

FARM ENERGY BACKGROUNDER

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DRAFT

Rural Energy for America Program: Overview

Rural Energy for America Program

Program

- Grants and loan guarantees for:
 - Energy efficiency improvements
 - Renewable energy capacity
- Eligible entities include:
 - Agricultural producers
 - Rural small businesses

Limits and Cost Sharing

- Grants
 - Up to 25% of project cost
 - Upper limit in rules?
- Loan Guarantees
 - Up to \$25 million
- Grant and Loan Guarantee Combo
 - Up to 75% of project cost

Feasibility Studies

- Grants are available to eligible entities for feasibility studies.

Small Project Carve-Out

- 20% of funding available for grants of less than \$20,000

Mandatory Funding

- \$55 million in FFY 2009
- \$60 million in FFY 2010
- \$70 million in FFY 2011
- \$70 million in FFY 2012

Discretionary Funding

- \$25 million per year

Energy Audits and Technical Assistance

Program

- Grants to eligible entities to provide:
 - Energy audits
 - Energy technical assistance
- Eligible grantees include:
 - Units of State, tribal or local governments
 - Colleges and universities
 - Rural electric cooperatives and public power entities
 - Other similar groups
- The grantees will provide services to:
 - Agricultural producers
 - Rural small businesses
- Grant funds can be used to:
 - Conduct and promote energy audits
 - Provide recommendations and assistance on improving energy efficiency or implementing renewable energy systems

Limits and Cost Sharing

- No more than 5% of a grant can be used for administrative expenses
- The ag producer or business must pay at least 25% of the energy audit cost

Funding

- 4% of funds, until April 1
- \$2.2 million in FFY 2009
- \$2.4 million in FFY 2010
- \$2.8 million in FFY 2011
- \$2.8 million in FFY 2012

