



Rural Energy for America Program Renewable Energy & Energy Efficiency

What does this program do?

Provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses to purchase or install renewable energy systems or make energy efficiency improvements.

Who may apply?

- Agricultural producers with at least 50% of gross income coming from agricultural operations, and
- Small businesses in **eligible rural areas**.

NOTE: Agricultural producers and small businesses must have no outstanding delinquent federal taxes, debt, judgment or debarment.

What is an eligible area?

- Businesses must be in an area other than a city or town with a population of greater than 50,000 inhabitants and the urbanized area of that city or town. **Check eligible business addresses.**
- Agricultural producers may be in rural or non-rural areas.

How may the funds be used?

Funds may be used for the purchase, installation and construction of renewable energy systems, such as:

- Biomass (for example: biodiesel and ethanol, anaerobic digesters, and solid fuels).
- Geothermal for electric generation or direct use.
- Hydropower below 30 megawatts.
- Hydrogen.
- Small and large wind generation.
- Small and large solar generation.
- Ocean (tidal, current, thermal) generation.

Funds may also be used for the purchase, installation and construction of energy efficiency improvements, such as:

- High efficiency heating, ventilation and air conditioning systems (HVAC).
- Insulation.
- Lighting.

- Cooling or refrigeration units.
- Doors and windows.
- Electric, solar or gravity pumps for sprinkler pivots.
- Switching from a diesel to electric irrigation motor.
- Replacement of energy-inefficient equipment.

What funding is available?

- Loan guarantees on loans up to 75% of total eligible project costs.
- Grants for up to 25% of total eligible project costs.
- Combined grant and loan guarantee funding up to 75% of total eligible project costs.

What are the loan guarantee terms?

- \$5,000 minimum loan amount.
- \$25 million maximum loan amount.
- Up to 85% loan guarantee.
- Rates and terms negotiated with the lender and subject to USDA approval.
- Maximum term of 30 years for real estate.
- Maximum term of 15 years, or useful life, for machinery and equipment.
- Maximum term of 7 years for capital loans.
- Maximum term of 30 years for combined real estate and equipment loans.