

Frequently Asked Questions

REAP Renewable Energy System Feasibility Study Grants

Applying for a renewable energy system feasibility study grant

- 1. Q: What are the criteria for applying for a REAP grant for a renewable energy system feasibility study?**

A: Must be a rural small business or agricultural producer, who will be the owner of the renewable energy system which is the subject of the feasibility study.
- 2. Q: For the purpose of this grant application, what is the definition of a rural small business?**

A: A private entity, including a sole proprietorship, partnership, corporation, cooperative, and an electric utility, including a Tribal or governmental electric utility which meet the size standards as define by Small Business Administration.
- 3. Q: For the purpose of this grant application, what is the definition of a producer?**

A: An individual or entity directly engaged in the production of agricultural products, whereby 50 percent or greater of their gross income is derived from the operations.
- 4. Q: For the purpose of this grant application, what is the definition of a rural area?**

A: In general, rural area for the REAP Feasibility Grant will be defined as: Any area of a State not in a city or town that has a population of more than 50,000.
- 5. Q: What types of projects are eligible to be funded by the renewable energy system feasibility study?**

A: Feasibility studies must be for a renewable energy system that: 1) is for the purchase, installation, expansion, or other energy-related improvement of a renewable energy system, 2) is located in a rural area and is for technology that is pre-commercial or commercially available, and that is replicable.
- 6. Q: For the purpose of this grant application, what is the definition of a renewable energy system?**

A: A system that produces or produces and delivers a usable energy from a renewable energy source
- 7. Q: How much can I request in grant money?**

A: Grants may be requested for up to 25% of the cost of the project or \$50,000, whichever is less.
- 8. Q: How much in matching funds must I commit when I apply for the feasibility study grant?**

A: The entity submitting the grant request must cover at least 75% of the project costs.
- 9. Q: When is the grant application due?**

A: Complete grant applications must be submitted to the appropriate USDA Rural Development state office no later than 4:30 p.m. (local time), October 5, 2010.

10. Q: To whom do I submit the grant application?

A: Completed grant applications must be submitted to the appropriate USDA Rural Development state office. A complete list of RD state offices and state energy coordinators are available on the USDA website at: http://www.rurdev.usda.gov/recd_map.html

11. Q. How do I submit the grant application for a renewable energy system feasibility study?

A: Applications may be submitted either as hard copy to the appropriate Rural Development Energy Coordinator or electronically using the government-wide Grants.gov Web site.

12. Q. What are the selection criteria for awarding feasibility study grants under this program?

A. Energy replacement or generation, Commitment of funds for the feasibility study, Designation as a Small agricultural producer/very small business, Experience and qualifications of the entity identified to perform the feasibility study, and Size of feasibility study grant request.

13. Q. If I submit a request for a feasibility study grant, may I also submit a grant application for the development/construction of a renewable energy system?

A. An applicant who submits an application and is successful for a feasibility study may also submit an application for the development and construction of the renewable energy system once the feasibility study has been completed and accepted by the Agency. The cost of the feasibility study would not be considered an eligible cost for the construction and development application.

14. Q. Where can I go for more information or if I have additional questions?

A. The state energy coordinator will be the point of contact for additional questions. Contact information can be found at: <http://www.rurdev.usda.gov/rbs/busp/EnergyCoordinatorList.doc>

After I am awarded a renewable energy system feasibility study grant

1. Q: How long after I receive the grant do I have to provide the Rural Business-Cooperative Service with a complete and acceptable feasibility study?

A: Two years from signing of the Grant Agreement.

2. Q: How frequently can I submit a reimbursement request for eligible project costs?

A: Reimbursement request can be submitted monthly.

3. Q: If I am awarded a REAP grant for a renewable energy system feasibility study in FY2010, can I also submit an application in FY2011?

A: Once the feasibility is completed and accepted by the Agency, an application can be submitted for the construction and development of the renewable energy system.

4. Q: How long will it take to get reimbursed for eligible project costs?

A: Reimbursements should be made within 30 days. The last 10% of the grant is held until the feasibility study is reviewed and accepted by the Agency.

If I am not awarded a renewable energy system feasibility study grant

1. Q: How can I find out why I was not awarded a grant?

A: Contact the appropriate Rural Development Energy Coordinator to discuss why a grant was not awarded.

2. Q: If I am not awarded a REAP renewable energy system feasibility study grant, can I apply next year?

A: Yes

3. Q: How can I find out which proposals were awarded grants and how they scored compared to mine?

- 4. A:** Grant awards will be announced. Contact the appropriate Rural Development Energy Coordinator to discuss the scoring of your application.

Additional Questions from Participants

1. Is a feasibility study a prerequisite for a REAP Renewable Energy System Grant?

A: Yes, a feasibility study, whether paid for under REAP Feasibility Grant Program or otherwise, is required as part of the REAP Renewable Energy System Grant application that are over \$200,000 in project cost.

2. Will the REAP grant still be paid if the feasibility study determines that a project would not be feasible?

A: Yes, the grant will still be paid, with the receipt of a completed feasibility study.

3. Will expansions of existing projects be covered in addition to new projects?

A: Yes, expansions of existing projects qualify (e.g., potential of gas clean-up and injection).

4. If I am a developer exploring a multi-digester project, can I apply for multiple feasibility grants or just one?

A: There is a limitation of one feasibility study grant per applicant. The grant can cover more than one digester.

5. Can I combine the REAP Feasibility Grant with state programs for feasibility studies?

A: No, for feasibility studies, if State money is used then REAP money cannot also be used. It is either/or. For a full REAP Renewable Energy System application for the construction and installation of the project, it may be possible for State funds and REAP funds to be combined.

6. If I have already had a feasibility study done this year, can I apply for a grant and receive reimbursement?

A: No, the REAP Feasibility Grant program only applies to post application costs so it would be limited future feasibility studies, not ones that have already been completed.

7. If I pay for my own feasibility study and then am awarded a REAP Renewable Energy System Grant for my full project, wouldn't I be eligible for reimbursement of 100% of the costs of the feasibility study rather than 25%?

A: No, both the REAP Feasibility Grant Program and the REAP Renewable Energy System Grant Program have limits of 25% of project costs. There is no advantage to waiting to have your feasibility study funded.

8. Is Rural Development considering increasing the 25% grant to something higher?

A: The 25% limit is set by legislation and would require a change in that legislation rather than an administrative or programmatic change.