



USDA REAP Grant Money for Agricultural Producers and Rural Small Businesses

USDA Rural Energy for America Program (REAP) grants will be awarded in the fall of 2014 and the deadline for submission is July 7, 2014. Grants must be assembled and submitted and approved by the state USDA REAP agent before ground is broken or money spent on the project. The grant program is for energy efficiency (Examples: lighting, water, insulation and HVAC upgrades on the farm) or renewable energy projects (Examples: geothermal, solar PV, heaters & thermal, micro wind and biomass installations). The grant covers 25% of the gross project cost. Maximum renewable energy grants are \$500,000 and \$250,000 for energy efficiency projects. There are currently two primary pools of award money with separate grant conditions. Projects requesting \$20,000 in grant funding (\$80,000 total project costs) or below are awarded additional scoring points which give them a better chance of being awarded. Larger grants require a more comprehensive grant writing process.

Below are key criteria for vetting whether a grant project is viable:

- Commercial or Industrial (Residential not allowed);
- Project must be in a rural county or city with population less than 50,000;
- For-Profit Business and business must own property;
- As a rule of thumb, to be considered a small business, depending on the business type, must the gross revenue per year must be less than \$5 million, not applicable to farms (who file a Schedule F who can be much larger and still qualify);
- The project has to be in planning stage when the application is submitted and must not have broken ground on the projector materials purchased;
- Client must have a full proposal for the project from a qualified vendor;
- To maximize the chance of getting funding, projects should seek less than \$20,000 in grant money (or <25% of total project cost). So an \$80,000 project is the ideal project size for this grant program; and
- For renewable projects, the proposed system should be replacing more than 50% of the current electricity demand.

Overview of the improvement options recommended *(Estimated savings will vary)*

Item	Estimated Cost	Estimated Savings	Payback (Years)
Insulate sidewall curtain	\$4,000	800 gal	2.5
Insulate Ceiling	\$2,800	450 gal	3.1
Add attic inlets	\$1,800	600 gal	1.5
Tunnel inlet doors	\$5,800	500 gal	5.8
Mixing fans	\$ 500	100 gal	2.5
Radiant tube heaters	\$7,000	500 gal	7.0
Cold Cathode lights	\$1,000	11,000 kWh	0.8

http://www2.ca.uky.edu/poultryprofitability/Production_manual/Chapter1_PHEs_results/Chapter1_PHEs_results_for_web.pdf

The grant applications are highly technical documents roughly 200 – 350 pages in length. Contents can be broken into 4 portions: 1) the customer’s information (organizational information, tax documents, proof of property ownership, flood insurance if applicable, DUNS and Tax IDs, etc.); 2) the vendors’ information (qualifications, years in business, spec sheets on technologies, list of similar projects, etc.); 3) the specific project proposal (cost, proposal, timeline, specific technologies, permits, etc.); and 4) energy audit performed by third-party for additional points on the grant. Once the contract is signed, and based on the complexity of the project, if all information is provided in a timely manner, the grants can be prepared in as little as four weeks. If a State Clearing House submittal is required (>\$20,000), then the process can take up to six or eight weeks. Please contact Midwest Clean Energy Enterprise, LLC (MCEE) to learn more.

For More information about the grant program: http://www.rurdev.usda.gov/BCP_ReapResEei.html