

USDA



Rural Development

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IEDC'S 2009 Building Resilient Economies Workshop

**Session: Critical Federal Funding Resources
for Economic Recovery Purpose**

**New Orleans, LA
June 10, 2009**

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- *Increasing economic opportunity in rural America*
- *Improving the quality of life of all rural Americans*



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Business Programs

- *Revolving Loan Funds and Technical Assistance*
- *Commercial Lending*
- *Energy Programs*



Rural Business Enterprise Grants (RBEGrants)

- *Eligibility: Public bodies, private non-profits, and Indian Tribes.*
- *Purposes: Establish revolving loan programs, technical assistance, working capital loans, equipment, real estate, and refinancing.*

Rural Business Opportunity Grants (RBOG)

- *Eligibility: Public bodies, non-profits, Indian Tribes, and cooperatives*
- *Purposes: Technical assistance for business development and economic development planning.*

Intermediary Relending Program (IRP)

- *Eligibility: Private non-profit corporations; public agencies; Indian Groups; or cooperatives*
- *Purposes: Business acquisitions, purchase of land, equipment, leasehold improvements, machinery, startup operating costs, working capital, feasibility studies, debt refinancing, reasonable fees and charges, educational institutions, hotels, motels, and tourist and recreational facilities.*

Rural Economic Development Loans & Grants (REDLG)

- *Eligibility: RUS electric and telephone borrowers (not delinquent on any Federal debt or in bankruptcy proceeding) and certain electric utilities that have prepaid.*
- *Purposes: Revolving loan programs, community development, technical assistance, construction, capital improvements, purchase of machinery and equipment, and working capital.*



Commercial Lending Programs

- *B&I Guaranteed*



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Business and Industry Guaranteed Loan Program

- *Eligibility: Individuals; corporations, cooperatives, partnerships, and other legal entities, public and private, organized and operated on a profit or nonprofit basis; and Federally recognized Indian tribal groups.*
- *Purposes: Loan proceeds may be used for working capital, machinery and equipment, buildings and real estate, and certain types of debt refinancing. The primary purpose is to create and maintain employment and improve the economic climate in rural communities.*



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Renewable Energy/Energy Efficiency Programs



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2008 Farm Bill – Title IX

Programs Administered By USDA Rural Development

- Biomass Crop Assistance Program
- Biorefinery Assistance Program
- Bioenergy Program for Advanced Biofuels
- Rural Energy for America Program (REAP)
- Biomass Research and Development Initiative



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Farm Bill

Energy Title, Section 9011

Biomass Crop Assistance Program

- Payments to producers of renewable biomass crops
- Establishment, Production, Collection, Harvest, Storing and Transportation
- Funding: Commodity Credit Corporation funds available in each of FY 08 – 12
- Rule Making

2008 Farm Bill

Biorefinery Assistance Program

(Section 9003)

- Provides grants for demonstration scale and loan guarantees for commercial scale biorefineries that produce advanced biofuels
- Guaranteed Loan Limitations: Up to \$250 Million for Biorefineries



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2008 Farm Bill

Biorefinery Assistance Program

(Section 9003) - (Cont.)

- Grant Limitations: Pilot/Demonstration Scale – Up to 50% of project costs
- Mandatory Funding:
 - FY 2009 - \$75 Million
 - FY 2010 - \$245 Million available until expended



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2008 Farm Bill

Repowering Assistance Program (Section 9004)

- Provides payments to biorefineries (in existence when Farm Bill was passed) to replace fossil fuels used to produce heat or power in biorefineries with renewable biomass
- Provides \$35 million for FY 2009 that will remain available until the funds are exhausted
- Authorizes additional funding of \$15 million per year, from FY 2009 through 2012



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2008 Farm Bill Bioenergy Program for Advanced Biofuels (Section 9005)

- Payments to eligible producers to support and ensure expanded production of advanced biofuels
- Existing production vs. new production

2008 Farm Bill

Bioenergy Program for Advanced Biofuels (Section 9005) - (Cont.)

- Mandatory Funding:
 - \$55,000,000 FY 2009
 - \$55,000,000 FY 2010
 - \$85,000,000 FY 2011
 - \$105,000,000 FY 2012
- Discretionary Funding of \$25,000,000 each FY 2009-2012

2008 Farm Bill

Rural Energy for America Program (REAP)

(Section 9007)

- Formerly Section 9006 – Renewable Energy Systems and Energy Efficiency Improvements Program
- Establishes a grant and loan guarantee program to assist agriculture producers and rural small businesses in purchasing renewable energy systems and making energy efficiency improvements
- Establishes a grant program for energy audits, technical assistance and feasibility studies



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2008 Farm Bill

Rural Energy for America Program (REAP) (Section 9007) - Funding

- Loan Guarantee Limits:
 - \$25 Million Cap
 - Cap Federal share at 75% of project costs
- Mandatory Funding:
 - FY 09 - \$55 Million
 - FY 10 - \$60 Million
 - FY 11 - \$70 Million
 - FY 12 - \$70 Million
- Discretionary Funding: \$25 Million each fiscal year for FY 09 -12



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Section 9007
Formerly 9006 Funding Activity FY 2003 thru 2008
Renewable Energy/Energy Efficiency

<u>Technology</u>	<u>No.</u>	<u>Loans, Grants & Combos Amount</u>	<u>Leveraged</u>
Biomass	271	\$65,188,772	\$321,322,470
Wind	245	48,008,511	582,427,329
Solar	108	4,683,405	11,207,057
Geothermal	52	1,969,517	4,576,639
<u>Hybrid</u>	18	2,620,736	85,968,197
Subtotal	694	\$122,470,941	\$1,105,501,692
Energy Efficiency	1,329	\$34,456,722	\$76,743,867
Subtotal	2,023	\$156,927,663	\$1,182,245,559
Guaranteed Loans	153	\$91,529,855	\$181,321,296
Grand Total	<u>2,176</u>	<u>\$248,457,518</u>	<u>\$1,612,024,373</u>



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Farm Bill – Energy Title

Section 9008

- *Purpose:*
Support of research, development and demonstration on biobased products, biofuels, and biopower.
- *Eligible Recipients:*
Institutions of Higher Learning; National Laboratory; Federal Research Agency; State Research Agency; Private Sector Entities and Nonprofit Organizations or a consortium of two or more of entities described above.



Biomass Research and Development Board

- Co-chaired by the U.S. Department of Agriculture (USDA) and the U.S. Department of Energy (DOE)
- The goal is to accelerate the development of a sustainable biofuels industry.
- National Biofuels Action Plan:
(<http://www.usda.gov/documents/NBAP081208.pdf>)



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Definition of Rural Area

B&I, RBEG, RBOG, REDLG, Section 9003, Section 9004, Section 9005, and 9007

Any area other than a city or town that has a population of greater than 50,000 inhabitants and the urbanized area contiguous and adjacent to such city or town.

IRP

All Territory of a State that is not within the outer boundary of any city having a population of 25,000 or more, according to the latest decennial census.



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Program Delivery

- National Office
- 47 State Offices
- Area / Local Offices



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How To Learn More About USDA Rural Development Renewable Energy Programs

Contact Your State Rural
Development Office

www.rurdev.usda.gov



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Any Questions?

