



# USDA – Rural Development

USDA- Rural Development- New Mexico

Presented by Carlos Contreras, Loan Specialist/ Energy Coordinator



# Rural Energy for America Program (REAP)

## REAP Project Types:

- Renewable Energy Systems (RES)
- Energy Efficiency Improvements (EEI)
- Energy Efficiency Equipment (EEE) and Systems (Guaranteed Loan Only)
- Energy Audit and Renewable Energy Development Assistance (EA/REDA) Grants



Who is Eligible?

# Rural Small Businesses

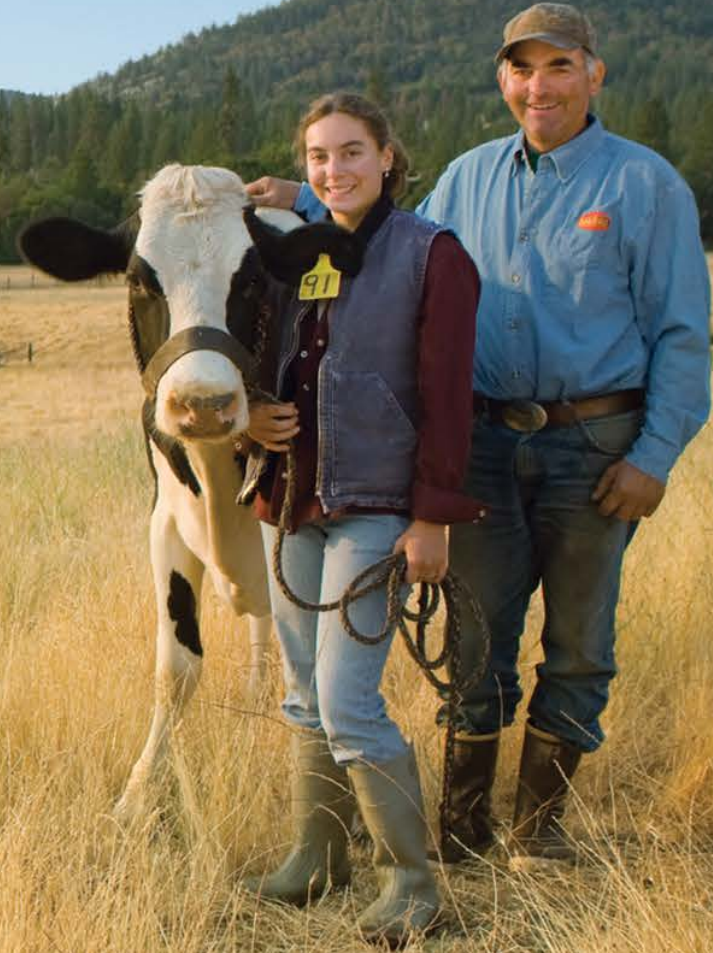
The size of the entity can not exceed the Small Business Administration (SBA) size standard thresholds designated for the industry.

- 50,000 Population or less
- For-profit business entity
- A Cooperative under 501(c)(12)
- Electric Utilities
- Tribal Governments\*



# Agricultural Producers

- Ag producers, an individual or entity, non-profits, directly engaged in the production of agricultural products
- 50 percent or greater of their gross income is derived from the operations.



# What funding is available?

- The maximum grant is 25% of Total Project Eligibility Costs (TPEC) up to a maximum of \$500k for RES and \$250k EEI projects.
- Loan guarantees on loans up to 75% of total eligible costs.
- Combined grant and loan guarantee funding up to 75% of total eligible project costs.

## Grant Minimum and Maximum

**The Grant is 25% of all TPEC**

### **Renewable Energy System Grants:**

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

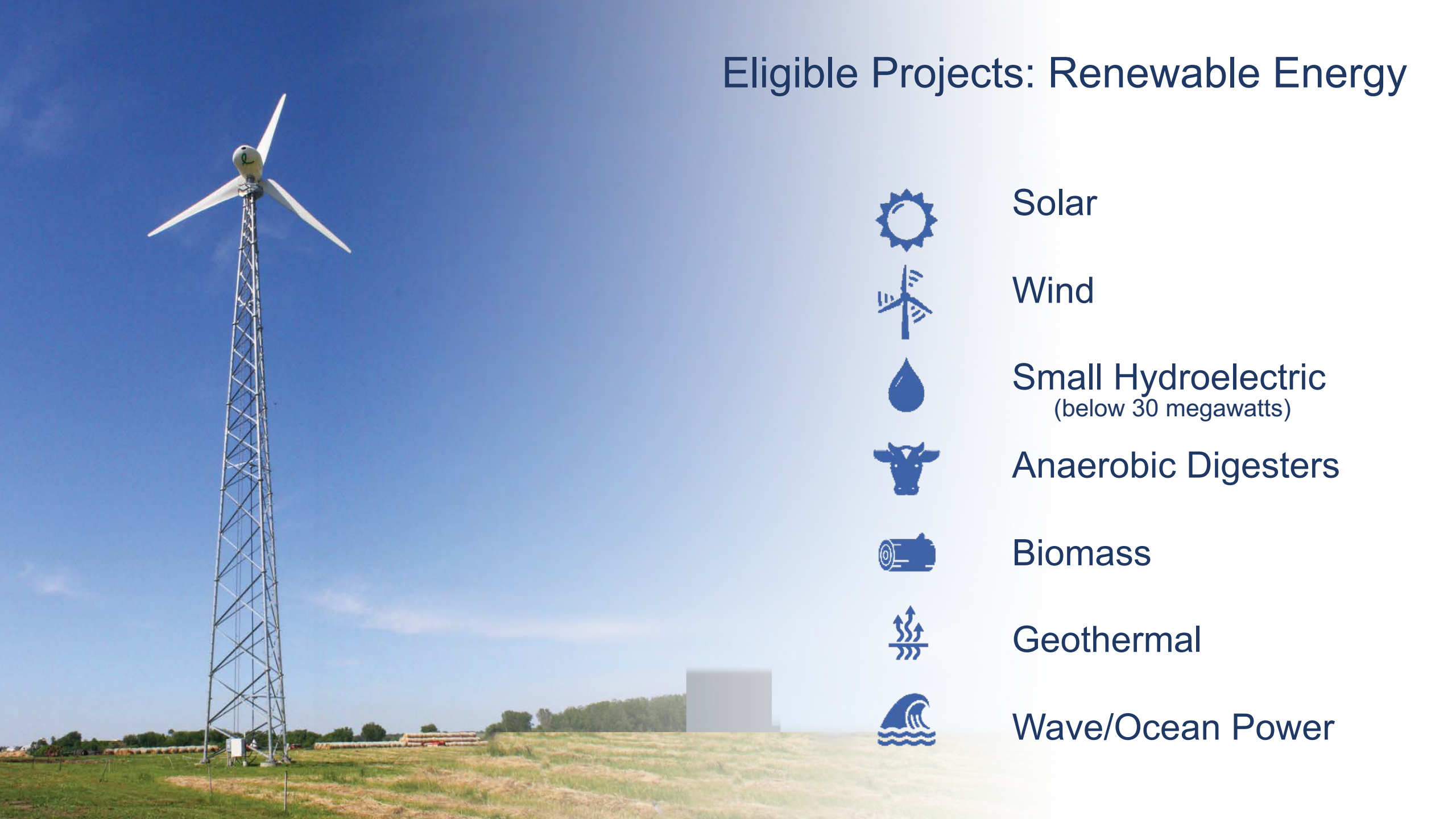
### **Energy Efficiency Grants:**

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

## Guarantee Loans

- \$5,000 minimum loan amount
- \$25 million maximum loan amount
- 80% guarantee for FY22 loans, published in the Federal Register annually
- 1% Initial Guarantee Fee of guaranteed amount
- 0.25% annual renewal fee of outstanding guaranteed principal balance

# Eligible Projects: Renewable Energy



Solar



Wind



Small Hydroelectric  
(below 30 megawatts)



Anaerobic Digesters



Biomass



Geothermal



Wave/Ocean Power



# Eligible Projects: Energy Efficiency



Lighting



Heating



Cooling



Ventilation



Fans



Automated Controls



Insulation



# Additional Requirements:

- Feasibility Study may be required based on project risk.
- EEI greater than \$200,000 require an Energy Audit. EEI <\$200k TPEC = Energy Assessment.
- All projects require an environmental review, level of detail may vary.

**Projects must have technical merit.** Full technical reports are required for Hydrogen, Ocean energy, Geothermal electric generation, Anaerobic digesters and biogas, Biomass, Renewable energy systems with storage components, Energy efficiency improvements.



# REAP RES/EEI FY22 Application Deadlines:

Each Rural Development State Offices will receive a set-aside allocation of funds for Restricted (\$20,000 grant request or less) and UnRestricted (\$20,000 grant request or more) which includes combination grant and guaranteed loan requests.

- November 1, 2021:
  - Complete grant applications requesting Restricted Funds, including the grant portion of a combined grant and guaranteed loan request, received by the deadline, will compete for approximately 50% of the state's set-aside allocation.
- March 31, 2022:
  - Complete grant applications of Restricted Funds received by the deadline, will compete for the second 50% (approximately) of the state's set-aside allocation.
- March 31, 2022:
  - Complete grant applications of UnRestricted Funds received by the deadline, will compete for UnRestricted State Allocation.

# Guaranteed Loan FY22 Application Deadlines:

Applications are accepted year-round for the Guarantee Loan Program.

- Obligation of guaranteed loan funds will take place through September 30, 2022.
- The guarantee fee rates, the annual renewal fee, the maximum percentage of guarantee and the maximum portion of guarantee authority available for a reduced guarantee fee have been published for FY22.
- The Federal Register will publish fees, rates, and guarantees percentages annually.

# The Energy Efficient Equipment and Systems Assistance

- The funding is a Guaranteed Loan ONLY
  - Loan funds can be used for the purchase and installation of equipment that exceeds current efficiency standards.
- The 2018 Farm Bill expanded REAP provisions to include guaranteed loan funding up to 15% to Agricultural Producers for Energy Efficient Equipment and Systems (EEE)

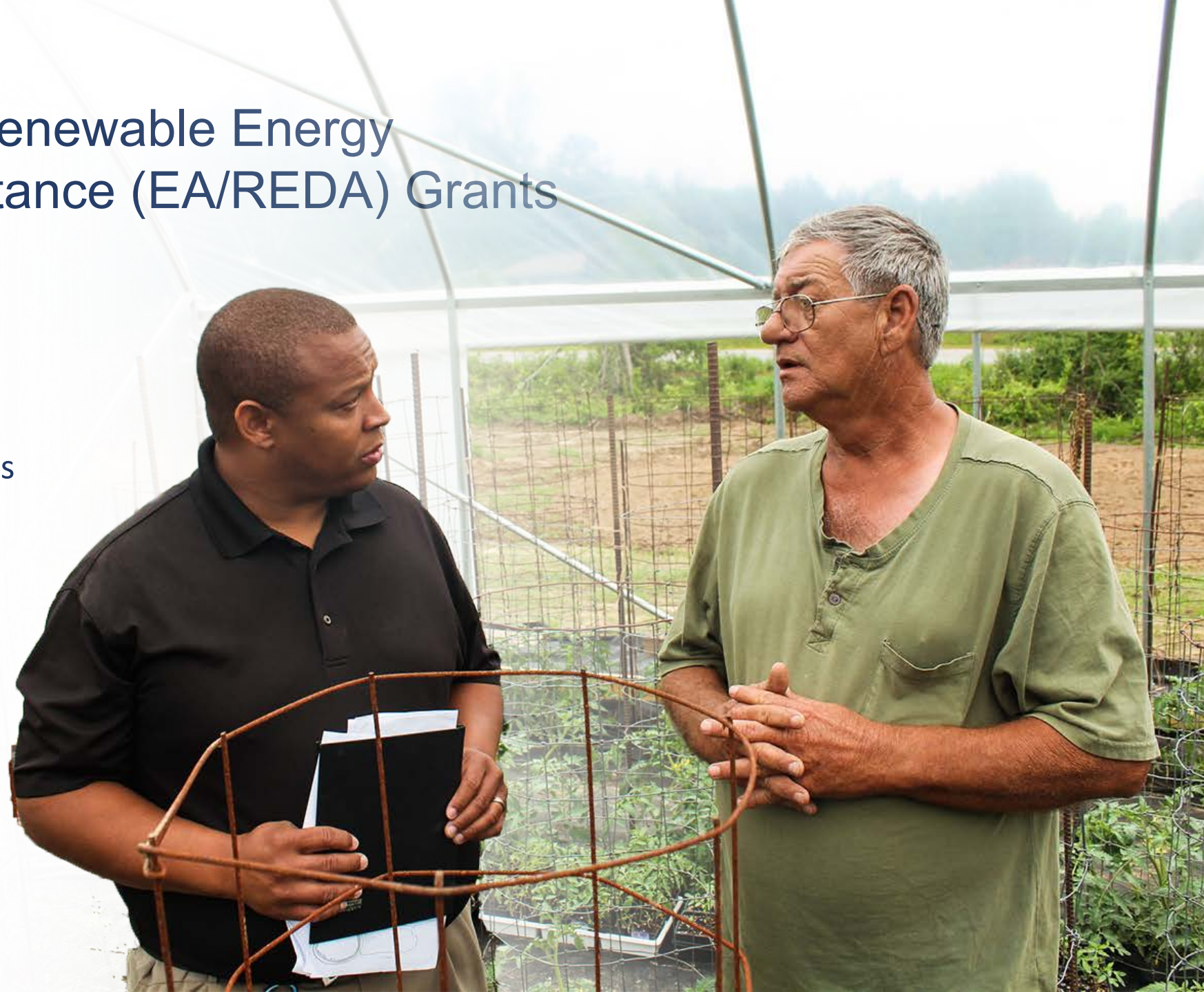
# Energy Audit and Renewable Energy Development Assistance (EA/REDA) Grants

## Eligible Applicants

- Universities
- State and local governments
- Tribal entities
- Rural electric cooperatives

## Eligible Projects

- Energy audits
- Technical Assistance



# EA/REDA FY22 Application Deadlines:

- January 31, 2022:
  - Applications for (EA/REDA) grant program must be submitted via *www.grants.gov* or to Rural Development offices by no later than 4:30 p.m. local time.
- Applicants may submit only one EA grant application and one REDA grant application in a FY.
- Separate applications must be submitted for EA funding and REDA funding.
- If an application is submitted for both EA and REDA funding or if an application's scope of work includes both EA and REDA activities, it will be determined ineligible for competition.

# Rural Energy Savings Program (RESP)



# RESP

## **What does this program do?**

- The Rural Energy Savings Program (RESP) provides loans to rural utilities and other companies who provide energy efficiency loans to qualified consumers to implement durable cost-effective energy efficiency measures.

## **How may funds be used?**

- Funds may be used for the purpose of implementing energy efficiency measures to decrease energy use or costs for rural families and small business.

\*Rural means any area that has a population of 50,000 or less inhabitants or any other area designated eligible by statute.

# Who may apply for this program?

## Eligible applicants include:

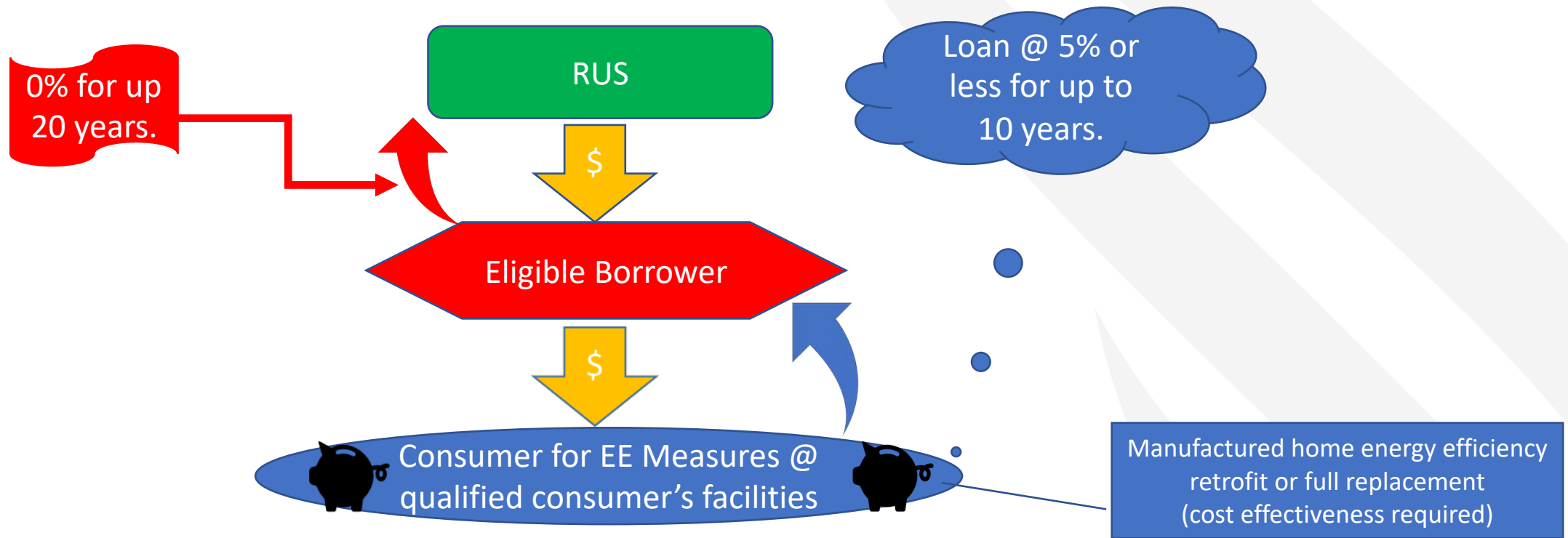
- Current and former Rural Utilities Service (RUS) borrowers
- Subsidiaries of current or former RUS borrowers
- Entities that provide retail electric service in rural areas
- Any other entities that provide or propose to provide eligible purposes under RESP including;
  - energy efficiency
  - renewable energy
  - energy storage or energy conservation measures and related services
  - Improvements
  - Financing, or relending

# What are they types of Eligible Borrowers?

RUS makes loans to corporations, Tribal, states, territories, and subdivisions and agencies thereof; municipalities; people's utility districts; and cooperative, nonprofit, limited-dividend, or mutual associations that provide or propose to provide:

1. The retail electric service needs of rural areas, or
2. The power supply needs of distribution borrowers under the terms of power supply arrangements satisfactory to RUS, or
3. Eligible purposes under RESP, including energy efficiency, renewable energy, energy storage or energy conservation measures and related services, improvements, financing, or relending.

# RESP Loan making overview



# RESP Eligible Activities (Energy Efficiency Measures)

- On or Off Grid Renewable Energy Systems
- Energy Storage Devices
- Energy Efficient Appliance Upgrades (fixed to real property)
- Irrigation or Water and Waste Disposal System Efficiency Improvements
- Replacement of Manufactured Homes
- Electric Vehicle Chargers in behind the meter applications
- Other Approved Activities and investments directly related to Energy Efficiency Implementation
- Lighting Improvements (Residential and commercial)
- HVAC Systems
- Building Envelope Improvements
- Water Heaters
- Compressed Air Systems
- Motors
- Boilers, Dryers, Heaters and process related equipment
- Energy Audits

# Rural Energy Savings Program (RESP)

RUS Electric Program GFR Link:

<https://www.rd.usda.gov/contact-us/electric-gfr>

USDA Rural Energy Savings Program Link:

<https://www.rd.usda.gov/programs-services/rural-energy-savings-program>

Contact Information:

Bob Coates PE, PMP  
Electric Program  
Rural Development, Rural Utilities Service  
[Robert.Coates@usda.gov](mailto:Robert.Coates@usda.gov)  
Office: (202) 260-5415  
[www.rd.usda.gov](http://www.rd.usda.gov)  
Together, America Prospers



# Community Facilities Programs

## What does this program do?

This program provides affordable funding to develop essential community facilities in rural areas. An essential community facility is defined as a facility that provides an essential service to the local community for the orderly development of the community in a primarily rural area, and does not include private, commercial or business undertakings.

## Who may apply for this program?

Eligible borrowers include:

- Public bodies
- Community-based non-profit corporations
- Federally-recognized Tribes

# Community Facilities Programs

## What is an eligible area?

Rural areas including cities, villages, townships and towns including Federally Recognized Tribal Lands with no more than 20,000 residents according to the latest U.S. Census Data are eligible for this program.

## How may funds be used?

Funds can be used to purchase, construct, and / or improve essential community facilities, purchase equipment and pay related project expenses.

## Contact:

Christine Griego, Community Programs Specialist (Acting Program Director)

Phone: 505-761-4944

Email: [Christine.griego@usda.gov](mailto:Christine.griego@usda.gov)



# Contact Information

Assistance under USDA Rural Development programs is available to applicants in areas designated as “rural.” Under law, the definition of “rural area” is different for each program.

## New Mexico

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