



Energy Grant Program Fact Sheet

(Section 9006 of 2002 Farm Bill)

RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY IMPROVEMENTS (ENERGY)

PROGRAM

Through the Renewable Energy Systems and Energy Efficiency Improvements (Energy) Program, USDA, Rural Development [Rural Business-Cooperative Service (RBS)] provides grants to agricultural producers and rural small businesses to purchase renewable energy systems and make energy efficiency improvements. In addition to the Energy Grant Program, Rural Development administers a Loan Guarantee Program for this purpose. See separate Fact Sheet for information on the Loan Guarantee Program.

PRIMARY OBJECTIVE

The Energy Program is designed to help agricultural producers and rural small businesses reduce energy costs and consumption and help meet the nation's critical energy needs.

WHO IS ELIGIBLE TO RECEIVE ENERGY FUNDS?

Energy eligibility is limited to:

- ◆ **Agricultural Producer.** An individual or entity directly engaged in the production of agricultural products (crops, livestock, forestry products, hydroponics, nursery, & aquaculture) whereby 50%+ or greater of their gross income is derived from the operations. The SBA small business standard does not apply to agricultural producers.
- ◆ **Rural Small Business.** A private entity considered a small business concern in accordance with SBA's Small Business Size Standards, including, in certain cases, an electric utility including a Tribal or Governmental Utility. A **very small business** is a business with fewer than 15 employees and less than \$1 million in annual receipts.

Non-profit organizations and public entities are not eligible for this program.

Applicants must also meet the following eligibility requirements:

- To receive grant funds under the Energy Program, the applicant must have a demonstrated financial need.
- If individuals, must be U.S. Citizens or legal permanent residents of the U.S.
- If an entity, must be at least 51 percent owned by individuals who are either U.S. citizens or legal permanent residents of the U.S.

PROJECT ELIGIBILITY

Energy grants will be competitively awarded to fund a project for the purchase of a renewable energy system or to make energy efficiency improvements:

- ◆ The applicant must be the owner of the system and control the operation of the proposed project.
- ◆ All projects financed under this Program must be based on satisfactory sources of revenues in an amount sufficient to provide for the operation and maintenance of the system or project.
- ◆ Must be located in a rural area.
- ◆ Must be for a pre-commercial or commercially available and replicable technology.
- ◆ Must be technically feasible (Note: Applications will be reviewed for technical feasibility by industry experts through an agreement with the Department of Energy (DOE)/National Renewable Energy Laboratories (NREL).

Renewable Energy System:

- A Renewable Energy System is a process that produces or produces and delivers usable energy from a renewable energy source. Renewable Energy is energy derived from wind, solar, biomass, or geothermal source; or hydrogen derived from biomass or water using wind, solar, biomass or geothermal energy sources. *A technical report is required for all renewable energy projects. If total eligible project costs exceed \$200,000, a project-specific feasibility study, prepared by a qualified independent consultant, is required.*

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Energy Efficiency Improvement:

- Energy Efficiency Improvements are improvements to a facility or process that reduce energy consumption. *At a minimum, an energy assessment is required; if total eligible project costs exceed \$50,000, an energy audit, prepared by a qualified independent consultant, is required.*

RBS is required to assess the potential environmental impacts of a proposed action prior to commitment of Federal financial resources to the project. Any required environmental review must be completed by the Idaho RBS Office prior to being submitted by to the National Office for national competition

WHAT IS THE AMOUNT OF THE GRANT AND HOW MAY FUNDS BE USED?

- ◆ Energy grants may be used to pay up to 25 percent of the eligible project costs.
- ◆ Applications with total eligible projects costs of \$200,000 or less may be eligible to file a simplified application.
- ◆ Applications may be submitted for the following amounts:

<u>Type of Application</u>	<u>Minimum Amount</u>	<u>Maximum Amount</u>
Renewable Energy Systems	\$2,500	\$500,000
Energy Efficiency Improvements	\$1,500	\$250,000

Energy grant funds may be used for the following as a part of an eligible project:

- ◆ Post-application purchase and installation of equipment;
- ◆ Post-application construction or improvements;
- ◆ Energy audits or assessments;
- ◆ Permit fees and license fees;
- ◆ Feasibility studies and Technical Reports;
- ◆ Professional service fees;
- ◆ Business plans;
- ◆ Retrofitting.

MATCHING FUNDS

The Energy program has a matching funds requirement. RBS grant funds may be used to pay up to 25 percent of the eligible project costs. Therefore, the applicant must provide at least 75 percent of leveraged funds to complete the project. Leveraged funds will be verified from information provided in the application. A maximum of 10% of the leveraged funds may come from an in-kind contribution from a 3rd party source. Applicant in-kind contributions and other Federal grants may not be used to meet the 75 percent requirement.

APPLICATION DEADLINE

All applications for the Energy Grant Program will compete for funds on a national basis. Each year, a Notice will be published in the Federal Register inviting applications and establishing a date by which applications are to be submitted to the Idaho Rural Development Office. Applications for Energy Grant Program funds are received and initially evaluated at the Idaho Office, and are then submitted to the National Office for a national competition and funding selection.

HOW DO I FIND OUT MORE AND MAKE APPLICATION?

In Idaho, the Idaho Rural Development State Office and field representatives administer the Energy program. Applications should be submitted to the Idaho Office. The regulation governing the program, supporting materials and required forms are available at www.rurdev.usda.gov/rbs/farmbill/

Idaho RBS Office:

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