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

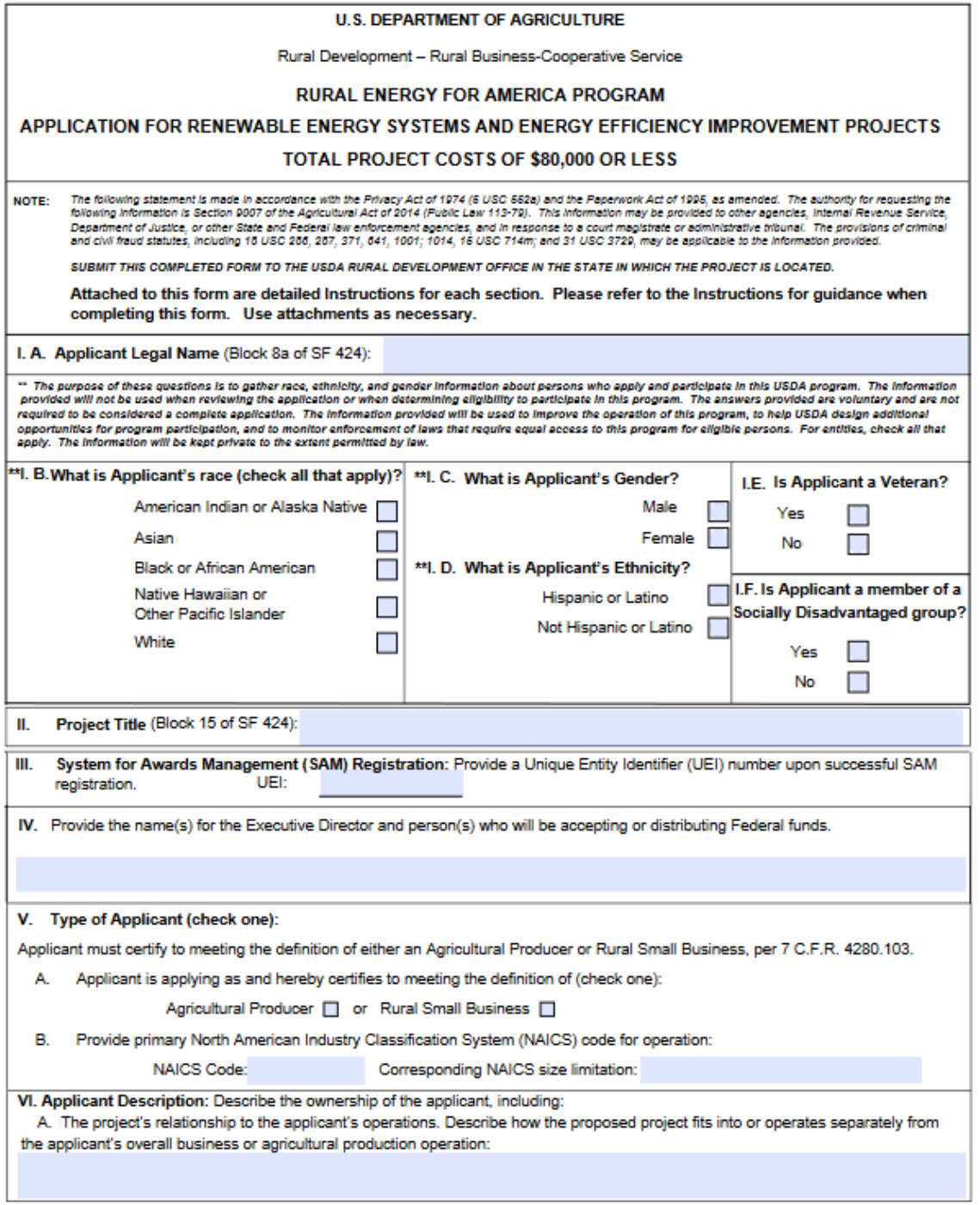
Application Details

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.



U.S. DEPARTMENT OF AGRICULTURE

Rural Development – Rural Business-Cooperative Service

RURAL ENERGY FOR AMERICA PROGRAM

APPLICATION FOR RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY IMPROVEMENT PROJECTS

TOTAL PROJECT COSTS OF $80,000 OR LESS

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Act of 1995, as amended. The authority for requesting the following information is Section 9007 of the Agricultural Act of 2014 (Public Law 113-79). This information may be provided to other agencies, Internal Revenue Service, Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 1001; 1014, 18 USC 714m; and 31 USC 3729, may be applicable to the information provided.*

SUBMIT THIS COMPLETED FORM TO THE USDA RURAL DEVELOPMENT OFFICE IN THE STATE IN WHICH THE PROJECT IS LOCATED.

Attached to this form are detailed Instructions for each section. Please refer to the Instructions for guidance when completing this form. Use attachments as necessary.

I. A. Applicant Legal Name (Block 8a of SF 424):

*** The purpose of these questions is to gather race, ethnicity, and gender information about persons who apply and participate in this USDA program. The information provided will not be used when reviewing the application or when determining eligibility to participate in this program. The answers provided are voluntary and are not required to be considered a complete application. The information provided will be used to improve the operation of this program, to help USDA design additional opportunities for program participation, and to monitor enforcement of laws that require equal access to this program for eligible persons. For entities, check all that apply. The information will be kept private to the extent permitted by law.*

I. B. What is Applicant's race (check all that apply)?

- American Indian or Alaska Native ☐
- Asian ☐
- Black or African American ☐
- Native Hawaiian or Other Pacific Islander ☐
- White ☐

I. C. What is Applicant's Gender?

- Male ☐
- Female ☐

I. D. What is Applicant's Ethnicity?

- Hispanic or Latino ☐
- Not Hispanic or Latino ☐

I.E. Is Applicant a Veteran?

- Yes ☐
- No ☐

I.F. Is Applicant a member of a Socially Disadvantaged group?

- Yes ☐
- No ☐

II. Project Title (Block 15 of SF 424):

III. System for Awards Management (SAM) Registration: Provide a Unique Entity Identifier (UEI) number upon successful SAM registration. UEI:

IV. Provide the name(s) for the Executive Director and person(s) who will be accepting or distributing Federal funds.

V. Type of Applicant (check one):

Applicant must certify to meeting the definition of either an Agricultural Producer or Rural Small Business, per 7 C.F.R. 4280.103.

A. Applicant is applying as and hereby certifies to meeting the definition of (check one):

Agricultural Producer ☐ or Rural Small Business ☐

B. Provide primary North American Industry Classification System (NAICS) code for operation:

NAICS Code: Corresponding NAICS size limitation:

VI. Applicant Description: Describe the ownership of the applicant, including:

A. The project's relationship to the applicant's operations. Describe how the proposed project fits into or operates separately from the applicant's overall business or agricultural production operation:

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

VII. Project Information: The REAP Federal grant share is up to a maximum of 25% unless the project meets one of the following criteria: (a) it is located in a designated energy community; (b) it is proposed by Tribal entities; (c) is an energy efficiency improvement project; (d) it is a renewable energy system or retrofit of a renewable energy system that produces zero greenhouse gas emissions at the project level. **Identify the type of energy project to be funded, supported by attached energy assessment or audit, technical report or vender certification, or feasibility study as applicable.**

A. Energy Efficiency Improvement ☐ OR

B. Renewable Energy System (Non-GHGE) ☐; with storage component ☐ Retrofit of existing RES (Non-GHGE) ☐
Please indicate applicable renewable energy technology:
Solar: Electric (PV) ☐ or Thermal ☐ Geothermal: Direct Use ☐ or Electric Generation ☐ Wind ☐ Hydroelectric ☐
Ocean Energy ☐ Hydrogen sourced with: Solar ☐ or Wind ☐ or Geothermal ☐ OR

C. Renewable Energy System (emits GHGE) ☐ ; with storage component ☐ Retrofit of existing RES (emits GHGE) ☐
Please indicate applicable renewable energy technology:
Biogas *(including landfill gas)* ☐ Biomass: Biodiesel ☐ or Ethanol ☐ or Solid Fuel ☐ or Thermal Conversion ☐
Hydrogen sourced with: Biomass ☐ OR

D. Hybrid (two or more technologies supporting a single system), select technologies above and describe how they work together to support a single system:

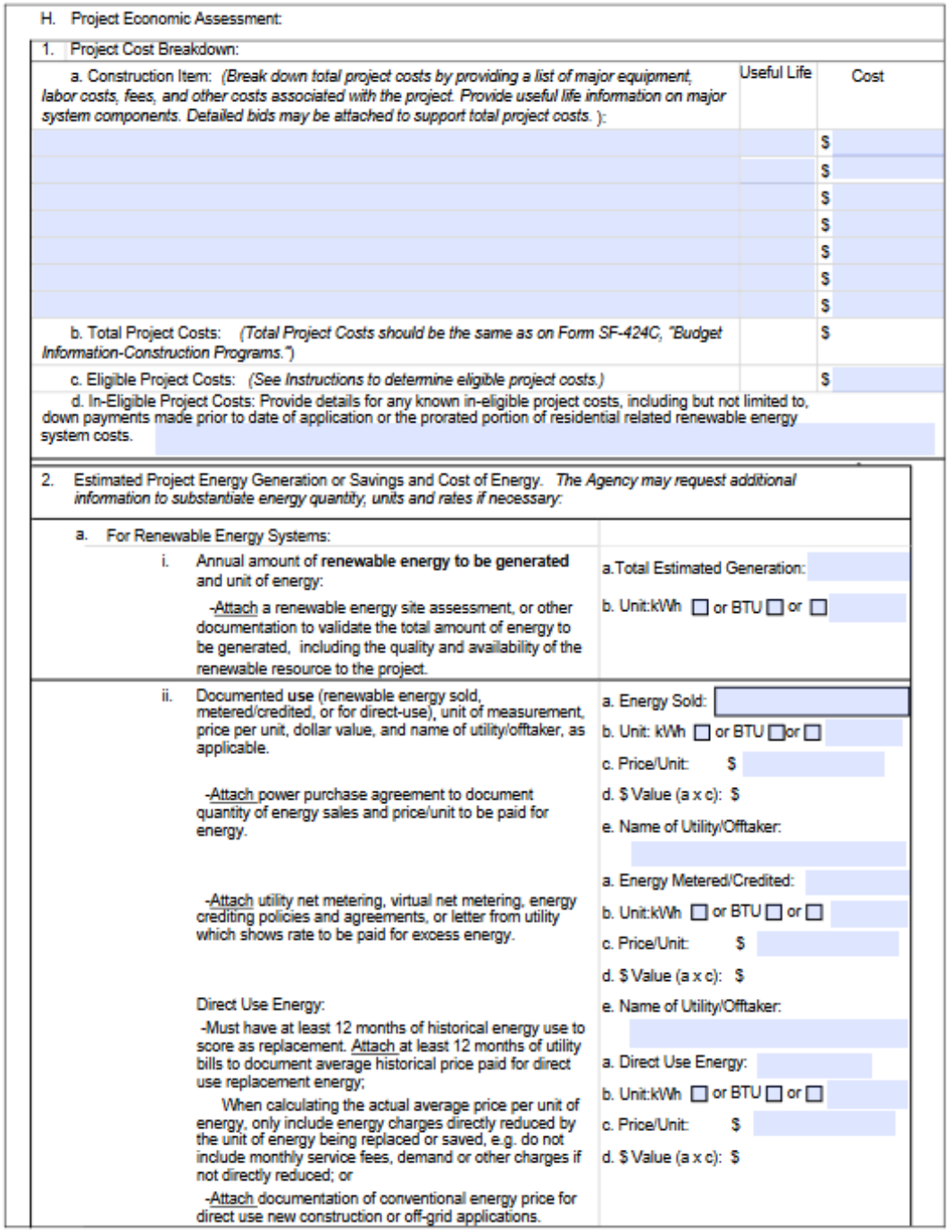
E. Project Description. Provide a detailed description of the technology and its intended purpose (energy replacement, net-metered, sold, self-use energy), the project location (address), and the specific site of the project at the project location. Describe utility relationships (interconnection, net metering, power purchase agreements, etc.) and attach agreements to document established rates to be paid for energy being sold or replaced.:

F. Project Construction and Equipment Information. Describe how the design, engineering, testing, and monitoring are sufficient to demonstrate that the proposed project will meet its intended purpose, ensure public safety, and comply with applicable laws, regulations, agreements, permits, codes and standards. Describe how all equipment required is available and able to be procured and delivered within the proposed project development schedule.

G. Commercially Available Equipment. Provide a detailed description of all major equipment to be installed including associated warranties and any applicable processes related to feedstock conversion, list recognized industry organization which certified renewable energy system equipment if applicable:

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).



H. Project Economic Assessment:

1. Project Cost Breakdown:

a. Construction Item: *(Break down total project costs by providing a list of major equipment, labor costs, fees, and other costs associated with the project. Provide useful life information on major system components. Detailed bids may be attached to support total project costs.*):	Useful Life	Cost
		$
		$
		$
		$
		$
		$
		$
b. Total Project Costs: *(Total Project Costs should be the same as on Form SF-424C, "Budget Information-Construction Programs.")*		$
c. Eligible Project Costs: *(See Instructions to determine eligible project costs.)*		$

d. In-Eligible Project Costs: Provide details for any known in-eligible project costs, including but not limited to, down payments made prior to date of application or the prorated portion of residential related renewable energy system costs.

2. Estimated Project Energy Generation or Savings and Cost of Energy. *The Agency may request additional information to substantiate energy quantity, units and rates if necessary:*

a. For Renewable Energy Systems:

i. Annual amount of **renewable energy to be generated** and unit of energy:

-Attach a renewable energy site assessment, or other documentation to validate the total amount of energy to be generated, including the quality and availability of the renewable resource to the project.

a.Total Estimated Generation:

b. Unit:kWh ☐ or BTU ☐ or ☐

ii. Documented **use** (renewable energy sold, metered/credited, or for direct-use), unit of measurement, price per unit, dollar value, and name of utility/offtaker, as applicable.

-Attach power purchase agreement to document quantity of energy sales and price/unit to be paid for energy.

a. Energy Sold:

b. Unit: kWh ☐ or BTU ☐ or ☐

c. Price/Unit: $

d. $ Value (a x c): $

e. Name of Utility/Offtaker:

-Attach utility net metering, virtual net metering, energy crediting policies and agreements, or letter from utility which shows rate to be paid for excess energy.

a. Energy Metered/Credited:

b. Unit:kWh ☐ or BTU ☐ or ☐

c. Price/Unit: $

d. $ Value (a x c): $

e. Name of Utility/Offtaker:

Direct Use Energy:

-Must have at least 12 months of historical energy use to score as replacement. Attach at least 12 months of utility bills to document average historical price paid for direct use replacement energy;

When calculating the actual average price per unit of energy, only include energy charges directly reduced by the unit of energy being replaced or saved, e.g. do not include monthly service fees, demand or other charges if not directly reduced; or

-Attach documentation of conventional energy price for direct use new construction or off-grid applications.

a. Direct Use Energy:

b. Unit:kWh ☐ or BTU ☐ or ☐

c. Price/Unit: $

d. $ Value (a x c): $

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.

G. Qualifications of Service Providers. Provide information on personnel and companies that will be working to construct and install the project, such as: energy auditor, site assessor, contractor, installer, electrician, etc.

Project Role:			
Company Name:			
Name:		Title:	
Address:			
City/State/Zip Code:		Phone:	

Qualifications (Either attach a resume or complete below):

Number performed on a similar system as proposed:	
Years of Relevant experience:	
Professional credentials (include training and/or education related to work, certificates, etc.):	
Licenses:	

Project Role:			
Company Name:			
Name:		Title:	
Address:			
City/State/Zip Code:		Phone:	

Qualifications (Either attach a resume or complete below):

Number performed on a similar system as proposed:	
Years of Relevant experience:	
Professional credentials (include training and/or education related to work, certificates, etc.):	
Licenses:	

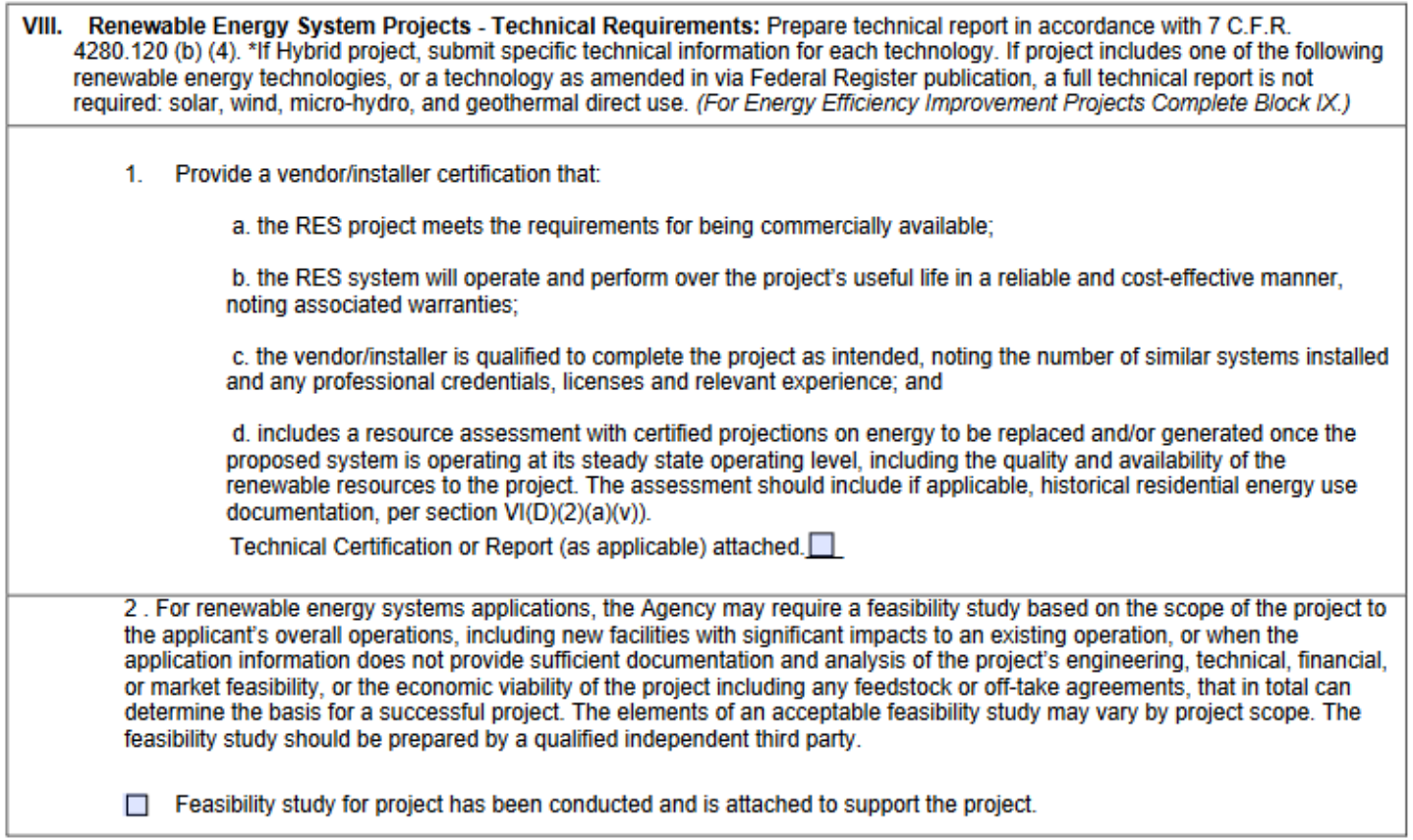
Project Role:			
Company Name:			
Name:		Title:	
Address:			
City/State/Zip Code:		Phone:	

Qualifications (Either attach a resume or complete below):

Number performed on a similar system as proposed:	
Years of Relevant experience:	
Professional credentials (include training and/or education related to work, certificates, etc.):	
Licenses:	

Technical Requirements for Renewable Energy System Projects

There are minor different between the three forms. 4280-3A, pictured here, asks the applicant to attach two forms. 4280-3B and 3C is 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 in 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 VI(D)(2)(a)(v)).

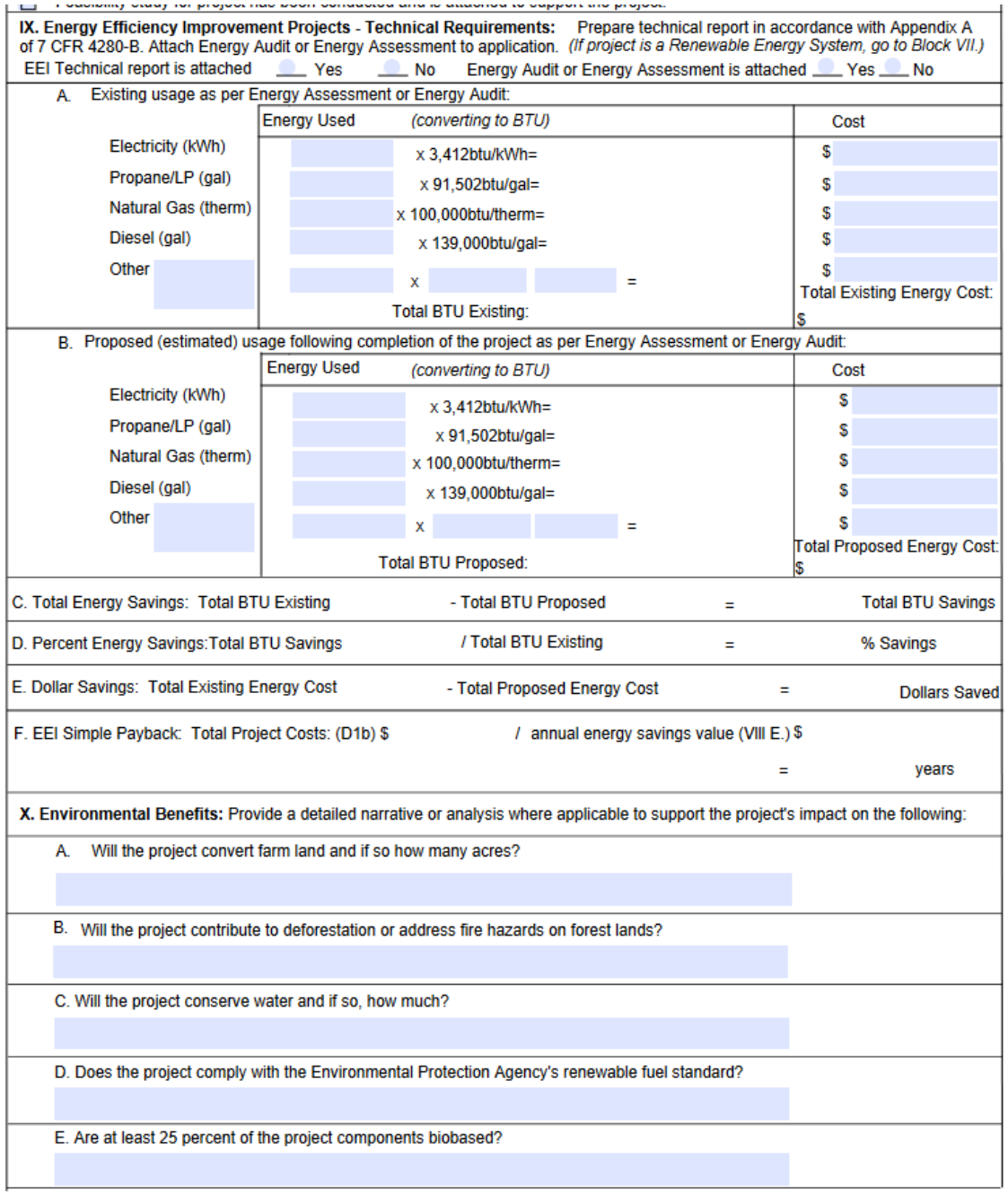
   Technical Certification or Report (as applicable) attached. ☐

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 to 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.



IX. Energy Efficiency Improvement Projects - Technical Requirements: Prepare technical report in accordance with Appendix A of 7 CFR 4280-B. Attach Energy Audit or Energy Assessment to application. *(If project is a Renewable Energy System, go to Block VII.)*

EEI Technical report is attached ___ Yes ___ No Energy Audit or Energy Assessment is attached ___ Yes ___ No

A. Existing usage as per Energy Assessment or Energy Audit:

	Energy Used *(converting to BTU)*	Cost
Electricity (kWh)	x 3,412btu/kWh=	$
Propane/LP (gal)	x 91,502btu/gal=	$
Natural Gas (therm)	x 100,000btu/therm=	$
Diesel (gal)	x 139,000btu/gal=	$
Other	x =	$
	Total BTU Existing:	Total Existing Energy Cost: $

B. Proposed (estimated) usage following completion of the project as per Energy Assessment or Energy Audit:

	Energy Used *(converting to BTU)*	Cost
Electricity (kWh)	x 3,412btu/kWh=	$
Propane/LP (gal)	x 91,502btu/gal=	$
Natural Gas (therm)	x 100,000btu/therm=	$
Diesel (gal)	x 139,000btu/gal=	$
Other	x =	$
	Total BTU Proposed:	Total Proposed Energy Cost: $

C. Total Energy Savings: Total BTU Existing - Total BTU Proposed = Total BTU Savings

D. Percent Energy Savings: Total BTU Savings / Total BTU Existing = % Savings

E. Dollar Savings: Total Existing Energy Cost - Total Proposed Energy Cost = Dollars Saved

F. EEI Simple Payback: Total Project Costs: (D1b) $ / annual energy savings value (VIII E.) $ = years

X. Environmental Benefits: Provide a detailed narrative or analysis where applicable to support the project's impact on the following:

A. Will the project convert farm land and if so how many acres?

B. Will the project contribute to deforestation or address fire hazards on forest lands?

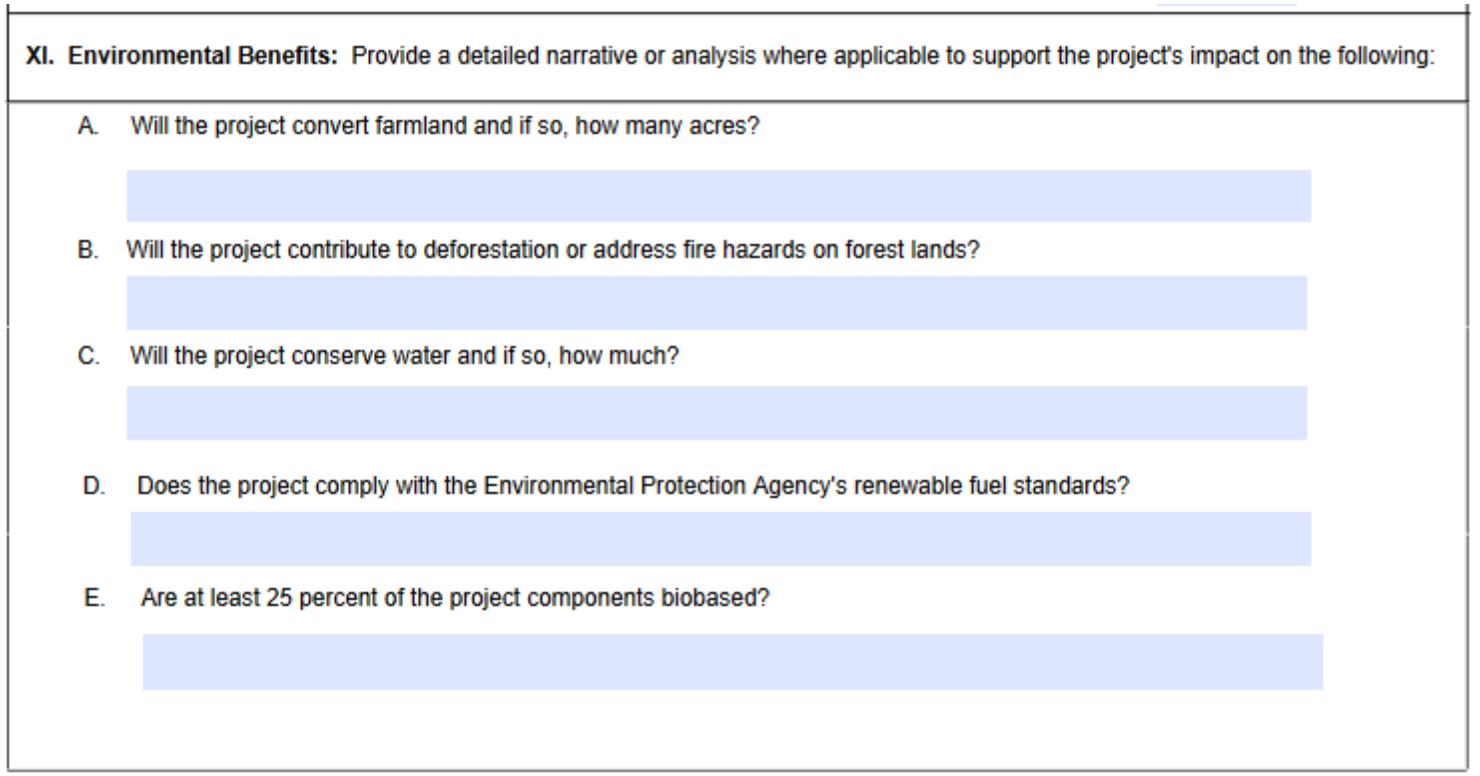
C. Will the project conserve water and if so, how much?

D. Does the project comply with the Environmental Protection Agency's renewable fuel standard?

E. Are at least 25 percent of the project components biobased?

Environmental Benefits

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



XI. Environmental Benefits: Provide a detailed narrative or analysis where applicable to support the project's impact on the following:

A. Will the project convert farmland and if so, how many acres?

B. Will the project contribute to deforestation or address fire hazards on forest lands?

C. Will the project conserve water and if so, how much?

D. Does the project comply with the Environmental Protection Agency's renewable fuel standards?

E. Are at least 25 percent of the project components biobased?

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.

XII: Relationship:

This is to certify that I, as the Applicant, have ☐ a known or ☐ no known relationship or association with a Rural Development employee.

If there is a known relationship, please indicate the name of the Rural Development employee:

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XIII. Previous Funding:

I, the applicant, have ☐ or ☐ have not, received any grants and/or guaranteed loans under the REAP program.

If grants or guaranteed loans have been received, identify each grant and/or guaranteed loan, date received, and describe the progress that has been made on each project, including projected schedules and actual completions dates, if applicable:

XIV. Good Standing:

I, the applicant, being a legal entity, am ☐ or am not ☐ in good standing and operating in accordance with the laws of the State(s) or Tribe where I, the Applicant, have a place of business.

☐ Not applicable, I am applying as a sole proprietor.

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.

XV. Certifications:

The Applicant certifies to each of the following by checking the box below. *(The Agency reserves the right to request additional information to substantiate the certifications(s).)*

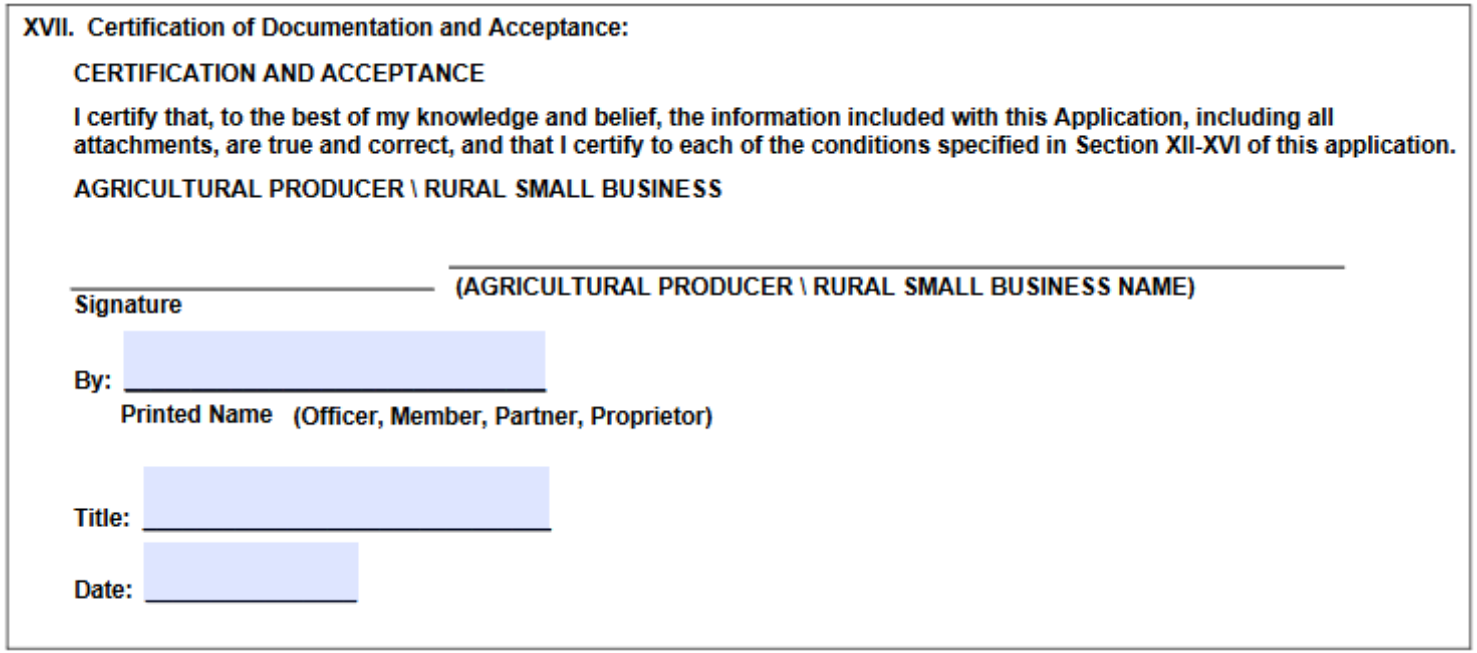
- ☐ A. The applicant meets each of the applicant eligibility criteria found in 7 C.F.R. 4280.112.
- ☐ B. The proposed project meets each of the project eligibility requirements found in 7 C.F.R. 4280.113.
- ☐ C. Per 7 C.F.R. 4280.113, the applicant acknowledges caution against taking any actions or incurring any obligations prior to the Agency's environmental review that limits the range of alternatives or has an adverse effect on the environment, such initiation of construction. If taken, it could result in project ineligibility.
- ☐ D. The applicant meets the criteria for submitting an application for projects with Total Project Costs of $80,000 or less.
- ☐ E. The applicant or the applicant's prime contractor assumes all risk and responsibilities of project development, including interim financing, including during construction. The applicant is solely responsible for the execution of all contracts, and Agency review and approval is not required.
- ☐ F. Construction planning and performing development will be performed in compliance with 7 C.F.R. 4280.120(c).
- ☐ G. The applicant agrees not to request reimbursement from funds obligated under this program until after the project has been completed and is operating in accordance with the information provided in the application for the project.
- ☐ H. The applicant will maintain insurance coverage as required under 7 C.F.R. 4280.123 (b).
- ☐ I. The design, engineering, testing, and monitoring will be sufficient to demonstrate that the proposed project will meet its intended purpose.
- ☐ J. The equipment required for the project is available, can be procured and delivered within the proposed project development schedule, and will be installed in conformance with manufacturer's specifications and design requirements. This would not be applicable when equipment is not part of the project.
- ☐ K. The project will be constructed in accordance with applicable laws, regulations, agreements, permits, codes, and standards.
- ☐ L. The applicant will abide by the open and free competition requirements in compliance with 7 C.F.R. 4280.125(a)(1).
- ☐ M. The applicant will abide by the equal employment opportunity requirements in compliance with 7 C.F.R. 4280.125(a)(2).
- ☐ N. For bioenergy projects only, that any and all woody biomass feedstock from National Forest System land or public lands cannot be used as a higher value wood-based product.

XVI. Attach the following if not already submitted:

- ☐ Form SF 424, "Application for Federal Assistance".
- ☐ Form SF-424C, "Budget Information-Construction Programs".
- ☐ Form SF-424D, "Assurances Construction Programs".
- ☐ Environmental documentation per 7 C.F.R. 1970.
- ☐ Vendor/Installer Certification.
- ☐ Renewable Energy Resource documentation *(if not included in vendor/installer certification)*.
- ☐ RES Replacement-Minimum of 12 months historical utility bills.
- ☐ RES Rate & Energy Quantity documentation: PPA/Net metering or crediting policies/Letter from Utility.
- ☐ Energy Audit or Energy Assessment with a minimum of 12 months historical utility bills.
- ☐ Matching funds documentation.
- ☐ Feasibility Study, as necessary, for Renewable Energy System projects.
- ☐ Other. Describe:

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.



XVII. Certification of Documentation and Acceptance:

CERTIFICATION AND ACCEPTANCE

I certify that, to the best of my knowledge and belief, the information included with this Application, including all attachments, are true and correct, and that I certify to each of the conditions specified in Section XII-XVI of this application.

AGRICULTURAL PRODUCER \ RURAL SMALL BUSINESS

_____ _____

Signature (AGRICULTURAL PRODUCER \ RURAL SMALL BUSINESS NAME)

By: _____

Printed Name (Officer, Member, Partner, Proprietor)

Title: _____

Date: _____