

Investing in Rural America



Clean,
affordable,
reliable energy



Rural Development - Inflation Reduction Act (IRA)

Three IRA Clean Energy Programs:

Rural Energy for America Program
(REAP)

Powering Affordable Clean Energy
(PACE)

Empowering Rural America
(New ERA)

- Largest investment in rural electrification since 1936.
- **BRAND NEW** grant, loan, loan modification, and partial loan forgiveness programs to expand clean, affordable, and reliable energy.
- Reduced pollution, improved health, and lower energy costs for rural America.
- Once in a generation opportunity for economic development and to enhance the quality of life in rural communities.

RBCS REAP | Rural Energy for America Program Systems, Equipment, Improvements

Provides guaranteed loan financing and grant funding to tribal entities, agricultural producers and rural small businesses for **renewable energy systems or to make energy efficiency improvements.**

Available Funding

- Grants can cover up to 50% of total eligible project costs (from 25% pre-IRA)
- Loan Guarantees on loans can cover up to 75% of total eligible project costs
- **Combined** grant and loan guarantee funding can cover up to 75% of total eligible project costs

New in REAP 2.0

- \$1.055 Billion available in REAP Funds
- The federal share was raised to 50% for all energy efficiency projects, all zero-emission renewable energy projects, and all projects in designated energy communities and projects submitted by eligible tribal entities.
- \$144 Million set aside for underutilized technology
- The maximum grant size was increased from \$250,000 to \$500,000 for energy efficiency projects and from \$500,000 to \$1 million for renewable energy systems.
- Funds will be obligated across six quarterly cycles to obligate \$1.05 billion throughout the remainder of FY 2023 and FY 2024.



Renewable Energy Eligible Projects



Solar



Wind



Small Hydroelectric



Anaerobic Digesters



Biomass



Geothermal



Wave/Ocean Power

Energy Efficiency Eligible Projects



Lighting



Heating



Cooling



Ventilation



Fans



Automated Controls



Insulation



Rural Development
U.S. DEPARTMENT OF AGRICULTURE

REAP in Pennsylvania: One of the strongest REAP states in the country

Our REAP team in PA is doing more outreach and technical assistance than any other office in the country. Between 2018-2023, we expect to have obligated over \$23M in REAP grants and loans to folks in Pennsylvania.

Northampton County Area Community College

REAP funding will be used to conduct 26 renewable energy assessments for rural small businesses and agricultural producers throughout Pennsylvania. These on-site assessments will provide analysis to install renewable energy systems aimed at reducing costs for these small businesses.

THREE RIVERS GROWN in Clarion County, PA

REAP funding will help Three Rivers Grown LLC (TRG) purchase and install a 32-kilowatt (kW) solar photovoltaic system. TRG manages the aggregation, sale and distribution of quality food from small farms and food producers located within 250 miles of Pittsburgh to local grocery stores. This project is expected to save approximately \$4,200 per year and will replace 37,368 kilowatt hours (kWh) per year, which is enough energy to power 3 homes annually.

Saubel's Inc. in York County, PA

REAP funding will support the purchase and installation of a 300-kilowatt (kW) solar photovoltaic system on the roof of Saubel's family-owned grocery store that has been in business since the 1960's. Saubel's will see an estimated savings of over \$30,000 annually in energy costs.

REAP IRA | FY 2023 Timeline

- December 15, 2022:** FY 23 Notice was published in the Federal Register and announcing \$250 Million
- March 31, 2023:** Deadline for first 2023 funding round.
- March 31 2023:** Second Notice is published in the Federal Register announcing new rounds.
- June 30 2023:** 1st quarterly competition closes.
- July 1 2023:** REAP funding round opens.
- Sept 30, 2023:** 2nd quarterly competition closes. Applications will be processed as FY 24.

Powering Affordable Clean Energy (PACE)

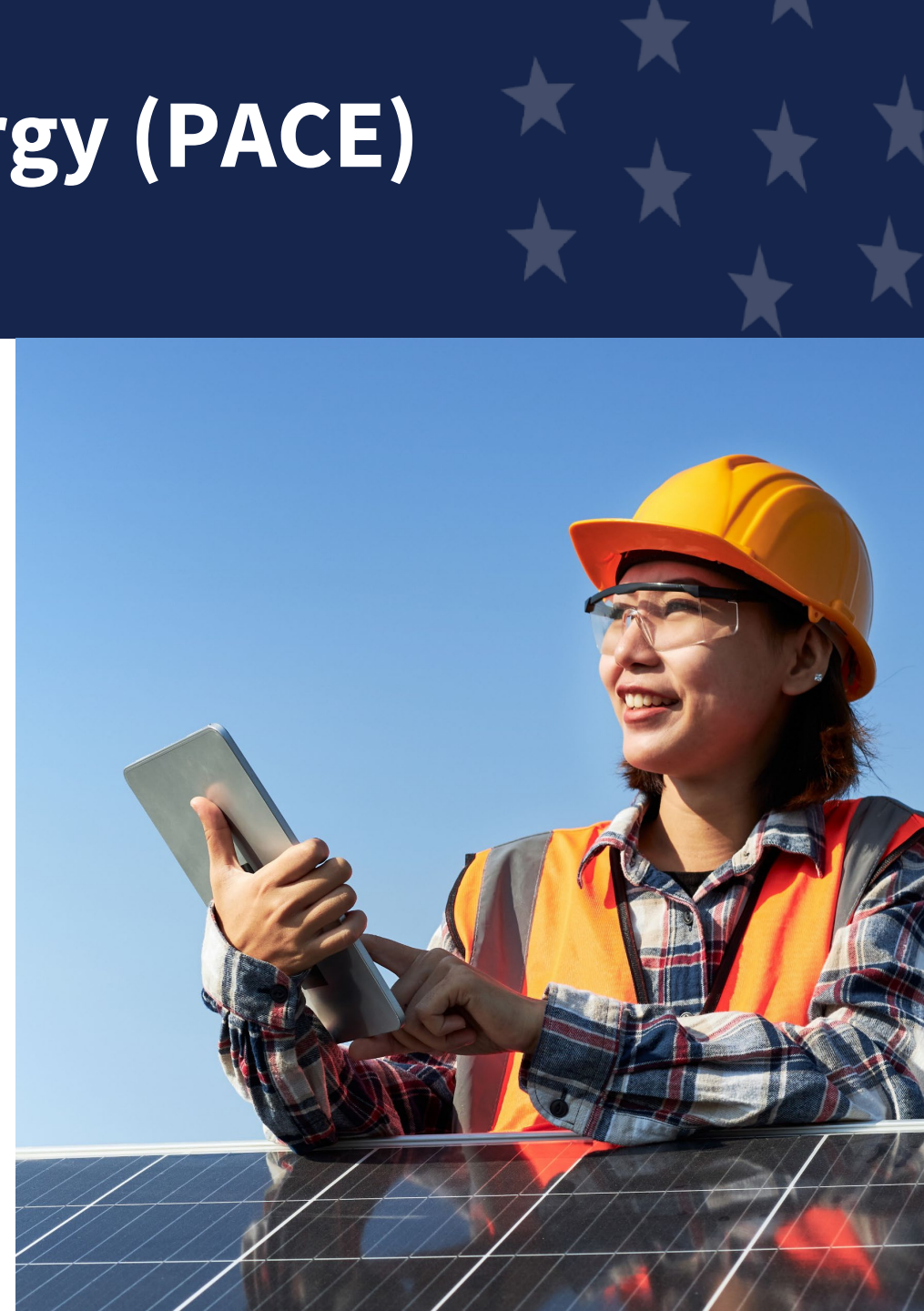
Program Overview

Program Goal: Increase clean energy in rural America and make it significantly more affordable for consumers, especially for energy, distressed, disadvantaged, and Tribal communities, to heat and cool their homes, run their businesses and farms, and power their cars, schools, and hospitals.

PARTIALLY FORGIVABLE LOANS for utility-scale clean energy projects – wind, solar, hydropower, biomass, geothermal – including energy storage projects in support of renewable technologies.

Proposed Timeline/Process: (2 stage process)

- a) Electronic submission of Letter of Interest – **open July 10, 2023 through September 29, 2023**
- b) LOIs accepted on a rolling basis and evaluated as received
- c) If invited by the Agency, applicant submits full application



Powering Affordable Clean Energy (PACE)

Program Details

Eligible Applicants	Corporations; States and territories along with their subdivisions and agencies; Municipalities; Utility districts; Cooperatives; Nonprofits; Indian Tribes; Alaska Native, regional, or village corporations; Limited Liability Companies or other for-profit entities. One application from each eligible entity.; the project must produce renewable energy for resale and serve at least 50 percent rural customers
Eligible Activities	<ul style="list-style-type: none">• Renewable power generation from: wind, solar, geothermal, hydropower, or biomass• Storage for renewable energy
Forgiveness Levels: RUS will initially allocate a minimum of \$300 million to each category	<p><u>Category 1:</u> Up to 20 percent total loan forgiveness for applicants that meet the minimum requirements;</p> <p><u>Category 2:</u> Up to 40 percent total loan forgiveness if 50 percent or more of the population served by the proposed service area is located within the following areas:</p> <ol style="list-style-type: none">(1) Energy Communities; or(2) Distressed or Disadvantaged Communities. <p><u>Category 3:</u> Up to 60 percent total loan forgiveness if:</p> <ol style="list-style-type: none">(1) The proposed service area is located in Puerto Rico, United States Virgin Islands (USVI), Guam, American Samoa or other U.S. territories or Compact of Free Association (COFA) states; or(2) The proposed service area consists of 60 percent or more of a Tribal area or serves an area that constitutes a Substantially Underserved Trust Area; or(3) The Project is owned by an Indian Tribe, defined by the Federally Recognized Indian Tribe List Act of 1994, including their wholly owned subsidiaries and instrumentalities, or Alaska Native Corporations, including regional or village corporations.
Loan and Program size	\$1 million – \$100 million, inclusive of forgiveness; \$1 billion in funding

Powering Affordable Clean Energy (PACE)

Program Timelines

Target Date	Activity
May 16, 2023	Publication of the PACE NOFO
May 16 – July 7, 2023	USDA hosts webinars, speaks at conferences, and is available to answer questions
July 10, 2023	Opening date for submission of PACE Letters of Interest Letters will be reviewed on a rolling basis
July 2023	USDA begins reviews of Letters of Interest and begins invitations for applications USDA will inform applications if they are invited to submit a full application. If so, applicants have 60 days to submit unless otherwise agreed to.
September 1, 2023 – December 2025	PACE awards and announcements are made
September 29, 2023	Closing date for submission of PACE Letters of Interest
September 30, 2031	All funds fully disbursed

Empowering Rural America (New ERA)

Program Overview

\$9.7 billion in budget authority for the long-term **resiliency, reliability, and affordability** of rural electric systems to achieve the **greatest reduction** in CO₂, methane, and nitrous oxide emissions.

Eligibility: Electric cooperatives that are or have been RUS or REA borrowers, cooperative entities serving a predominantly rural area, or wholly or jointly owned subsidiaries of such cooperatives.

Activities Supported

- Purchase of renewable energy
- Renewable energy systems
- Zero-emission systems
- Carbon capture and storage systems
- The deployment of such systems
- Energy efficiency improvements to generation & transmission systems of eligible entities
- Any combination of the above

Permitted Use of Funds

- Grants – maximum 25 percent of project cost
- Loans fixed at 2 percent or at a rate tied to the Federal government's cost of capital; and 0 percent for predominantly distressed, disadvantaged or energy communities
- Refinance debt for a stranded assets at 0 percent interest in certain instances
- Any combination of the above

Empowering Rural America (New ERA)

Program Details

Eligible Entities	Electric cooperatives (or a wholly or jointly owned subsidiary of such electric cooperatives)
Eligible Uses	Renewable energy, renewable energy systems, zero-emission systems, and carbon capture and storage systems, to deploy such systems, or to make energy efficiency improvements to electric generation and transmission systems.
Process – 2 Stages	<p>1) Letter of Interest (LOI):</p> <ul style="list-style-type: none">• Grants.gov submission of Letter of Interest – open July 31, 2023 through September 15, 2023.• Letter of Interest must meet minimum requirements and will be scored according to the selection criteria.• Additional requirements (reliability, resiliency, and affordability) <p>2) Full application:</p> <ul style="list-style-type: none">• High-scoring applicants will be invited to submit a full application.• The full proposal must be submitted within 60 days from the invitation to proceed or a mutually agreeable date.• RUS reserves the right to negotiate a final package of assistance.
Allowable Funding Requests	<p>Applicants can propose assistance from any single product or a combination of the following:</p> <ul style="list-style-type: none">○ Loans to finance the cost of new clean energy projects, at Treasury rate or interest rates as low as 2 percent;○ Grant funding up to 25 percent of the total cost of the proposal;○ Refinancing of stranded assets at interest rates as low as 0 percent with reinvestment in eligible activities; or○ Loans with interest rates as low as 0 percent for projects serving predominantly disadvantaged communities. <p>The Agency can offer an Applicant a financial package different than requested.</p>

Empowering Rural America (New ERA)

Selection Criteria

Scoring (maximum of 60 points):

- Annual tons of CO2 equivalent reduced (self-generated or purchased): **up to 30 points**
- Annual tons of CO2 equivalent avoided: **up to 10 pts**
- Percentage increase in renewable or zero-emission energy in the energy mix (owned & purchased): **up to 10 pts**
- Percentage decrease in carbon intensity of the energy mix (owned & purchased): **up to 10 pts**

Score is relative to all applicants in the same category of Total Utility Plant size

Applicants will be provided the Achievable Reduction Tool to calculate greenhouse gas reductions.

Evaluation of criteria in addition to greenhouse gas score includes:

- Consumer benefits for affordability (rate & bills reduced from efficiency)
- Project cost per unit of greenhouse gas reduction
- Project costs relative to program funding
- Geographic distribution of projects
- Efficient use of program funds

Empowering Rural America (New ERA)

Application Categories

Applicants will compete in one of three categories based on their 2022 Total Utility Plant value.

- Category 1: Applicants with a total utility plant value **equal to or over \$500 million** – at least 60 percent of funding.
- Category 2: Applicants with a total utility plant value **under \$500M but over \$200M** – up to 20 percent of funding.
- Category 3: Applicants with a total utility plant value **less than \$200M** – up to 20 percent of funding.

Joint applications will be considered:

- Consolidated groups of entities may submit a single Letter of Interest for consideration.
- Financial commitments will be disaggregated unless the group members are willing to accept joint liability.
- Group LOIs compete in the category reflective of the combined value of the group's Total Utility Plant.

Empowering Rural America (New ERA)

Program Timelines

Target Date	Activity
May 16, 2023	Publication of the New ERA NOFO
May 16 – July 31, 2023	USDA hosts webinars, speaks at conferences, and is available to answer questions
July 31, 2023	Opening date for submission of New ERA Letters of Interest
September 15, 2023	Closing date for submission of New ERA Letters of Interest
September and October 2023	USDA reviews, scores, and ranks submitted Letters of Interest
October – December 2023	USDA invites competitive New ERA applications to file a full application Once applicants are invited to submit a full application, they have 60 days to do so unless otherwise agreed to with USDA.
December 2023 – December 2026	New ERA awards and announcements are made
September 30, 2031	All funds fully disbursed

Key Resources



USDA Rural Development IRA page
<https://tinyurl.com/a6t9467e>



USDA Rural Development Electric Programs
<https://tinyurl.com/pmmzkm9v>



Sign up for news with GovDelivery
<https://tinyurl.com/mtdp45me>



Current USDA lending rates
<https://tinyurl.com/2p9u3wyc>



Register for Sam.gov
<https://tinyurl.com/2p9y6u9a>

Contact



RUS Electric Program General
Field Representative Link:
<https://tinyurl.com/mrfk3brh>



Frequently asked questions can
be found on the RD IRA website.
<https://tinyurl.com/a6t9467e>

Please send additional questions to:
SM.RD.RUS.IRA.Questions@usda.gov



Thank you !



USDA is an equal opportunity provider, employer, and lender.