

Rural Energy for America Program Renewable Energy Systems and Energy Efficiency Loans and Grants

Loan guarantees for this program are streamlined under the OneRD Guarantee Loan Initiative

What does this program do?

The program provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements. Agricultural producers can also apply for new energy-efficient equipment and new system loans for agricultural production and processing.

Who can apply?

- **Agricultural producers with at least 50 percent of their gross income coming from agricultural operations**
- **Small businesses in eligible rural areas**

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

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What types of borrowers are eligible?

Eligible borrowers include:

- Rural small businesses
- Agricultural producers

Additional USDA Rural Development programs that support other types of businesses and organizations are included in the OneRD Guarantee Loan Initiative. You can learn more at this link: <https://go.usa.gov/xJnfQ>.

What are the borrowing restrictions for loan guarantees?

- Individual borrowers must be citizens of the United States or reside in the U.S. after being legally admitted for permanent residence.
- Private-entity borrowers must demonstrate that loan funds will remain in the U.S.

What is an eligible area?

- Businesses must be located in rural areas with populations of 50,000 or fewer. You can check our database of eligible business addresses at this link: <https://go.usa.gov/xJnGQ>.
- Agricultural producers can be located in rural or nonrural areas.

How can funds be used?

Funds can be used for 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 also can be used to buy, build, and install 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 an electric irrigation motor
- Replacement of energy-inefficient equipment

Agricultural producers can also use guaranteed loan funds to install energy efficient equipment and systems for agricultural production or processing.



Eligibility for Financial Services

An individual or entity does not need to be a borrower or member to be offered financial services, but all financial services clients must meet one of the following eligibility guidelines:

- Full Time Farmer (Group I) – a person or entity who meets two of three criteria:
 - Over 50% of time spent in agricultural or fishing enterprise
 - Over 50% of total assets are related to agricultural or fishing production
 - Over 50% of income is derived from agricultural or fishing production

- Part Time Farmer (Group II) – a person or entity engaged in agriculture/fishing whose primary business is other than agricultural.
 - Evidence of part time farm activity includes:
 - Income tax return includes a business schedule (Sch C, F, K-1, E) related to the farm enterprise.
 - Ownership of agricultural land

- Other
 - Farmers' dependents
 - Retired farmers



Rural Energy for American Program (REAP)

The following intake form must be completed to move forward with Farm Credit East’s grant writing support. For projects ≥\$200,000, the USDA requires a feasibility study (proving the viability of the project and likeliness to succeed). This feasibility study may be completed by Farm Credit East or a third party and will be an additional cost, dependent on the size and scale of your project. **Your application must be submitted to the USDA before you begin the project or pay any money towards it.**

ABOUT THE APPLICANT

Name and title of main project contact:	
Phone number:	
Email:	

Name and title of the person who will sign application and be responsible for grant, if awarded:	<input type="checkbox"/> Check if same as above
Phone number:	
Email:	

<i>The following are required by the USDA:</i>	
What is the applicant’s race ?	<input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White
Applicant’s ethnicity ?	<input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
Applicant’s gender ?	<input type="checkbox"/> Male <input type="checkbox"/> Female
Is the applicant a veteran or from a socially disadvantaged group ?	<input type="checkbox"/> Yes Please name: <input type="checkbox"/> No
Does the applicant have a known relationship/association with a Rural Development employee?	<input type="checkbox"/> Yes Please name: <input type="checkbox"/> No
Where you awarded a REAP grant in the last two years ?	<input type="checkbox"/> Yes <input type="checkbox"/> No



ABOUT THE BUSINESS & PROJECT

The image shows where to find some of the following information:

SCHEDULE F (Form 1040) Department of the Treasury Internal Revenue Service (99)	Profit or Loss From Farming ▶ Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065. ▶ Go to www.irs.gov/ScheduleF for instructions and the latest information.	OMB No. 1545-0074 202X Attachment Sequence No. 14
Name of proprietor Full, Legal Business Name (or Sole Proprietor Name)		Social security number (SSN) Sole Proprietor _____
A Principal crop or activity Corresponds to NAICS Code	NAICS Code B Enter code from Part IV _____	C Accounting method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual
		D Employer ID number (EIN) Business _____

1. Full, legal business name to be listed on the grant application: <i>(ensure it matches your tax forms)</i>	
2. Does this business: <i>(check all that apply)</i>	<input type="checkbox"/> Pay utility bills <input type="checkbox"/> File a Schedule F tax return <input type="checkbox"/> Own equipment/system property of proposed site <input type="checkbox"/> plan to fund project, even if a grant is not awarded
3. FTE employees on operation:	
4. Business physical address:	Address: City: State: Zip Code: County:
5. Employer/Taxpayer ID Number	(EIN/TIN):
6. Type of business: <i>(as taxes are files)</i>	<input type="checkbox"/> Sole Proprietor <input type="checkbox"/> C Corp <input type="checkbox"/> LLC <input type="checkbox"/> S Corp <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation
7. NAICS Code <i>(see image):</i>	
8. Does 51% or more of your entity's income come from ag production?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9. What energy system/project are you purchasing? <i>(i.e., grain dryer)</i>	
10. What is your SAM.gov Unique Entity Identifier (UEI)? Expiration Date:	_____ _____, ____', ____
11. Physical location of <u>project</u> site:	Address: City: State: Zip Code: County:



12. List the **names, titles and % ownership** of the business entity's members as they appear on your **partnership agreement/article of incorporation**:

Name	Title	% Ownership	Veteran/Minority?
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No

13. Are any other **separate, legal entities** involved in this project? (e.g., entities that own the project site, partially own applicant entity, controlled by applicant entity, pay utility bills)?

- No
 Yes Please describe below. If there's more, send an organizational outline.

Entity Name:

Relationship with applying entity:

Name of entity member	Title	% Ownership	Veteran/Minority?
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No

BRIEFLY DESCRIBE YOUR PROJECT.

WHY IS THIS IMPROVEMENT THE BEST CHOICE FOR YOUR OPERATION?



ABOUT YOUR ENERGY BILLS

14. Who is your electric provider?	
15. Who is your gas provider?	

ABOUT YOUR BANK

16. Do you work with Farm Credit East?	<input type="checkbox"/> Yes (move to question 20) <input type="checkbox"/> No, please name:
17. Contact Person	
18. Email	
19. Phone Number	
20. What type of funding will use for this project?	<input type="checkbox"/> Loan <input type="checkbox"/> Operating Line of Credit <input type="checkbox"/> Cash

YOUR PROJECT'S ENVIRONMENTAL IMPACT

21. What is the size (acres) of your project? <i>(as applicable)</i>		acres
22. Will the project's construction involve ground disturbance?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
23. Was the ground previously disturbed by excavation or cultivation?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
24. Will the project be located within the view of a building that is 50+ years old?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
25. Are you aware of threatened or endangered species/critical habitats in the project area?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
26. Will the project involve cutting trees or trimming trees?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
27. Will the project involve the handling of hazardous materials (waste storage or treatment, disposal recovery, etc.)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
28. Does the property contain any areas where regulated hazardous substances or petroleum products appear to have been released?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
29. Are there underground storage tanks on the property?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
30. Are there aboveground storage tanks on the property?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
31. Will/could the project have any emissions or cause any uncontrolled or unpermitted release of hazardous substances (pollutants, petroleum, etc.)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
32. Is there any environmental controversy around the project you're aware of?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
33. Is the subject business facility connected to a municipal wastewater system?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
34. Is the subject business facility connected to a municipal water system?	<input type="checkbox"/> Yes <input type="checkbox"/> No	





FARM CREDIT EAST, ACA

394 State Route 29, Greenwich, NY 12834-2650
800.234.0269 | 518.692.0269 | FarmCreditEast.com

Rural Energy for
American Program (REAP)

March 27, 2024

DOCUMENT CHECKLIST

Dear [Business Name]:

Thanks for partnering with us on a REAP grant for your proposed renewable energy system (RES) or energy efficiency improvement (EEI) project. The REAP program can pay up to 50% on eligible projects. **Your application must be submitted to the USDA before you begin the project or pay any money towards it.**

To ensure our best chance of success, **our partnership requires:**

- we receive all intake forms and required documents at least **8 weeks** before the deadline
- all project contributors be forthcoming with financial information, organizational documents, energy bills, and other grant documentation needs
- the ability to fund the project up front. This grant is a reimbursement – once you demonstrate you've satisfied the grant terms, if awarded, you'll be reimbursed.
- your application to be submitted to the USDA before you pay any money toward the project. If a cost must be incurred prior to submitting your application, the cost will be ineligible.
- third parties engaged in the project to provide required grant needs, e.g., energy audits
- you are the owner of executing a successful grant award. If awarded, the scope of our engagement ends at the Notice of Award. This requires a complete understanding of eligible project costs, ongoing recordkeeping, and paperwork through the completion of your RES or EEI project.
- you sign an *Engagement Agreement* on the terms, conditions, and estimated costs

FARM CREDIT'S WORK WILL BEGIN once we receive numbers **1-6 BELOW:**

- 1) **Completed INTAKE FORM**
- 2) **Quote(s)** from equipment dealer(s)
- 3) Recent photos of the **project site** taken from **N, S, E and W**
- 4) A clear PDF of **Articles of Incorporation or Partnership Agreement** (unless Sole Proprietor)
- 5) **12 months of utility bills for the business and/or equipment being replaced.** The USDA requires individual bills, not summaries, and the bills must be the **most recent 12 months to date** to accurately demonstrate existing usage. For propane and diesel, full-year summaries showing both quantity purchased and total cost are acceptable.
- 6) **Three (3) years of tax returns** for the **business/entity listed on the grant application**

FURTHER NEEDS:

- 7) If you're a new customer to Farm Credit East, your last 3 years of Quickbooks backups.
- 8) Register with the System for Award Management ([SAM.gov](https://sam.gov)). You must have an active **Unique Entity Identifier (UEI)** to apply. Use the exact legal business name as it appears on your tax return and ensure this business name matches the entity applying for this grant. Registering in SAM is free, **but it can take weeks of time**. If you're already registered with SAM, ensure your registration is **renewed/active**.
- 9) A letter of support from Farm Credit East (or your bank) stating that a line of credit is available to fund the project cost. **OR** bank statement(s) if funding from personal accounts.
- 10) **Evidence of site control**. May be a copy of property taxes, deed, or long-term lease.
- 11) Additional financial information **ONLY** for projects with total cost of **\$200,000 or more**:
 - a. Historical Financial Statements for the **past three years** (Income Statements and Balance Sheets)
 - b. Current Income Statement and Balance Sheet (within the last 30 days)
 - c. Pro Forma (projected) Financial Statements (include assumptions):
 - d. Pro Forma Balance Sheet at Start-up of Project (include grant award)
 - e. Year 2023 Pro Forma Balance Sheet, Income Statement, Cash Flow
 - f. Year 2024 Pro Forma Balance Sheet, Income Statement, Cash Flow
 - g. Year 2025 Pro Forma Balance Sheet, Income Statement, Cash Flow

Submit your information **SECURELY** with  FARM CREDIT CONNECT

Farm Credit Connect is your digital portal to do business with Farm Credit East. Our most important concern is the protection and reliability of customer data, so this portal helps keep your personal information safe. Securely communicate and upload personally identifiable information here. **ENROLL OR LOGIN** [Farmcreditconnect.farmcrediteast.com/](https://farmcreditconnect.farmcrediteast.com/)

I have read the terms and conditions of this agreement and am fully aware that the filing of a grant application necessitates timely and accurate communication and information exchange between parties and with the funding source to be able to file a quality application in a timely manner. I understand Farm Credit East, ACA, may not complete this application if full, accurate, and timely information is not provided. I understand and agree that Farm Credit East, ACA will not be liable for delays or inability to timely file the application or any ancillary documents due to my delay or the delay of a third-party in providing full, accurate and timely information.

Client: _____

Date signed: _____

Our team looks forward to working with you,

Heather LaPierre

Consulting Associate – Grant Coordinator
Farm Credit East, ACA