Rural Energy for America Program Renewable Energy Systems and Energy Efficiency Loans and Grants

Loan guarantees for this program are streamlined under the OneRD Guarantee Loan Initiative

What does this program do?

The program provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements. Agricultural producers can also apply for new energy-efficient equipment and new system loans for agricultural production and processing.

Who can apply?

- **Agricultural producers with at least 50 percent of their gross income coming from agricultural operations**
- **Small businesses in eligible rural areas**

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

What types of borrowers are eligible?

Eligible borrowers include:

- Rural small businesses
- Agricultural producers

Additional USDA Rural Development programs that support other types of businesses and organizations are included in the OneRD Guarantee Loan Initiative. You can learn more at this link: https://go.usa.gov/xJnfQ.

What are the borrowing restrictions for loan guarantees?

- Individual borrowers must be citizens of the United States or reside in the U.S. after being legally admitted for permanent residence.
- Private-entity borrowers must demonstrate that loan funds will remain in the U.S.

What is an eligible area?

- Businesses must be located in rural areas with populations of 50,000 or fewer. You can check our database of eligible business addresses at this link: https://go.usa.gov/xJnGQ.
- Agricultural producers can be located in rural or nonrural areas.

How can funds be used?

Funds can be used for 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 also can be used to buy, build, and install 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 an electric irrigation motor
- Replacement of energy-inefficient equipment

Agricultural producers can also use guaranteed loan funds to install energy efficient equipment and systems for agricultural production or processing.

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

OneRD Guarantee Loan Initiative:
Rural Energy for America Program
Renewable Energy and Energy Efficiency

What types of funding are available?

- Loan guarantees on loans up to 75 percent of total eligible project costs
- Grants for up to 50 percent of total eligible project costs
- Combined grant and loan guarantee funding up to 75 percent of total eligible project costs

What is the maximum amount of a loan guarantee?

The loan guarantee percentage is published yearly in a notice in the *Federal Register* (available at this link: https://www.federalregister.gov/)

How do we get started?

Applications are accepted year-round in your local USDA Rural Development office. A list of state offices is available at this link: https://go.usa.gov/xJnHR.

Who can answer questions?

Your state-based USDA Rural Development Energy Coordinator can help answer your questions. A list is available at this link: https://go.usa.gov/xtBaj - PDF.

What governs this program?

- Grants: 7 CFR 4280, Subpart B, (available at this link: https://tinyurl.com/5e8vy9sb)
- Guaranteed Loans: 7 CFR 5001, (available at this link: https://tinyurl.com/3rt4cp59)
- This program is authorized by Title IX of the Agricultural Improvement Act of 2018 (available at this link: https://tinyurl.com/3hn26vy3), and the Inflation Reduction Act of 2022 (available at this link: https://tinyurl.com/26cv2tzc).

Why does USDA Rural Development do this?

This program helps increase American energy independence by increasing the private-sector supply of renewable energy, and by decreasing the demand for energy through energy efficiency improvements. Over time, these investments can also help lower the cost of energy costs for small businesses and agricultural producers.

For Grant Application submission, contact Ashley Conrad-Gordon Solarponics. (805) 245-2405 • ashley@solarponics.com

NOTE: Because information changes, always consult official program instructions or contact your local Rural Development office for help. A list is available at this link: https://go.usa.gov/xJHPE. You will find additional resources, forms, and program information at https://rd.usda.gov. USDA is an equal opportunity provider, employer, and lender.

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