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**Rural Energy for America Program (REAP) Fact Sheet**

The **Rural Energy for America Program (REAP)** provides financial assistance through guaranteed loans and grants to agricultural producers and small businesses in rural areas for renewable energy systems and energy efficiency improvements. The program aims to help businesses reduce energy costs and increase energy independence by encouraging investments in sustainable energy solutions.

**Key Details:**

1. **Who Can Apply**:
	* **Agricultural Producers**: Must derive at least 50% of gross income from agricultural operations.
	* **Rural Small Businesses**: Located in rural areas with populations of 50,000 or fewer.
2. **Eligible Borrowers**:
	* **U.S. Citizens or Legal Residents**: For individual borrowers.
	* **Private Entities**: Must ensure loan funds stay within the U.S.
3. **How Can Funds Be Used**:
	* **Renewable Energy Systems**:
		+ Biomass (e.g., biodiesel, anaerobic digesters).
		+ Geothermal for electric generation.
		+ Hydropower (below 30 megawatts).
		+ Hydrogen energy systems.
		+ Solar and wind energy systems.
		+ Ocean energy (tidal, current, thermal).
	* **Energy Efficiency Improvements**:
		+ High-efficiency HVAC systems.
		+ Insulation, lighting, doors, and windows.
		+ Cooling/refrigeration units.
		+ Irrigation systems (e.g., solar or electric pumps).
		+ Replacement of outdated, inefficient equipment.
4. **Funding Options**:
	* **Loan Guarantees**: Up to 75% of total eligible project costs.
	* **Grants**: Up to 50% of total eligible project costs.
	* **Combination of Loans and Grants**: Total funding can cover up to 75% of eligible project costs.
5. **Application Process**:
	* Applications are accepted year-round through local USDA Rural Development offices. Projects exceeding $200,000 require more detailed financial documentation.
6. **Program Governance**:
	* Governed by the Agricultural Improvement Act of 2018 and the Inflation Reduction Act of 2022, with specific guidelines available in the Federal Register and USDA resources.

The program supports the U.S. in increasing renewable energy supply and decreasing energy demand, ultimately helping businesses reduce their operational costs.

**Eligible Renewable Energy Systems and Energy Efficiency Improvements:**

**Renewable Energy Systems:**

1. **Solar Energy**:
	* Solar photovoltaic (PV) panels for electricity generation.
	* Solar thermal systems for heating water or air.
2. **Wind Energy**:
	* Small, medium, and large wind turbines to generate electricity.
3. **Biomass Energy**:
	* Systems using organic materials (wood, crops, agricultural waste) for energy, such as biomass boilers or anaerobic digesters.
4. **Geothermal Energy**:
	* Geothermal electric generation systems.
	* Ground source heat pumps for heating and cooling.
5. **Hydropower**:
	* Small-scale hydropower systems that generate electricity from water flows.
6. **Hydrogen Energy**:
	* Systems that produce hydrogen fuel using renewable energy sources.

**Energy Efficiency Improvements:**

1. **Lighting Upgrades**:
	* Replacing incandescent, fluorescent, or halogen lighting with energy-efficient LED lighting.
2. **HVAC System Improvements**:
	* Installing energy-efficient heating, ventilation, and air conditioning (HVAC) systems.
3. **Insulation and Building Envelope Improvements**:
	* Adding or upgrading insulation in walls, roofs, and foundations.
	* Installing energy-efficient windows, doors, and weather stripping.
4. **Energy-Efficient Appliances and Equipment**:
	* Replacing outdated appliances with energy-efficient models (e.g., Energy Star-rated equipment).
	* Upgrading motors, fans, or compressors in industrial or agricultural operations.
5. **Irrigation Systems**:
	* Improving the efficiency of water irrigation systems, including pumps and controls.
6. **Energy Management Systems**:
	* Installing smart energy meters and building automation systems to monitor and reduce energy consumption.
7. **Cooling and Refrigeration**:
	* Upgrading refrigeration systems and walk-in coolers for energy efficiency.
8. **Transportation**:
	* Retrofitting or replacing vehicles and equipment to use alternative fuels or more efficient technologies.