

Applications Now Being Accepted for USDA Renewable Energy and Energy Efficiency Grant and Loan Program

May 20, 2014

On Monday, May 5, 2014, the United States Department of Agriculture (USDA) announced that it will begin accepting new applications for grants and loans under the Rural Energy for America Program (REAP) for fiscal year 2014. Authorized by the Agricultural Act of 2014 (2014 Farm Bill), REAP provides funding for agricultural producers and rural small businesses for the development and construction of renewable energy systems and energy efficiency improvement projects.

REAP provides grants, loans, and combination grant-loan awards on a competitive basis. The scope of energy-related projects that REAP can support is also fairly broad, from energy audits to energy project development and installations. In 2014, the agency is expected to provide at least \$12.38 million in grant awards and up to \$58.7 million in guaranteed loan awards.

For 2014, award sizes and deadlines vary by type of award, as follows:

- Grants for Renewable Energy Systems and Energy Efficiency Improvement Projects
 - Applications are due July 7, 2014
 - For renewable energy system grants, the award ceiling is \$500,000
 - For energy efficiency improvement grants, the award ceiling is \$250,000
- Combination Grant and Loan Projects
 - Applications are due July 7, 2014
 - Grant award ceiling is \$750,000, not to exceed 25 percent of total project cost
 - Loan guarantee award ceiling is \$25 million, not to exceed 75 percent of total project cost
- Loan Guarantee Projects
 - Applications are due July 31, 2014
 - Loan guarantee award ceiling is \$25 million

While funding amounts for 2014 have increased due to a remaining program balance from 2013, WSGR expects that the USDA will continue to be selective in funding projects. However, applications that leverage private capital and contribute to economic growth will continue to score well. In addition, those projects that effectively communicate project benefits in the context of other rural development initiatives will be well positioned to receive funding. Given the uncertain political landscape, it is recommended that interested parties take advantage of this opportunity, as it is likely funding will not be as robust in the future.

**Applications Now Being Accepted for
USDA Renewable Energy... (Continued)**

FOA Alert

Wilson Sonsini Goodrich & Rosati's government initiatives practice has experience preparing these applications and advising companies on strategies for successfully differentiating their projects and improving their likelihood of success. For more information, please contact:



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