85% loan guarantee.
- Rates and terms negotiated with the lender and subject to USDA approval.
- Maximum term of 30 years for real estate.
- Maximum term of 15 years, or useful life, for machinery and equipment.
- Maximum term of 7 years for capital loans.
- Maximum term of 30 years for combined real estate and equipment loans.

#### What are the grant terms?

##### Renewable Energy System Grants:

- \$2,500 minimum.
- \$500,000 maximum.

##### Energy Efficiency Grants:

- \$1,500 minimum.
- \$250,000 maximum.