



NEWS RELEASE

United States Department of Agriculture • Rural Development
3001 Coolidge Rd. • 2nd Floor North • Suite 200 • East Lansing, MI 48823
Phone: (517) 324-5204 • Fax: (517) 324-5225 • Web: <http://www.rurdev.usda.gov/mi>

USDA RURAL DEVELOPMENT ANNOUNCES 2013 FUNDING FOR RURAL ENERGY FOR AMERICA PROGRAM (REAP)

EAST LANSING, March 29, 2013 – The United States Department of Agriculture is providing funding of \$10.4 million in grants and up to \$43.4 million in guaranteed loans nationally through the Rural Energy for America Program (REAP). Funding has been authorized by the Food, Conservation, and Energy Act of 2008 (Farm Bill). Funds are available to help agricultural producers and rural small businesses develop renewable energy systems, make energy efficiency improvements and conduct studies to determine the feasibility of renewable energy systems.

Program funding for FY2013 has been substantially decreased by two thirds, when compared to past years for this highly competitive program, making it more difficult to achieve the Obama Administration energy goals. Competition will be even greater this year. It is imperative that submitted applications be of the highest quality with scoring levels toward the higher tier of last year's awarded projects, in order to have a chance of being selected for funding.

Eligible projects in the 12 technology areas include:

- anaerobic digesters,
- biomass / biofuels,
- flex-fuel pumps
- geothermal (including electric generation and direct use),
- hydrogen
- solar (small and large)
- small hydropower projects (30 megawatts or less),
- wind (small and large), and
- energy efficiency improvements.

Examples of energy efficiency projects include, but are not limited to: the installation of more energy efficient motors, pumps, fans, blowers, compressors, grain dryers, irrigation projects, refrigeration units, ventilation systems, windows, insulation, heating systems, lighting systems, and plumbing fixtures. Please note, costs associated with increases in capacity will be reduced from total eligible project costs.

Grants can cover up to 25 percent of total eligible costs. The minimum energy efficiency grant is \$1,500 and maximum is \$250,000. The minimum renewable energy grant is \$2,500 and maximum is \$500,000. For feasibility study grants, the maximum award is \$50,000 or 25 percent of eligible study costs, whichever is less. Guaranteed loans can cover up to 75 percent of total eligible cost. Loan limits are a minimum of \$5000 and a maximum of \$25 Million.

Committed to the future of rural communities.

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Applications will be evaluated and selected based on the highest scoring projects and will be funded until all funds have been awarded. Renewable energy system and energy efficiency improvement grant applications along with combination grant and guaranteed loan applications, and feasibility study applications, must be completed and received to the USDA Rural Development State Office or Area Offices, no later than April 30, 2013. Renewable energy system and energy efficiency improvement guaranteed loan only applications will be accepted on a continuous basis up to July 15, 2013. Neither complete nor incomplete applications received after these dates will be considered for fiscal year 2013 funding.

For further program information contact the USDA Rural Development Business Programs Division in the East Lansing State Office at (517) 324-5157.

The Obama Administration is working to promote domestic production of renewable energy to create jobs, reduce our dependence on foreign oil, combat global warming, and build a stronger rural economy. The President's plan for rural America has brought about historic investment and resulted in stronger rural communities. Under the President's leadership, these investments in housing, community facilities, businesses and infrastructure have empowered rural America to continue leading the way – strengthening America's economy, small towns and rural communities. USDA's investment in rural communities support the rural way of life that stands as the backbone of our American values. President Obama and Agriculture Secretary Tom Vilsack are committed to a smarter use of Federal resources to foster sustainable economic prosperity and ensure the government is a strong partner for business, entrepreneurs and working families in rural communities.

USDA has made a concerted effort to deliver results for the American people, even as USDA implements sequestration – the across-the-board budget reductions mandated under terms of the Budget Control Act. USDA has already undertaken historic efforts since 2009 to save more than \$700 million in taxpayer funds through targeted, common-sense budget reductions. These reductions have put USDA in a better position to carry out its mission, while implementing sequester budget reductions in a fair manner that causes as little disruption as possible.

Visit <http://www.rurdev.usda.gov> for additional information about the agency's programs or to locate the USDA Rural Development office nearest you.

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