

SECTION 9006 RENEWABLE ENERGY AND ENERGY EFFICIENCY PROGRAM

Section 9006 – The Renewable Energy and Energy Efficiency Program, through USDA-Rural Development, offers **grants, guaranteed loans, and combination grant/guaranteed loans** to help **agricultural producers** and **rural small businesses** purchase and install renewable energy systems and make energy efficiency improvements in rural areas. Helpful information regarding the Section 9006 program can be found at: <http://www.rurdev.usda.gov/rbs/farbill/>

Who is eligible?

- An **agricultural producer** (individual or entity) directly engaged in the production of agricultural products and obtains at least 50% or greater of their gross income from their agriculture business.
- A **rural small business** – an entity is considered a small business in accordance with SBA's (Small Business Administration) small business size standards (by NAICS codes). SBA small size standards can be found at <http://www.sba.gov/size/index.html>
 - A private entity including a sole proprietorship, partnership, corporation, and a cooperative (including a cooperative qualified under section 501(c) (12) of the Internal Revenue Code.
 - An electric utility, including a Tribal or governmental electric utility that provides service to rural consumers on a cost-of-service basis without support from public funds or subsidy from the Government authority establishing the district, provided such utilities meet SBA's definition of small business. These entities must operate independent of direct Government control.
- With the exception of the entities described above, all other non-profit organizations and public entities are **excluded**.
- For projects with total eligible costs **exceeding \$200,000**, agricultural producers and rural small businesses with a demonstrated financial need.
- For projects with total eligible costs of **\$200,000 or less**, applicants must provide a statement certifying their financial need.

Other Information

- Selection is based on a nation-wide competition for funds. To qualify for consideration for funding an application must meet the application requirements, technical requirements and environmental requirements.
- Grant applications with total eligible project costs of \$200,000 or less may file a simplified application. Grant applications with total eligible project costs over \$200,000 must file a full application.
- Guaranteed loan application of \$600,000 or less may file a reduced application. Guaranteed loan applications over \$600,000 must file a full application.

These are the types of projects Rural Development can consider:

Renewable Energy Projects		Energy Efficiency Improvements Projects
Categories of projects (The project must be located in a rural area.)	Biomass, Anaerobic Digester, Geothermal – electric generation, Geothermal – direct use, Hydrogen, Small and Large Wind, Small and Large Solar	Energy Efficiency Improvements verified by an energy audit or assessment.

WHAT ARE ELIGIBLE COSTS?

PROGRAM INFORMATION	GRANT	GUARANTEED LOAN	COMBINATION GRANT & GUARANTEED LOAN
<p>All eligible projects must be located in a rural area and utilize a replicable pre-commercial or replicable commercially available and feasible technology.</p> <p>The applicant must be the owner of the project and control the operation and maintenance of the proposed project.</p> <p>Applicants must demonstrate the project has sufficient revenues to provide for operation and maintenance.</p>	<ol style="list-style-type: none"> 1. Post application purchase and installation of equipment (new, refurbished, or remanufactured), except agricultural tillage equipment, used equipment and vehicles. 2. Post application construction or project improvements, except residential 3. Energy audits or assessments 4. Permit and license fees 5. Professional service fees, except for application preparation. 6. Feasibility studies and technical reports 7. Business Plans 8. Retrofitting 9. Construction of a new energy efficient facility only when the facility is used for the same purpose; is approximately the same size; and based on the energy audit, will provide more energy savings than improving an existing facility. 	<p>The same eligible costs as listed for a grant, with the addition of:</p> <ol style="list-style-type: none"> 10. Working capital 11. Land Acquisition 	<p>Only the guaranteed portion can be used for working capital or land acquisition.</p>

Maximum assistance can be provided as follows:

RENEWABLE ENERGY

ENERGY EFFICIENCY

Description	A system that produces or produces and delivers usable energy from a renewable energy source.	Improvements to a facility, building, or process that reduces energy consumption.
Minimum grant (no more than 25% of total eligible project costs)	\$ 2,500	\$ 1,500
Maximum grant (no more than 25% of total eligible project costs)	\$ 500,000	\$ 250,000
Maximum grant per applicant per fiscal year \$ 750,000		
Minimum guaranteed loan (no more than 50% of total eligible project costs)	\$ 5,000	\$ 5,000
Maximum guaranteed loan (no more than 50% of total eligible project costs)	\$ 10,000,000	\$ 10,000,000
Minimum grant portion of the combined funding request	\$ 1,500	\$ 1,500
Maximum combination grant/guaranteed loan (no more than 50% of total eligible project costs) \$ 10,000,000		

For additional information or assistance in filing an application contact your local Rural Development Office:

Asheville: 828-254-0916

Shelby: 704-471-0235

Jefferson: 336-246-2885

Lumberton: 910-739-3349

Albemarle: 704-982-5114

Henderson: 252-438-3134

Winton: 252-358-7836

Sanford: 919-776-4331

Kinston: 252-526-9799

Additional Contacts are: Rossie Bullock 910-739-3349 Ext. 4 or Steve Byrd 919-873-2043