



NEWS RELEASE

United States Department of Agriculture • Rural Development
3001 Coolidge Rd. • 2nd Floor North • Suite 200 • East Lansing, MI 48823
Phone: (517) 324-5204 • Fax: (517) 324-5225 • Web: <http://www.rurdev.usda.gov/mi>

USDA RURAL DEVELOPMENT ANNOUNCES 2009 FUNDING FOR RURAL ENERGY FOR AMERICA PROGRAM (REAP)

East Lansing, Michigan June 2, 2009 – Nationwide, there will be \$60 million available in this program for 2009, up from roughly \$17-23 million annually in previous years. The funding is to support investments in renewable energy systems, to make energy efficient improvements, and to conduct feasibility studies for renewable energy systems for agricultural producers and rural small businesses.

The Rural Energy for America Program (REAP) was established under Section 9007 of the 2008 Farm Bill to expand and rename the program formerly called the Renewable Energy Systems and Energy Efficiency Improvements Program, which encouraged agricultural producers and small rural businesses to create or install renewable energy systems and/or energy efficiency improvements. To date, Michigan farmers, ranchers, and rural small businesses have received approximately \$4.6 million in grant and loan assistance for rural Michigan energy projects.

Eligible projects in the 11 technology areas include **anaerobic digesters, biomass, geothermal (including electric generation and direct use), hydrogen, solar (small and large), wind (small and large), and energy efficiency improvements. This year's program includes the technology of small hydropower projects (30 megawatts or less), which are now eligible for REAP funding.**

Examples of energy efficiency projects include, but are not limited to, the installation of more energy efficient motors, pumps, fans, blowers, compressors, grain dryers, irrigation projects, refrigeration units, ventilation systems, windows, insulation, heating systems, lighting systems, and plumbing fixtures.

Grants can cover up to 25% of total eligible costs. The minimum energy efficiency grant is \$1,500 and maximum is \$250,000. The minimum renewable energy grant is \$2,500 and maximum is \$500,000. For feasibility study grants, the maximum award is \$50,000 or 25% of eligible study costs, whichever is less. Guaranteed loans can cover up to 75% of total eligible cost. Loan limits are a minimum of \$5000 and a maximum of \$25 Million.

Applications for grants, guaranteed loans, or loan/grant combinations must be completed and received to the USDA Rural Development State Office or Area Offices, no later than July 31, 2009. Neither complete nor incomplete applications received after this date will be considered.

For further program information contact the USDA Rural Development Business & Cooperative Division in the East Lansing State Office at (517) 324-5157.

USDA Rural Development's mission is to increase economic opportunity and improve the quality of life of rural residents. Rural Development fosters growth in homeownership, finances business development, and supports the creation of critical community and technology infrastructure. Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA Rural Development's web site at <http://www.rurdev.usda.gov>.

Committed to the future of rural communities.

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