

Federal Programs Supporting Solar Development



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Overview

- ▶ Rural Energy For America Program (REAP)
- ▶ Business and Industry Loan Guarantee (B&I) Program
- ▶ Community Facility Grant, Loan and Loan Guarantee Program
- ▶ Rural Business Development Grant (RBDG)
- ▶ Rural Economic Development Loan and Grant Program (REDLG)
- ▶ DOE Title XVII Innovative Energy Loan Guarantee Program

Rural Energy For America Program (REAP)

► PURPOSES:

- Provides grants and loan guarantees to assist agriculture producers and rural small businesses purchase renewable energy systems and make energy efficiency improvements. https://www.rd.usda.gov/sites/default/files/fact-sheet/508_RD_FS_RBS_REAP_RE.pdf
- Energy Audits and Renewable Energy Development Assistance -provides grants for energy audits, technical assistance and feasibility studies.
https://www.rd.usda.gov/sites/default/files/fact-sheet/508_RD_FS_RBS_REAP_EA.pdf

► FUNDING LIMITS:

- \$500,000 for renewable energy systems grants (or 25% of TPC)
- \$250,000 for energy efficiency improvements grants
- \$100,000 for energy audits and renewable energy development assistance grants
- \$25 million loan guarantee (Federal share is maximum of 75 % of project costs)

Business and Industry Loan Guarantee (B&I) Program

- ▶ PURPOSES: Provides loan guarantees for commercially proven rural businesses including solar energy system development and energy efficiency improvements. https://www.rd.usda.gov/sites/default/files/factsheet/508_RD_FS_RBS_BIGuarantee.pdf
- ▶ FUNDING LIMITS: maximum \$25 million loan (can not exceed 80% of the total project costs)

Community Facility(CF) Grant, Loan and Loan Guarantee Programs

- PURPOSE: Provides funding to develop essential community facilities in rural areas. An essential community facility is defined as a facility that provides an essential service to the local community.
 - CF Grant and Loan Program: Rural areas including cities, villages, townships and towns including Federally Recognized Tribal Lands with no more than 20,000 residents.
https://www.rd.usda.gov/sites/default/files/fact-sheet/508_RD_FS_CFDirect.pdf
 - CF Loan Guarantee program: Rural areas include any area other than a city or town with a population of greater than 50,000 inhabitants and any urbanized area contiguous and adjacent to that city or town. https://www.rd.usda.gov/sites/default/files/fact-sheet/508_RD_FS_RHS_CFGuarantee.pdf.
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- FUNDING LIMITS:
 - Grants- maximum amount of grant is determined by several factors outlined in the published regulation
 - Direct Loans - no limitation
 - Guaranteed Loan - no limitation

Rural Business Development Grant (RBDG)

- **PURPOSE:** Provides technical assistance and training for small rural businesses. <https://www.rd.usda.gov/programs-services/rural-business-development-grants>
 - Small means that the business has fewer than 50 employees and less than \$1 million in gross revenue.
 - Rural areas include unincorporated areas and towns/cities with a population of less than 50,000.
- **FUNDING LIMITS:** maximum grant is \$500,000

Rural Economic Development Loan and Grant Program (REDLG)

- ▶ PURPOSE: Provides funding for rural projects through local utility organizations. Rural area includes unincorporated areas and towns with a population of fewer than 50,000 residents. https://www.rd.usda.gov/sites/default/files/factsheet/508_RD_FS_RBS_REDLG.pdf
 - Provides zero-interest loans to local utilities which they, in turn, pass through to local businesses (ultimate recipients) for projects that will create and retain employment in rural areas.
 - Provides grants to local utility organizations which use the funding to establish Revolving Loan Funds (RLF). Loans are made from the revolving loan funds to projects that will create or retain rural jobs.
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- ▶ FUNDING LIMITS:
 - Grants: not to exceed \$300,000 for establishment of a RLF.
 - Loans: not to exceed \$1 million

DOE Title XVII Innovative Energy Loan Guarantee Program

- ▶ PURPOSE: Projects with high technology risks that "avoid, reduce or sequester air pollutants or anthropogenic emissions of greenhouse gases"; and employ new or significantly improved technologies as compared to existing commercial technologies. Loan guarantees are intended to encourage early commercial use of new or significantly improved technologies in energy projects. <https://www.energy.gov/lpo/services/solicitations/renewable-energy-efficient-energy-projects-solicitation>
- ▶ FUNDING LIMITS: no limits on the loan guarantee amount.

Bill Hagy

Bill Hagy Consulting

Accredited
Member



LEE ENTERPRISES
CONSULTING, INC.

Background: 45 years of combined experience at United States Department of Agriculture and as a consultant providing assistance to communities, businesses, non-profits, tribal governments, towns, cities, and agriculture producers in identifying and accessing available federal programs/resources that support sustainable economic development.

Performs consulting services and advises

US and designated US territories clients



**Bill Hagy
Consulting**
540-764-3036

Bill Hagy
Owner
billhagy1@gmail.com

38579 Stevens Road
Lovettsville, VA 20180