Committed to the future of rural communities.
Rural Housing Service

Rural Utilities Service

Rural Business Service

Committed to the future of rural communities.
Renewable Energy & Energy Efficiency Improvement Program
Purpose

Provide financial assistance to agriculture producers and rural small businesses to purchase and install renewable energy systems and energy efficiency improvements
• Grant
• Guaranteed Loans
• Loan/Grant Combinations
Eligible Applicants

**Ag Producers** – receive at least 50% of GI from farming operations

**Small Business**- private entity that meets SBA’s small business definition by NAICS

[www.sba.gov/size/indextableofsize.html](http://www.sba.gov/size/indextableofsize.html)

typically gross sales or employees
Eligible Applicants cont.

Financial Need

Grant applicants certify or demonstrate financial need (depends on size of project)
Eligible Applicants cont.

Rural Area

Projects must be located in rural area

Defined as population <50,000
Renewable Energy Systems

1. Bioenergy- systems that produce energy from a biomass source (corn/pellet burners, ethanol, biodiesel)

2. Anaerobic Digesters
Renewable Energy Systems

3. Geothermal – direct use or electric generation

4. Hydrogen
Renewable Energy Systems

6. Solar (small or large)

7. Wind (small or large)
Energy Efficiency

Any type of improvement that decreases energy consumption. Energy savings is documented through an energy audit/assessment.
Details

• Maximum grant assistance 25% of project costs
• renewable energy $500,000
  energy efficiency $250,000
Details Con’t

• Loan Grant Combination up to 50% of project costs
• Guaranteed loans up to $10M
Details Con’t

• Minimum grant renewable energy $2500
  (system $10,000)

  energy efficiency $1500
  (system $6000)
Simplified Grant Application

- < $200,000
- Commercially available
- Complete < 24 months
- Reimbursement after project commissioned
Program Limitations

Residential Use

Vehicle Use
Scoring Guidelines

1. Quantity of Energy 
   Replaced, Produced, or Saved

   A. Replacement (self use)
   B. Saved (energy efficiency)
   C. Produced
2. Environmental Benefits

proposed system contributes to the environmental goals and objectives of other Federal, State, or local programs

10 pts.
3. Commercial Availability

5 pts.

AND provided w/5 yr warranty

10 pts
4. Technical Merit
- Project Team, Agreements & Permits,
- Energy or Resource Assessment,
- Design & Engineering, Timeline,
- Economic Assessment,
- Equipment Procurement,
- Equipment Installation,
- Operations & Maintenance,
- Dismantling & disposal of project
5. **Readiness** (matching funds)

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50% &lt; 75%$</td>
<td>5 pts</td>
</tr>
<tr>
<td>$75% &lt; 100%$</td>
<td>10 pts</td>
</tr>
<tr>
<td>$100%$</td>
<td>15 pts</td>
</tr>
</tbody>
</table>
6. Small Ag Producer/Very Small Rural Business

< $600,000 gross sales 5 pts

< $200,000 gross sales OR very small rural business (<15 empl AND < $1M in annl recpts) 10 pts
7. Simplified Application

(TPC ≤ $200,000, commercially available technology, complete w/I 24 months & grant reimbursement)
8. **Previous Grantees and Borrowers**
No loans or grants under this program within last 2 years  
5 pts

9. **Return on Investment**

- < 4 yrs  
  10 pts
- 4 yrs but < 8 yrs  
  4 pts
- 8 yrs but < 11 yrs  
  2 pts
10. **Loan Rate** (Guaranteed only)

- < prime plus 1.5%  
  - 5 pts

- Prime + 1%  
  - 10 pts
Value Added Producer Grants

• **Planning** (market plans, feasibility study, legal fees)
• **Working Capital** (salaries, office equipment and office space expenses)
VAPG – Eligible Applicants

• Independent Producer
• Ag Producer Group
• Farmer Cooperative
• Majority Owned Producer Group
VAPG Details

• 1:1 Match
• Must be used within 1 year
• Planning $100,000
• Working Capital $300,000
• Annual competition
Additional Information

• Program website
  http://www.rurdev.usda.gov/mn/rbs.htm

• Minnesota
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