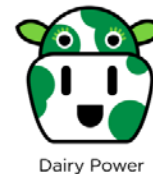

Dairy Power Team National Call

How the USDA's REAP Feasibility Grant Program can offset the cost of digester feasibility assessments



Dairy Power

September 8, 2010



Target and objectives

■ Target

- Develop an understanding of the REAP Feasibility Grant Program and how it can benefit dairy farmers and the digester industry

■ Objectives

- Hear directly from the USDA about their support for digesters
- Briefly review technological improvements in digesters
- Discuss the details of the REAP Feasibility Grant Program

USDA Speakers on this Call

- Todd Campbell
 - Confidential Assistant, Business & Cooperative Programs, USDA Rural Development
- Judy Canales
 - Administrator, Business & Cooperative Programs, USDA Rural Development
- Chris Cassidy
 - National Business Renewable Energy Advisory, Business & Cooperative Programs, USDA Rural Development
- Kelley Oehler
 - Energy Division Branch Chief, Business & Cooperative Programs, USDA Rural Development



Rural Energy for America Program (REAP) Section 9007

Fiscal Year 2010

Renewable Energy Feasibility Study



REAP

- Renewable Energy Feasibility Study (FS)
 - Applicant Eligibility
 - Individual – US citizen or legal resident
 - Organization - 51% own by US Citizen or legal resident
 - No outstanding Federal fines or judgments
 - Ag Producer (document > 50% income from Ag production)
 - Small Business (based on SBA definition)

REAP - FS

- Eligible Feasibility Study Project
 - Renewable Energy System
 - Produces or produces and delivers usable energy
 - Feasibility Study must be evaluating the purchase, installation, expansion or other related improvements
 - Located in a rural area
 - Technology that is:
 - Pre-commercial
 - Commercial
 - Replicable



REAP - FS

- Eligible Technology
 - Renewable energy systems generate energy from:
 - wind,
 - solar,
 - renewable biomass,
 - hydroelectric and ocean (including tidal, wave, current, and thermal),
 - geothermal, or
 - produce hydrogen from biomass or water using renewable energy source technologies
- Be the owner of the renewable energy system which is the subject of the Feasibility Study
- Demonstrate Financial Need
- If received a previous Grant under 9007(6), be making progress

REAP FS

- Renewable Energy Feasibility Study (FS)
 - Maximum Grant \$50,000 or 25% of eligible project cost.
 - No Minimum Grant
 - Feasibility Study must be completed in two years

REAP - FS

- Eligible Project Costs
 - Post Application Cost only
 - Only those costs incurred to develop the feasibility study
 - Resource Assessment
 - Transmission Study
 - Environmental Study
 - Other similar costs

REAP - FS

- Application Restrictions
 - Grant Only
 - Cannot be for a RES project:
 - Which had a FS already completed
 - Received a federal or state grant to complete the FS
 - Can be for expansion of an existing RES
 - Can't be same project as RES application

REAP FS

- Ineligible Project Cost
 - Cost to select professional services
 - Designing, bidding or contract development
 - Permitting and licensing for project
 - Industry level feasibility study
 - Pay for services from parties which may have a conflict of interest

REAP - FS

- Applications
 - Table of Contents
 - SF 424, SF 424-C, SF 424-D
 - RD1940-20
 - Organizational Documents (if applicable)
 - Work Plan (described later)
 - Financial Information for size determination
 - Agricultural Producer
 - Rural Small Business (include number of employees)
 - Intergovernmental Comments (if applicable)
 - Applicant Certification on other Federal or State assistance

REAP - FS

- Work Plan
 - Description of proposed RES
 - Description of what the FS will encompass
 - Timeframe for completion of project
 - Company's completing the FS experience in the technology and in completing feasibility studies
 - Other funding sources

REAP - FS

- Environmental
 - Most should be Categorically Excluded
 - If a temporary structure is to be constructed:
 - Consult with Environmental Coordinator in the State the project is located

REAP - FS

- Application Submittal
 - COB 10/05/2010 (Local Time)
 - Grants
 - Hard Copy (one original and one copy)
 - Electronic via Grants.gov
- Selections made at National Office based on Score, announced by National Press Release
- States will process the requests

REAP – FS Scoring

- Energy replacement or generation
 - Replacement - 25 points
 - Generation – 15 points
- Commitment of other funds
 - 100% - 10 points
 - 75% to < 100% - 7.5 points
 - 50% to < 75% - 5 points
 - < 50% - 0 points



REAP – FS Scoring

- Agricultural producer. Gross market value ag products (See AN)
 - < \$600,000 – 10 points, or
 - < \$200,000 – 20 points
- Rural Small Business (< 15 employees and < 1,000,000 annual receipts) – 20 points

REAP – FS Scoring

- Experience and Qualifications
 - 5 years or greater – 15 points
 - 2 years but < 5 years – 7.5 points
 - < 2 years - 0 points
- Size of Grant
 - \$10,000 or less – 20 points
 - >\$10,000 up to \$25,000 – 10 points
 - >\$25,000 – 0 points



REAP – FS Scoring

- Resources to implement project. (*what's available when its time to construct*) (10 Points)
 - State and Local Tax Credits
 - State and Local rebates
 - Power Company incentives for green power. (State or Local)
 - 5 points if identified for the State
 - 5 points if identified for local

REAP - FS

- Disbursements
 - Funds must be disbursed within 2 years from signing of Grant Agreement
 - Funds will be requested on SF 270 “Request for Advance or Reimbursement” (30 days)
 - Funds spent pro rata with matching funds
 - 10% retained until Feasibility Study accepted by S/O

REAP – FS

- Reporting

- Semiannual reports submitted with SF 425
(6/30 & 12/31)

- Current Progress
 - Problems, delays, etc.
 - Revised timetables (if applicable)
 - Amount of financial resources expended (SF 425)

REAP - FS

- Final Performance Report (due 90 days after completion)
 - Summary of how the project proceeded
 - Will the grantee proceed with project?
 - Copy of the Feasibility Study

REAP – FS

- Annual Reporting for two (2) years
 - Starting first full year after completion
 - Is the renewable energy system being constructed? Progress.
 - Is the renewable energy system complete?
Energy Production.

REAP - FS

?Questions?

