Section 9007 – The Rural Energy for America Program

The Rural Energy for America Program, formerly the Renewable Energy and Energy Efficiency Program, through USDA-Rural Development, offers grants and guaranteed loans to help farmers, ranchers, and rural small businesses purchase renewable energy systems and make energy efficiency improvements.

Eligible Applicants

Farmers, ranchers, and rural small businesses with a demonstrated financial need, based on Applicant's financial resources or the project's cash flow are eligible for this program. Farmers and ranchers must directly engage in the production of agricultural products and obtain at least 50% of their gross income from their agriculture business.

Headquarters of the applicant may be in a rural or a non-rural location. Small businesses must meet the definition of a small business according to the SBA (Small Business Administration) standards. SBA small size standards can be found at [http://sba.gov/size/13cfr121.html](http://sba.gov/size/13cfr121.html). The private entity may include a sole proprietorship, partnership, corporation, and a cooperative. However, non-profit organizations and public entities are not eligible for this program. Previous recipients must make satisfactory progress toward completion of previously funded projects before it/they will be considered for subsequent funding.

Project Eligibility

The project must be for the purchase of a renewable energy system or to make energy efficiency improvements in a rural area. The project must be for a pre-commercial or commercially available and replicable technology. The applicant must be the owner of the project and control the revenues and expenses, including operation and maintenance. A third-party under contract to the owner may be used to control revenues and expenses and manage the operation and/or maintenance of the project. Sites must be controlled by the agricultural producer or small business for the financing term of any associated Federal loans or loan guarantees. Satisfactory sources of revenue in an amount sufficient to provide for the operation, management, maintenance, and debt service of the project must be available for the life of the project.

Renewable Energy Projects

Projects that fall under this category involve a process to produce renewable energy. Grants available may not be less than $2,500 nor exceed $500,000. The grant money
may not exceed 25% of total project costs. The maximum guaranteed loan under this program is $10,000,000 with a $5,000 minimum. The combined grant and loan guarantee may not exceed 50% of total project costs. An energy audit is not required. Categories include: Biomass, Anaerobic Digester, Geothermal – electric generation, Geothermal – direct use, Hydrogen, Small and Large Wind, finally Small and Large Solar. This includes solar projects that provide air heating or water heating without active storage.

Energy Efficiency Projects

Projects that fall under this category are improvements that reduce energy consumption. The minimum grant available is $1,500, and the maximum is $250,000. The grant money may not exceed 25% of total project costs. The maximum guaranteed loan under this program is $10,000,000, with a $5,000 minimum. The combined guaranteed loan and grant may not exceed 50% of total project costs. An energy audit is required. All projects must be verified by this energy audit or assessment.

Filing an Application

Applications are filed with the West Virginia Rural Development State Office. Application forms can be obtained at the Rural Development State Office or online through the USDA www.rurdev.usda.gov/rbs/farmbill/9006form.html

The deadline for grant applications to be received in the Rural Development State Office will be published in the Federal Register in the body of the NOSA.

The deadline for combination grant/loan guarantees to be received in the Rural Development State Office will be published in the Federal Register in the body of the NOSA.

Regulations for the program, RD Instruction 4280-B, are available by request or may accessed by internet at http://www.rurdev.usda.gov/regs