USDA REAP Application, Process and Details

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REAP Overview

The USDA's REAP, or Rural Energy for America Program, is primarily focused with providing grants and loans for rural businesses looking to switch to, improve, or expand, their renewable energy operations. They do this to increase American energy independence, as well as lowering energy costs for rural businesses.

Several forms are available for prospective applicants, each sorted by the total project costs. Also available by the REAP program is a grant for technical assistance (REAP TAG).
Types of REAP Grants, additional resources

Forms requesting grants and loans:
• **Form 4280-3A**, for projects less than $80,000
• **Form RD 4280-3B**, for projects between $80,000 and $200,000
• **Form RD 4280-3C**, for projects greater than $200,000

Forms requesting federal general information about operations or certifications:
• **SF-424**, Application for Federal Assistance
• **424-C**, Budget Information about Construction Programs
• **424-D**, Assurances about Construction Programs
Eligibility Criteria

• Agricultural producers, or businesses where agriculture makes up at least half of gross income

• Small businesses, with one of the following:
  • Private, for-profit
  • A cooperative, as classified by the IRS
  • A private (non-government) electric utility, servicing rural consumers
  • An officially recognized tribal corporation or business

Note that all small businesses must qualify as such according to government regulations (13 CFR 121)
Eligibility Criteria (continued)

• Applicants must provide matching funds if applying for a grant only
• Projects that meet one of the following receive 50% Federal grant share:
  • A renewable energy system or system retrofit that produces zero greenhouse gas emissions
  • Projects located in an Energy Community as defined by the Department of the Treasury (26 USC 45(b)(11)(B))
  • Projects that are an energy efficient improvement
  • Projects proposed from federally designated tribal corporations or other businesses
• All other projects limited to 25% Federal grant share
Eligibility Criteria (continued)

• Applicants must provide at least 25% of the project cost when applying for a loan
• All projects must utilize commercially available technology
• Energy efficiency projects require an energy audit or assessment
• All projects require an environmental review prior to award or construction

In order to apply, an applicant must be registered with the System for Award Management (SAM), and they must have a Unique Entity ID. Both of these only require the applicant to sign up once.
Eligible Areas

• Projects must be in an area with a population of 50,000 or less to be considered rural by the USDA
  • Exemptions offered to greenhouses

• An interactive map of eligible areas is available [here](#) on the USDA website
Other Criteria

• Funds may be used for the purchase and installation of renewable energy systems OR improvements on existing energy systems
• Improvement application must contain an energy audit or assessment, compliant with Appendix A to RD Instructions 4280-B
  • Not required for certain states, although Michigan requires this
Funding Details

• Loan guarantees up to 75% of total project costs
• Grants for up to 50% of project costs
• Combined grant and loan guarantee funding up to 75% of project costs
• Renewable Energy System Grants:
  • $2,500 minimum
  • $1 million maximum
• Energy Efficient Grants
  • $1,500 minimum
  • $500,000 maximum
Application Details

All forms can be accessed online, as well as downloaded. They are interactive and allow potential recipients to input their data into text fields, highlighted in blue.
Applicant Information

This page is largely the same in all 3 forms. The included picture is from form 4280-3A. Note how the form requires the names for the Executive director and persons accepting or distributing federal funds in addition to the applicant themselves.

Also note the section for the System for Awards Management (SAM) identification number.
Project Information

Again, very similar between the three forms, although form 4280-3C includes a section to include historical & current financial statements, as well as balance sheets.
Economic Assessment

Minor differences in the three forms, all follow an identical format (the included picture only includes the first few input fields, also in the form are historical energy used by businesses, annual percentage of energy being replaced, generation and replacement values, among other things).
**Project Team Qualifications**

There are more or less identical between the three forms. They require all personnel, service providers, and companies responsible for constructing, installing, or upgrading projects to provide qualification, with criteria such as licenses, years of experience, number of related past projects, and so on.
Technical Requirements for Renewable Energy System Projects

There are minor differences between the three forms. 4280-3A, pictured here, asks the applicant to attach two forms. 4280-3B and 3C are similar, albeit with a singular form. 3C also goes into much more detail, with several data forms to be filled out by the applicant, such as descriptors of local zoning laws and permits, available renewable resources, and project development schedules.

VIII. Renewable Energy System Projects - Technical Requirements: Prepare technical report in accordance with 7 C.F.R. 4280.120(b)(4). "If Hybrid project, submit specific technical information for each technology. If project includes one of the following renewable energy technologies, or a technology as amended via Federal Register publication, a full technical report is not required: solar, wind, micro-hydro, and geothermal direct use. (For Energy Efficiency Improvement Projects Complete Block IX.)

1. Provide a vendor/installer certification that:
   a. the RES project meets the requirements for being commercially available;
   b. the RES system will operate and perform over the project’s useful life in a reliable and cost-effective manner, noting associated warranties;
   c. the vendor/installer is qualified to complete the project as intended, noting the number of similar systems installed and any professional credentials, licenses and relevant experience, and
   d. includes a resource assessment with certified projections on energy to be replaced and/or generated once the proposed system is operating at its steady state operating level, including the quality and availability of the renewable resources to the project. The assessment should include if applicable, historical residential energy use documentation, per section VII(D)(2)(a)(v). Technical Certification or Report (as applicable) attached.

2. For renewable energy systems applications, the Agency may require a feasibility study based on the scope of the project to the applicant’s overall operations, including new facilities with significant impacts on an existing operation, or when the application information does not provide sufficient documentation and analysis of the project’s engineering, technical, financial, or market feasibility, or the economic viability of the project including any feedstock or off-take agreements, that in total can determine the basis for a successful project. The elements of an acceptable feasibility study may vary by project scope. The feasibility study should be prepared by a qualified independent third party.

Feasibility study for project has been conducted and is attached to support the project.
Technical Requirements for Energy Efficiency Improvement Projects

These are also identical between the three forms. It asks for energy used from various sources in BTU as well as costs.
Environmental Benefits

Also the same between the three forms. This asks for clarification about environmental issues regarding the project in the application.
Verifications

Identical between the three forms, ensures no conflicts of interest, asks for declarations of previous REAP grants received, as well as ensuring that the applicant is in good standing with the laws of their respective state.
Required data

Still the same between 3 forms. It requires the applicant to verify their eligibility for the grants. It also explicitly states which additional forms should be included in the final submission.
Final signature

Again identical between the three documents. It asks for the same of the business the grant is being applied to, as well as an individual printed name for an officer, member, partner, or proprietor.