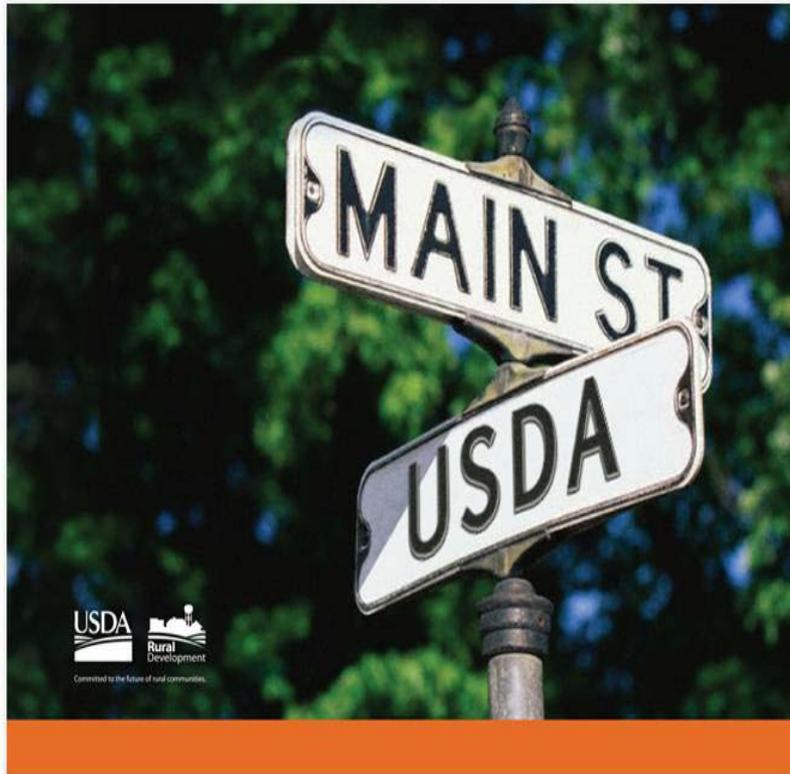


USDA

Rural Development



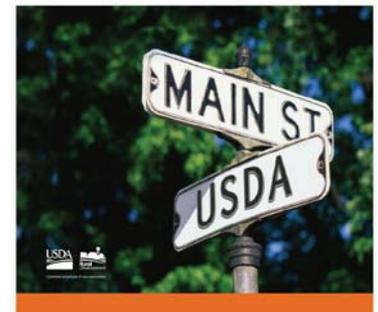
Renewable Energy Incentives
Nebraska Wind Power Conference
November 9, 2010
Kearney, NE

**BACKING
THE
BUSINESS
OF
RURAL
AMERICA**



USDA Rural Development's Mission

- Increase economic opportunity
- Create and maintain jobs
- Enhance quality of life in our rural communities



Building Your Community From the Ground Up

- **Business** –growth and establishment of local businesses and cooperatives
- **Community Facilities** – programs and technical assistance for schools, health clinics and emergency response facilities
- **Housing** –homeownership and development of affordable rental housing

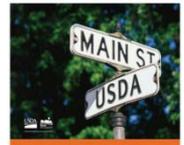
Rural Energy For America Program

- Designed to assist *farmers, ranchers* and *rural small businesses* with energy projects



Rural Energy For America Program

- **Feasibility Study** Grant Funding for Commercial Systems
- **Installation** of Commercially Available Equipment
 - Grants
 - Loan Guarantees
- Energy Audit & Renewable Energy Development Assistance Grants



Rural Energy For America Program

Applicant Eligibility

- Feasibility Study & Equipment Installation
 - Ag Producers & Rural Small Businesses (for-profit)
- Energy Audit & Renewable Energy Development Assistance
 - Units of state, tribal or local government (including instrumentalities: RC&D's, water districts); land-grant college or institution of higher education; rural electric cooperative; public power entity



Rural Energy For America Program

Project Eligibility

- Renewable Energy – Energy derived from:
 - Wind
 - Solar
 - Renewable biomass (includes anaerobic digestion)
 - Ocean (including tidal, wave, current & thermal)
 - Geothermal
 - Hydroelectric source
 - Hydrogen derived from renewable biomass or water using one of the above energy sources
 - Hydropower

**Feasibility study required when TPC exceeds \$200,000*

Rural Energy For America Program

Project Eligibility

- Energy Efficiency
 - Energy Savings as outlined in Energy Audit
 - Upgrading/replacing HVAC equipment
 - Windows, doors, insulation
 - Cooler/freezer replacements
 - Boiler replacements
 - Grain Dryer system upgrades
 - Irrigation system & motor conversions



Renewable Energy Systems

Solar



Cooler Upgrades



Wind



Irrigation



Energy Efficiency Improvements

Bio-Energy



Motor Upgrades



Anaerobic Digesters



Renewable Biomass



Window & Door Upgrades



REAP Feasibility Study Grants

Grant Request	Up to 25% of eligible project costs Annual funding cycle Nationally competitive
Grant Amounts	Maximum: Lesser of \$50,000 or 25% of cost
	Minimum: No set minimum
Grant Uses	Determine Feasibility of Renewable Energy Systems
Grant Stipulations	Cannot leverage with other federal or state funding. Prior study cannot have been completed on project. Modifications to existing systems are allowed.
Applicant Types	Ag Producers and Rural Small Businesses
Community size	Population up to 50,000

Feasibility Study Examples

- **Methane Digester** for beef feedlot producer
- **Methane Digestion** using co-fired renewable inputs
- **Wind monitoring studies** by farmers or businesses
- **Pelletizing study** using corn stover/biomass inputs
- **Retrofit of digester** with scrubbers to upgrade biogas
- **Cellulosic fuel** feasibility studies

REAP System Installation Grants

Grant Request	Up to 25% of eligible project costs Annual funding cycle Small state allocation/Remainder compete nationally *Set-aside for Grants of \$20,000 or less
Grant Amounts	
•Energy Efficiency	Minimum: \$1,500 Maximum: \$250,000
•Renewable Energy	Minimum: \$2,500 Maximum: \$500,000
Grant Uses	Purchase and installation of renewable energy systems or improvements in energy efficiency
Applicant Types	Ag Producers and Rural Small Businesses
Community size	Population up to 50,000

REAP System Installation

Loan Guarantees

% of Loan Guaranteed	Up to an 85% guarantee-pending size of loan. Guaranteed loan up to 75% of total eligible project costs
Loan Amounts	Minimum: \$5,000 Maximum: \$25 Million
Loan Terms	Real Estate – 30 yrs Machinery & Equipment – 20 yrs Term Working Capital – 7 yrs
Fees	One-time guarantee fee of 1%. Annual renewal fee of 0.25% on outstanding balance
Loan Uses	Purchase and installation of renewable energy systems or improvements in energy efficiency
Borrower Types	Ag Producers and Rural Small Businesses
Community size	Population up to 50,000

REAP Grant/Loan Guarantee

“Combination Application”

Maximum of 25% GRANT	Grant regulations apply.
Maximum of 50% LOAN GUARANTEE	Loan Guarantee regulations apply.
Fees	Loan Guarantee fee applies.
Uses of Funds	Purchase and installation of renewable energy systems or improvements in energy efficiency
Borrower Types	Ag Producers and Rural Small Businesses
Community size	Population up to 50,000
BENEFITS	Combination projects may receive funding priority over grant only requests over \$20,000.

Renewable Energy System Examples

- **5 Skystream 3.7 Turbines** for ranching operation
- **Hybrid Renewable System** for horse stable facility
-10kW Bergey Excel & Array of 18 Sanyo PV solar panels
- **1.5 MW Direct Drive wind turbine** for sale of energy
- **25kW Turbines** to offset irrigation & remainder for sale
- **Geothermal systems** into shop buildings
- **Biomass corn stoves** into poultry barns/greenhouses
- **Methane digesters** converting animal waste

REAP Energy Audit/ Renewable Energy Development Assistance

Grant Request	\$100,000/applicant maximum Annual funding cycle Nationally competitive
Grant Uses	
• Energy Audits	Conduct energy audits for farmers/rural small businesses
• Renewable Energy Development Asst.	Conduct site evaluation & report development for renewable energy technologies; renewable energy education
Grant Stipulation	Recipient of Energy Audit pays 25% of audit cost
Borrower Types	-Units of state, tribal, or local government (Including instrumentalities: RC&D's, Water Districts) -Land-grant college, a university, or another institution of higher education -Rural electric cooperative -Public power entity
Community size	Population up to 50,000

Energy Audit/REDA Examples

➤ Energy Audit

- \$ to perform energy audits for ag producers & businesses
 - * Residential audits are in-eligible

➤ REDA

- \$ to determine Adequacy of Wind Resource for wind farm
- \$ to determine Adequacy of Methane Digestion on farm
- \$ for Educational Offerings on Renewable Energy
- \$ to assist eligible applicants with on-site RES Assessments
 - Determine technology mix for given business
 - Determine size of system to meet applicant needs

Community Facilities Loan Guarantee

% of Loan Guaranteed	Up to 90%
Loan Amounts	Based on project; no maximum; the amount is based on project feasibility, reasonable project costs & cash flow
Loan Terms	Limited to useful life of security; maximum 40 years
Fees	1% of guarantee; no renewal fee
Loan Uses	Land acquisition, construction, expansion or improvement, equipment, fixtures, legal and other professional fees
Borrower Types	Public bodies, not-for-profit organizations and Indian tribes
Community size	Population up to 20,000

*Grant & direct loan funding available
(based on MHI of applicant/service area)

Community Facilities Examples

➤ **Montessori school**

- straw bale educational building**
- wind turbine**
- solar panels**

➤ **Daycare center**

- geothermal heating & cooling**

***Program requires energy generated be used directly at facility**

Application Tips

- **Work with your local RD office**
- **Scoring is important...MAXIMIZE**
understand
program/competition/deadlines.....
- **Submit prior to deadlines for review....**
submit complete applications....
- **Environmental review process...**
- **Ask Questions!!!**



Rural Development

Area Offices FY 2011

Scottsbluff Area Office

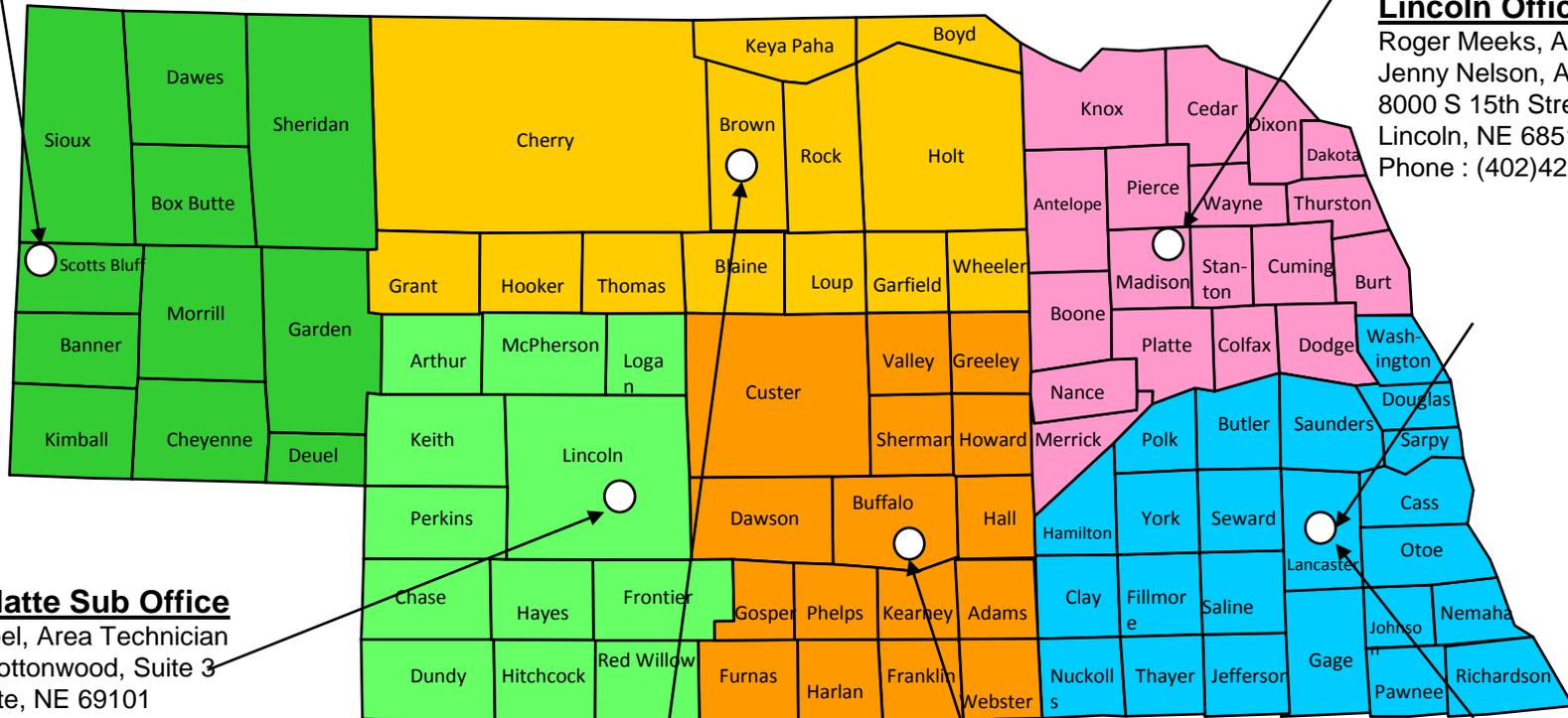
Brenda Darnell, Area Director
 Marla Marx, Area Specialist
 818 Ferdinand Plaza, St. B
 Scottsbluff, NE 69361-4401
 Phone : (308)632-2195

Norfolk Area Office

Dale Wemhoff, Area Director
 Korey Young, Area Specialist
 1909 Vicki Lane, Suite 103
 Norfolk, NE 68701
 Phone : (402)371-5350

Lincoln Office

Roger Meeks, Area Director
 Jenny Nelson, Area Specialist
 8000 S 15th Street, St. E
 Lincoln, NE 68512-9436
 Phone : (402)423-9683



North Platte Sub Office

Lory Cappel, Area Technician
 1202 S. Cottonwood, Suite 3
 North Platte, NE 69101
 Phone : (308)534-2360

Ainsworth Area Sub Office

Mary Gambill, Area Specialist
 731 E. 4th
 Ainsworth, NE 69210
 Phone : (402) 387-2242

Kearney Area Office

Paul Bartlett, Area Director
 Kelley Messenger, Area Specialist
 4009 6th Ave, Suite 1
 Kearney, NE 68845-2386
 Phone : (308)237-3118

State Office – Lincoln

Robin Templeton-BP Director
 Deb Yocum, Energy Coordinator
 Joan Scheel, BP Specialist
 Deborah Drbal, BP Specialist
 Room 152, Federal Building
 100 Centennial Mall N.
 Lincoln, NE 68508
 Phone : (402)437-5551



USDA

Rural Development

Thanks You!

<http://www.rurdev.usda.gov/ne>

Deb Yocum 402-437-5554

debra.yocum@ne.usda.gov

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AMERICA**

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