

Creating Opportunity for Rural America



**RENEWABLE ENERGY SYSTEMS
AND
ENERGY EFFICIENCY
IMPROVEMENT GUARANTEED
LOAN AND GRANT PROGRAM**

(AKA Section 9006)



PURPOSE OF THE PROGRAM

- Provide financial assistance to agricultural producers and small rural businesses for:
- Purchase and installation of renewable energy systems
- Energy efficient improvements to facilities, buildings or process to reduce energy consumption

Section 9006 Program

- Guaranteed Loans
- Grants
- Guaranteed Loan/Grant Combination

Slide: Loans – most money is there

Grants – up to 25% of the project costs

Section 9006 Guaranteed Loan Program

- Lender Driven
- Minimum Loan amount: \$5,000
- Maximum Loan amount: \$10 million
- Finance 50% of Total Project Costs



Section 9006 Grants

- 25% Total Eligible Project Costs:
- Renewable Energy Systems - \$2,500 min. to \$500,000 max.
- Energy Efficiency Improvements - \$1,500 min. \$250,000 max.
- Demonstrate Financial Need

Section 9006 Combination Guaranteed Loan and Grant

- Combination Loan and Grant cannot exceed 50% of Project Costs
- Grant portion must demonstrate financial need



APPLICANT ELIGIBILITY

- **Agricultural Producer** (50% or more of income from agriculture operation)
- **Small Rural Business** (SBA size standards) (<http://sba.gov/size/index.html>)
- **US Citizen** or **Legally Admitted** into US.
- **Business** must be **51% Owned** by US citizen or legally admitted into US.
- **Cannot be Delinquent** on a federal debt.



PROJECT ELIGIBILITY

- Purchase of **Renewable Energy System**
- Make **Energy Efficiency Improvements**
- Applicant must be Owner and Maintain Project Control (**3rd party can be hired to operate/maintain project**)
- **Projects Must be Financially and Technically Feasible**
- **Project must be located in Rural Area** (population of **50,000** or less)
- **Commercially Available (not R & D)**

Grantee must own and control project after completion.

The technology used must be proven and readily available. No prototype or experimental technologies are eligible for assistance.

Project must cash flow and operate successfully.

PROJECT ELIGIBILITY - STUDIES REQUIRED -

- **Feasibility Studies** required if total project costs exceed **\$200,000**
- **Technical Report** by **PE** if total project costs exceed **\$200,000**
- **Feasibility Studies** completed by **independent** qualified 3rd party **Consultant**

Bottom line: if you are going to get one of the loans, we have partners that will help you get to us. We partner with people that you will need to get your project off the ground.

RES ELIGIBLE TECHNOLOGIES

- **Bioenergy** – produce fuel, thermal energy or electrical power from biomass source
- **Anaerobic Digester** – animal waste or other organic substrates to produce thermal or electrical energy
- **Geothermal** – high pressure steam to produce electricity and direct use
- **Hydrogen** – fuel for transportation
- **Solar** – panels for production of electricity
- **Wind** - turbines



EEI ELIGIBLE PROJECTS

- Energy Efficiency Improvements to **facility building** (residential not eligible) **or process that reduces energy consumption.**
- - Energy efficient irrigation pumps
- - Energy efficient coolers for food processing
- - Energy efficient lighting
- **Must complete Energy Audit (\$50,000)**

ELIGIBLE USE OF FUNDS

- Equipment Purchased After a **Complete Application** is received
- Construction/Improvements After a **Complete Application** is received
- Energy Audits
- Permit Fees
- **Professional Services Fees** (Except for Application)
- Feasibility Studies, Business Plans

OREGON PROJECTS

- 4.5 MW Wind Project - \$500,000 Grant – Arlington, OR
- 23 KW Solar Project - \$49,335 Grant – Malin, OR
- Biomass Project to produce steam for dry kilns - \$44,000 Grant – Prineville, OR
- Biomass Project to increase steam production and 1.5 MW electrical generation \$500,000 Grant/\$2,350,000 Guaranteed Combo – Cave Junction, OR



Further Information

www.rurdev.usda.gov/rbs/farbill

www.rurdev.usda.gov/or/

www.nrel.gov/usda/

If interested in submitting application contact me.

Web site includes full information on:

- Sign up for e-mail alerts
- 2003 Notice of Funds Availability
- State USDA Rural Energy Coordinators
- Standard Government Application Forms
- More application tools coming in Spring 2004

Contact Information

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Other USDA Rural Development programs are:

- The Business and Industry Loan Program – but USDA RD would prefer that you look at the 9006 Guaranteed Loan program instead

- The REDLG Program - Up to \$740,000, 0% loan. Electrical Co-op is an ideal candidate for this. Will charge some annual fees, national competition to get these loans so it takes some time.

- Community Facilities Loan and Grant program – loans and grants for public building projects

Energy Trust of Oregon

- PGE, PacifiCorp, NW Natural Gas Customers
- Provide assistance with Applications
- www.energytrust.org
- Contact: Alan Cowan, PE
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