

Renewable Energy For America Program

USDA, Rural Development
Tennessee



What is the Renewable Energy For America Program?

- **Program designed to assist farmers, ranchers and rural small businesses with renewable energy and energy efficient improvement projects**
- **This program provides grants and loan guarantees for renewable energy and energy efficiency projects**
- **Originally created as a 5 year program. Renewed and expanded in the latest Farmbill.**



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Definitions



- Renewable Energy System is a process that produces energy from renewable energy sources (energy derived from a wind, solar, biomass, geothermal, hydrogen or anaerobic source). FY 2011 saw the introduction of E-85, B-20 and Blender Pumps as eligible.
- Energy Efficiency Improvement is an improvement to a facility or process that reduces energy consumption

Energy Program Eligibility

- Applicant

1. Agricultural Producer or Rural Small Business
2. US Citizens or Permanent Residency
3. Entities 51% or + US owned
4. No Fed Judgments, Delinquencies, Debarment

* If applicant has received one or more grants under program then satisfactory progress must be made towards completion of any previously funded projects before any subsequent funding awarded.



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Eligibility



- Project

- A. Purchase a Renewable Energy System or Make Energy Efficiency Improvements
- B. Precommercial or Commercially Available Technology
- C. Technical Merit (Determined by Tech Report)
- D. Rural Area (Under 50,000 Population) - Business
- E. Applicant = Owner, control of O&M, 3rd party can be used to manage
- F. Site controlled by applicant for financing term
- G. Revenue sufficient to cover O&M, Management, debt service for the life of the project.

Energy Program Eligibility

- **Grants request can be up to 25% of total eligible project costs**
 - Renewable Energy:
 - \$2,500 to \$500,000
 - **If total eligible project costs over \$200,000 then Business level feasibility study.**
 - Energy Efficiency
 - \$1,500 to \$250,000
 - **If total eligible project costs are over \$50,000 then an energy audit is required, otherwise energy assessment.**



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So What Costs Are Eligible?

- 1. Post-application purchase and installation of equipment, (or remanufactured), except agricultural tillage equipment, used equipment, and vehicles**
- 2. Post-application construction or improvements, except residential , i.e., now assisted livings.**
- 3. Energy Audits or Energy Assessments**
- 4. Permit and License Fees**
- 5. Professional Service Fees, except for app prep**
- 6. Feasibility Studies and Technical Reports**

So What Costs Are Eligible

7. Business Plans

8. Retrofitting

9. Construction of a new EE facility in some cases only!

REMEMBER – Only costs identified in the energy audit for EE improvements are allowed!

What Costs are NOT Eligible

- **Pre-application improvements**
- **Residential improvements**
- **Energy efficiency improvements related to new construction**
- **Vehicles or Agricultural tillage equipment**
- **Applicant in-kind contributions (over 10%)**

Thresholds

- **Maximum grant assistance to any one borrower in a fiscal year will not exceed \$750,000**
- **Simplified Application Process for projects with total eligible project costs of \$200,000 or less**
- **Technical Report- Appendix A will be followed for projects less than \$200,000.**
- **Professional Engineer involved if RE Project over \$400,000 or EE Project over \$200,000**
- **Simple Contract Method under \$200,000**

Application Requirements

- **Must meet eligibility requirements for:**
 - Applicant
 - Project
 - Financial Need
 - Replicability
 - Complete application

- **To qualify for funding, the application will also have to pass:**
 - Technical Review
 - National Environmental Policy Act (NEPA) Review



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Guaranteed Loan Program

- Eligibility requirements are the same
- Loans made by private lender are insured by Federal Government
- Guaranteed Loan funds can be used for working capital and land acquisition (which is different than the grant program)
- Amount of loan (or combined loan and grant) made will not exceed 75% of eligible project costs
- Minimum is \$5,000 and Maximum is \$25 Million
- Projects with total eligible project costs less than \$600,000 use a simplified application process



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Guaranteed Loan Program (cont.)

- Interest Rates negotiated between Lender and Borrower
- Collateral sufficient to protect interests of Lender and Government
- Equity requirements – Loans of \$600K or less 15%
Loans over \$600K 25%
- FMV of RE pledge can be counted towards equity
- Lender must be an eligible lender.



Peggy Korn, 1st Solar Installation in Brownsville, TN



Lifeline Foods in Pikeville, TN (Inverters)



Harrison Dairy Solar Installation



Nashville Natives 8.28 kW system in Fairview, TN

Let's Get Some Money Back To Tennessee (...where it needs to be!)

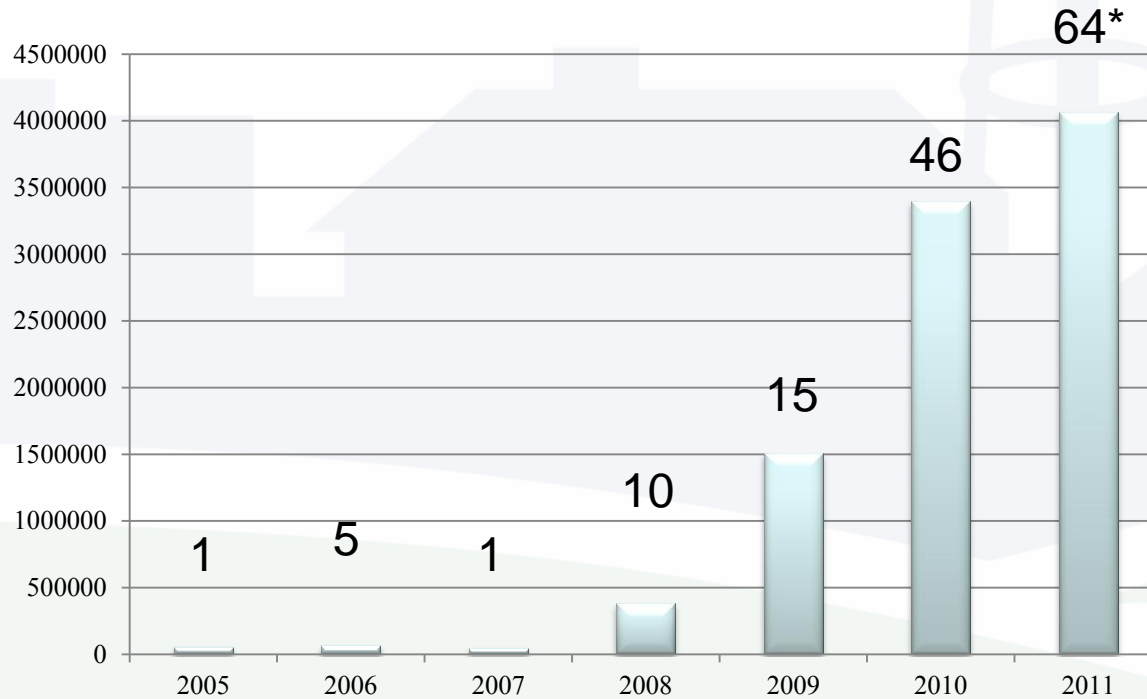
- Start the process early
- Contact your Area Office and begin discussions of eligibility, deadlines, and to begin the environmental process.



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Tennessee REAP Growth 2005 to 2011



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*\$4 Million + in REAP Grant Requests. 64 projects listed are currently competing for funds.

Fiscal Year 2011 & 2012 Funding

- Tennessee is currently accepting applications for FY 2012
- Currently, reviewing applications from FY 2011



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8 Regional Area Offices to Serve You

Union City Area Office

Harriet Cannon - Area Director
1216 Stad Ave, Ste 3
Union City, TN 38261
harriet.cannon@tn.usda.gov
731-885-6480 x4
800-342-3149 x1497

Nashville Area Office

Chris Westbrook - Area Director
3322 West End Ave, Ste 302
Nashville, TN 37203
chris.westbrook@tn.usda.gov
615-783-1359
800-342-3149 x1359

Tennessee State Office

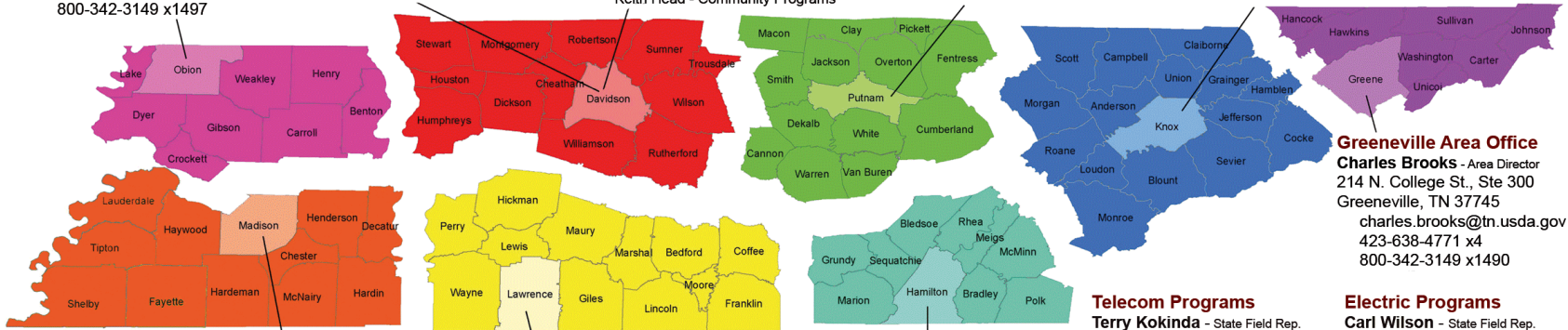
Bobby Goode - State Director
3322 West End Ave, Ste 300
Nashville, TN 37203
615-783-1300
800-342-3149
Joe Woody - Housing Programs (acting)
Dan Beasley - Business Programs
Keith Head - Community Programs

Cookeville Area Office

Jerry Jolley - Acting Area Director
390 S. Lowe Ave, Ste K
Cookeville TN 38501
jerry.jolley@tn.usda.gov
931-528-6539 x2
800-342-3149 x1493

Knoxville Area Office

Jerry Amonett - Area Director
4730 New Harvest Ln, Ste 300
Knoxville, TN 37918
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Greenville Area Office

Charles Brooks - Area Director
214 N. College St., Ste 300
Greenville, TN 37745
charles.brooks@tn.usda.gov
423-638-4771 x4
800-342-3149 x1490

Jackson Area Office

Kathy Brantley - Acting Area Director
85G Stonebrook Commons
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Lawrenceburg Area Office

Faye Rodgers - Area Director
237 Waterloo Street
Lawrenceburg, TN 38464
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931-762-6913 x4
800-342-3149 x1494

Chattanooga Area Office

Rickey Hickman - Area Director
309 A North Market Street
Chattanooga, TN 37405
rickey.hickman@tn.usda.gov
423-756-2239
800-342-3149 x1492

Telecom Programs

Terry Kokinda - State Field Rep.
Nashville, TN
terry.kokinda@wdc.usda.gov
615-826-2384

Electric Programs

Carl Wilson - State Field Rep.
Clarksville, TN
carl.wilson@wdc.usda.gov
931-358-3225



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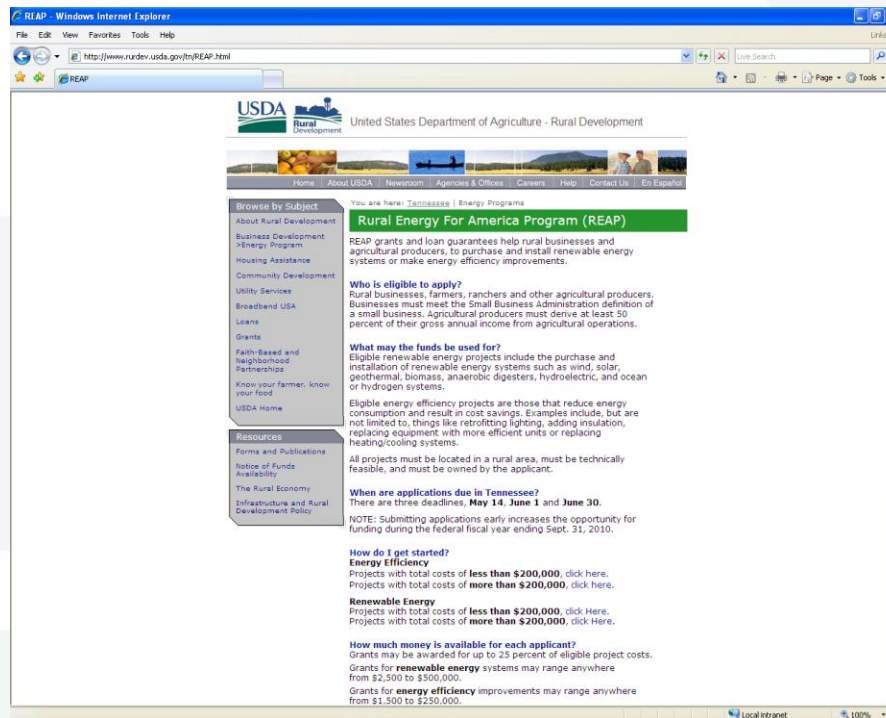
Will Dodson

Email: will.dodson@tn.usda.gov

Phone: 615-783-1350



Energy Website



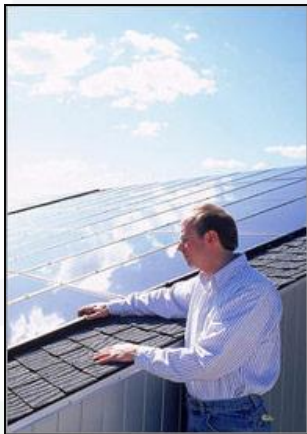
<http://www.rurdev.usda.gov/Energy.html>



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Provides application materials for REAP

Q&A



Photos courtesy of the National Renewable Energy Laboratory



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