

## Rural Energy for America Program (REAP)

Rural Development is currently accepting applications for the Fiscal Year 2011 Rural Energy for America Program. This program is designed to provide grants and loan guarantees to farmers and rural small for-profit businesses who wish to install energy efficiency improvements or to install renewable energy systems. Renewable energy systems can include solar electric, solar thermal, wind, geothermal, biomass and anaerobic digestion systems. Energy efficiency improvement systems can include lighting improvements, insulation, electric motor replacements and other energy efficiency improvement projects as outlined in the energy audit.

A new type of renewable energy system has been added to the listing of eligible projects this year. The installation of blender pumps at retail gasoline stations and convenience stores will be considered an eligible project. This new project type was added in an effort to further promote the use of ethanol in the rural areas of the country.

For Fiscal Year 2011, additional emphasis is being placed on projects which are requesting less than \$20,000. Congress has authorized a specific budget allocation to fund these smaller projects which provide energy efficiencies or can produce renewable energy for the applicant. If you are considering a small project with a grant request of less than \$20,000, now would be the time to apply.

Grain dryer replacement projects which have been a major beneficiary of the program in previous years, are receiving less emphasis in Fiscal Year 2011. Since only dryers of

similar size can be funded through this program, an application with a proposed increase in dryer capacity may result in a reduction in the grant request and award. These reviews will be completed once an application for grant and/or loan guarantee assistance is received.

If you are interested in pursuing a grant or loan guarantee for the Rural Energy for America Program, please submit an application to the address listed below at your earliest opportunity. Grant requests received early in the fiscal year have generally fared better than other applications.

I have included my information below should you have questions.

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