

Investing in Rural America



Clean, affordable,
reliable energy



Rural Development - Inflation Reduction Act

Three Clean Energy Programs:

Rural Energy for America Program
(REAP)

Empowering Rural America
(New ERA)

Powering Affordable Clean Energy
(PACE)

- Largest investment in rural electrification since 1936.
- **BRAND NEW** grant, loan, loan modification, and partial loan forgiveness programs to expand clean, affordable, and reliable energy.
- Reduced pollution, improved health, and lower energy costs for rural America.
- Once in a generation opportunity for economic development and to enhance the quality of life in rural communities.

RBCS REAP| Rural Energy for America Program Systems, Equipment, Improvements

Provides guaranteed loan financing and grant funding to rural/**tribal** small businesses and agricultural producers for **renewable energy systems or to make energy efficiency improvements**.

Available Funding

- Grants can cover up to 50% of total eligible project costs (from 25% pre-IRA)
- Loan Guarantees on loans can cover up to 75% of total eligible project costs
- **Combined** grant and loan guarantee funding can cover up to 75% of total eligible project costs

Eligible Entities

- Rural small businesses
- Agricultural producers

New in REAP 2.0

- \$1.055 billion available in REAP funds
- The federal share was raised to 50% for all energy efficiency projects, all zero-emission renewable energy projects, and all projects in designated energy communities and projects submitted **by eligible tribal entities**.
- \$144 Million set aside for underutilized technology
- The maximum grant size was increased from \$250,000 to \$500,000 for energy efficiency projects and from \$500,000 to \$1 million for renewable energy systems.
- Funds will be obligated across six quarterly cycles to obligate \$1.05 billion throughout the remainder of FY 2023 and FY 2024.
- \$21.25 million Technical Assistance grant funding opportunity announced on July 14th.
 - Applications due no later than **August 14th**.
 - NOFO Link - <https://www.govinfo.gov/content/pkg/FR-2023-07-14/pdf/2023-14832.pdf>

Empowering Rural America (New ERA)

Program Overview

\$9.7 billion in budget authority for the long-term **resiliency, reliability, and affordability** of rural electric systems to achieve the **greatest reduction** in CO₂, methane, and nitrous oxide emissions.

Eligibility: Electric cooperatives that are or have been RUS or REA borrowers, cooperative entities serving a predominantly rural area, or wholly or jointly owned subsidiaries of such cooperatives.

Activities Supported

- Purchase of renewable energy
- Renewable energy systems
- Zero-emission systems
- Carbon capture and storage systems
- The deployment of such systems
- Energy efficiency improvements to generation & transmission systems of eligible entities
- Any combination of the above

Permitted Use of Funds

- Grants – maximum 25 percent of project cost
- Loans fixed at 2 percent or at a rate tied to the Federal government's cost of capital; and 0 percent for predominantly distressed, disadvantaged or energy communities
- Refinance debt for a stranded assets at 0 percent interest in certain instances
- Any combination of the above

Powering Affordable Clean Energy (PACE)

Program Overview

Program Goal: Increase clean energy in rural America and make it significantly more affordable for consumers, especially for energy, distressed, disadvantaged, and Tribal communities, to heat and cool their homes, run their businesses and farms, and power their cars, schools, and hospitals.

PARTIALLY FORGIVABLE LOANS for utility-scale clean energy projects – wind, solar, hydropower, biomass, geothermal – including energy storage projects in support of renewable technologies.

Proposed Timeline/Process: (2 stage process)

- a) Electronic submission of Letter of Interest via grants.gov – **opened July 10, 2023, through September 29, 2023**
- b) LOIs received and reviewed on a rolling basis
- c) If invited by the Agency, applicant submits full application



Powering Affordable Clean Energy (PACE)

Program Details

Eligible Applicants	Corporations; States and territories along with their subdivisions and agencies; Municipalities; Utility districts; Cooperatives; Nonprofits; Indian Tribes; Alaska Native, regional, or village corporations; Limited Liability Companies or other for-profit entities. One application from each eligible entity.; the project must produce renewable energy for resale and serve at least 50 percent rural customers
Eligible Activities	<ul style="list-style-type: none">• Renewable power generation from: wind, solar, geothermal, hydropower, or biomass• Storage for renewable energy
Forgiveness Levels: RUS will initially allocate a minimum of \$300 million to each category	<p><u>Category 1:</u> Up to 20 percent total loan forgiveness for applicants that meet the minimum requirements;</p> <p><u>Category 2:</u> Up to 40 percent total loan forgiveness if 50 percent or more of the population served by the proposed service area is located within the following areas:</p> <ol style="list-style-type: none">(1) Energy Communities; or(2) Distressed or Disadvantaged Communities. <p><u>Category 3:</u> Up to 60 percent total loan forgiveness if:</p> <ol style="list-style-type: none">(1) The proposed service area is located in Puerto Rico, United States Virgin Islands (USVI), Guam, American Samoa or other U.S. territories or Compact of Free Association (COFA) states; or(2) The proposed service area consists of 60 percent or more of a Tribal area or serves an area that constitutes a Substantially Underserved Trust Area; or(3) The Project is owned by an Indian Tribe, defined by the Federally Recognized Indian Tribe List Act of 1994, including their wholly owned subsidiaries and instrumentalities, or Alaska Native Corporations, including regional or village corporations.
Loan and Program size	\$1 million – \$100 million, inclusive of forgiveness; \$1 billion in funding

Powering Affordable Clean Energy (PACE)

Program Details – Category 3

Forgiveness Levels:
RUS will initially
allocate a minimum
of \$300 million to
each category

Category 3: Up to 60 percent total loan forgiveness if:

- (1) The proposed service area is located in Puerto Rico, United States Virgin Islands (USVI), Guam, American Samoa or other U.S. territories or Compact of Free Association (COFA) states; or
- (2) The proposed service area consists of 60 percent or more of a **Tribal area or serves an area that constitutes a Substantially Underserved Trust Area**; or
- (3) The Project is owned by an **Indian Tribe, defined by the Federally Recognized Indian Tribe List Act of 1994, including their wholly owned subsidiaries and instrumentalities, or Alaska Native Corporations, including regional or village corporations.**

Loan & Program Size

\$1 million – \$100 million, inclusive of forgiveness; \$1 billion in funding

Powering Affordable Clean Energy (PACE)

Program Timelines

Target Date	Activity
May 16, 2023	Publication of the PACE NOFO
May 16 – August 15, 2023	USDA hosts webinars, speaks at conferences, and is available to answer questions
July 10, 2023	Opening date for submission of PACE Letters of Interest Letters are reviewed on a rolling basis
July 2023	USDA began reviewing of Letters of Interest, and will begin extending invitations for applications USDA will inform applications if they are invited to submit a full application. If so, applicants have 60 days to submit unless otherwise agreed to.
September 1, 2023 – December 2025	PACE awards and announcements are made
September 29, 2023	Closing date for submission of PACE Letters of Interest
September 30, 2031	All funds fully disbursed

Helpful Tips in Submitting a PACE LOI

- **Sample Letter of Interest** is posted on RUS' website [here](#)
- To submit an LOI, use [Grants.gov](#)
- Any Applicant who experiences difficulties using the RUS geospatial mapping tool or has other questions related to Shapefile(s), please send an email to RD.Innovation.Data@usda.gov. The Agency will work with Applicants to submit through the RUS mapping tool

Helpful Federal Contact Information

- Department of Energy (DOE)
 - Wahleah Johns, Director, Office of Indian Energy Policy and Programs, wahleah.johns@hq.doe.gov
 - Tommy Jones, Deployment Specialist, Office of Indian Energy Policy and Programs, thomas.jones@hq.doe.gov
- Department of Interior (DOI)
 - Sean Henderson, DOI Assistant Secretary – Indian Affairs, sean.henderson@bia.gov
- Bureau of Indian Affairs (BIA)
 - Jennifer Reimann, Branch Chief, Renewable & Distributed Generation, jennifer.reimann@bia.gov
- USDA Rural Development
 - Tedd Buelow, Tribal Relations Team Lead and Tribal Coordinator, tedd.buelow@usda.gov

Contact



RUS Electric Program General
Field Representative Link:

<https://tinyurl.com/mrfk3brh>



Frequently asked questions can
be found on the RD IRA website.

<https://tinyurl.com/a6t9467e>

Please send additional questions to:

SM.RD.RUS.IRA.Questions@usda.gov



Thank you !



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