



RENEWABLE ENERGY AND ENERGY EFFICIENCY PROGRAM Farm Bill Section 9006

FACT SHEET

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/farmbill/index.html>

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.

How much assistance can be provided?

Renewable Energy Projects		Energy Efficiency Improvements Projects
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		
Services of a Professional Engineer required?	Projects with total eligible costs > \$400,000	Projects with total eligible costs > \$200,000
Energy audit or energy assessment required?	NO	Required for all energy efficiency projects. Projects with total eligible costs > \$50,000 require an energy audit.
Business Level Feasibility study required?	Projects with total eligible costs > \$200,000	NO
Technical Report Required?	YES	YES

We encourage you to start planning your project now.

Two (2) copies of your application are to be submitted to the USDA Rural Development State Office where your project is located or, in the case of a rural small business, where they are headquartered. For a list of Rural Development Business Specialists' addresses and telephone numbers – see the last page of this fact sheet. The address of the Washington Rural Development State Office is: 1835 Black Lake Blvd SW. Suite B, Olympia, WA 98501. The phone number to call is 360-704-7736.

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.

Separate applications must be submitted for renewable energy system and energy efficiency improvement projects. Only one application per each type of project may be submitted per year.

Applications within each type of technology will be competing against each other on a nation-wide basis.

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 type of application should be submitted to the Washington Rural Development State Office?

Application process	Total eligible project costs	
Simplified grant application criteria and procedures 4280.109	\$200,000 or less	
Applicant provides a certification of financial need	\$200,000 or less	
Technical Report Guidelines can be found in	Appendix A to 4280-B	
Full grant application criteria and procedures 4280.111	> \$200,000	
Applicant has demonstrated financial need	> \$200,000	
Technical Report Guidelines can be found in	Appendix B to 4280-B	
Guaranteed loans – Reduced application and documentation 4280.128	= or < \$600,000	
Guaranteed loans – Full application and documentation	> \$600,000	
Guaranteed loan - Equity evidence by borrowers	= or < \$600,000 – not less than 15% of eligible project costs > \$600,000 – not less than 25% of eligible project costs	
Maximum percentage of guarantee	= or < \$600,000	85%
	> \$600,000 & = or < \$5 million	80%
	> \$5 million & = or < \$10 million	70%
Guaranteed loan - Appraisal	= or < \$600,000 complete self-contained appraisal > \$600,000 complete summary appraisal	

Program information

	Grant	Guaranteed Loan	Combination Grant & Guaranteed Loan
Who is the applicant?	Agricultural producer or rural small business	A lender is the applicant seeking a guarantee on a loan to an agricultural producer or a rural small business.	2 applications needed. The grant application is from the agricultural producer or the rural small business. The lender submits an application for the guaranteed loan.
What are eligible costs? (All eligible projects must be located in a rural area and utilize a replicable pre-commercial or replicable commercially available, and feasible technology. The applicant must be the owner of the project and control the operation and maintenance of the proposed project. Applicants must demonstrate the project has sufficient revenues to provide for operation and maintenance.)	<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. 	The same eligible costs as listed for a grant, with the addition of: 10. Working capital 11. Land Acquisition	Only the guaranteed portion can be used for working capital or land acquisition.

When are applications due in Fiscal Year (FY) 2007 (10-1-06 to 9-30-07)

Program	State and/or National Allocation	Application Submission Frequency	Date Applications are due to Washington RD State Office
RE/EE grants	\$11,385,000 National	One Funding Round	Due May 18, 2007
RE/EE guaranteed loans	\$176,511,617.87 National (Any unused funds at end of FY revert back to grant funds.)	Anytime	No later than July 2, 2007
RE/EE combination grants/guaranteed loan	50% of grant allocation stated above will be maintained for loan and grant combination applications. Guaranteed loan portion will be from the above guaranteed loan allocation.	Anytime	No later than July 2, 2007

Go to the Farm Bill Website <http://www.rurdev.usda.gov/rbs/farbill/index.html> for more information.

Possible assistance in the preparation of technical reports, Energy Audits and Energy Assessments:

Your technology consultant or the technology company you are purchasing from.

Washington Dept. of Community Trade and Economic Development (CTED) Energy Links

<http://www.cted.wa.gov/DesktopDefault.aspx?tabid=534&tabindex=7>

http://www.cted.wa.gov/portal/alias_cted.wa/lang_en-US/tabID_637/DesktopDefault.aspx

Washington State University <http://www.energy.wsu.edu/>

Center for Sustaining Agriculture and Natural Resources: <http://csanr.wsu.edu/>

Contact your utility company – or rural electric cooperative to locate a qualified energy auditor

Possible sources of help for preparing financial information.

Your local banker or your accountant

Washington Small Business Development Centers <http://www.wsbdc.org/> - Phone: 509-358-7765

Small Business Administration <http://www.sba.gov/wa/>

SCORE (retired executives counseling small businesses) <http://www.score.org/>

CTED Small Business Assistance <http://www.cted.wa.gov/DesktopDefault.aspx?tabid=81&tabindex=7#SBDC>

For Help in reviewing an application for completeness or Help in preparing an application.

Washington Rural Development Business-Cooperative Specialists – for names and location information – see the last page of this document.

List of grant writers - http://www.agmrc.org/agmrc/provider_search.asp - *None have been put through any type of screening or endorsement by AgMRC, however, so we would encourage groups to interview, ask for references, etc.*

Washington NRCS Resource Conservation and Development (RC&D) Offices– for names and locations, please go to: <http://www.wa.nrcs.usda.gov/contact/rcdooffices.html>

Washington State University <http://www.energy.wsu.edu/>

Center for Sustaining Agriculture and Natural Resources <http://csanr.wsu.edu/>

Small Business Administration <http://www.sba.gov/wa/>

SCORE (retired executives counseling small businesses) <http://www.score.org/>

CTED Small Business Assistance <http://www.cted.wa.gov/DesktopDefault.aspx?tabid=81&tabindex=7#SBDC>

Funding History

FY 2007- See chart on previous page for this year's allocations.

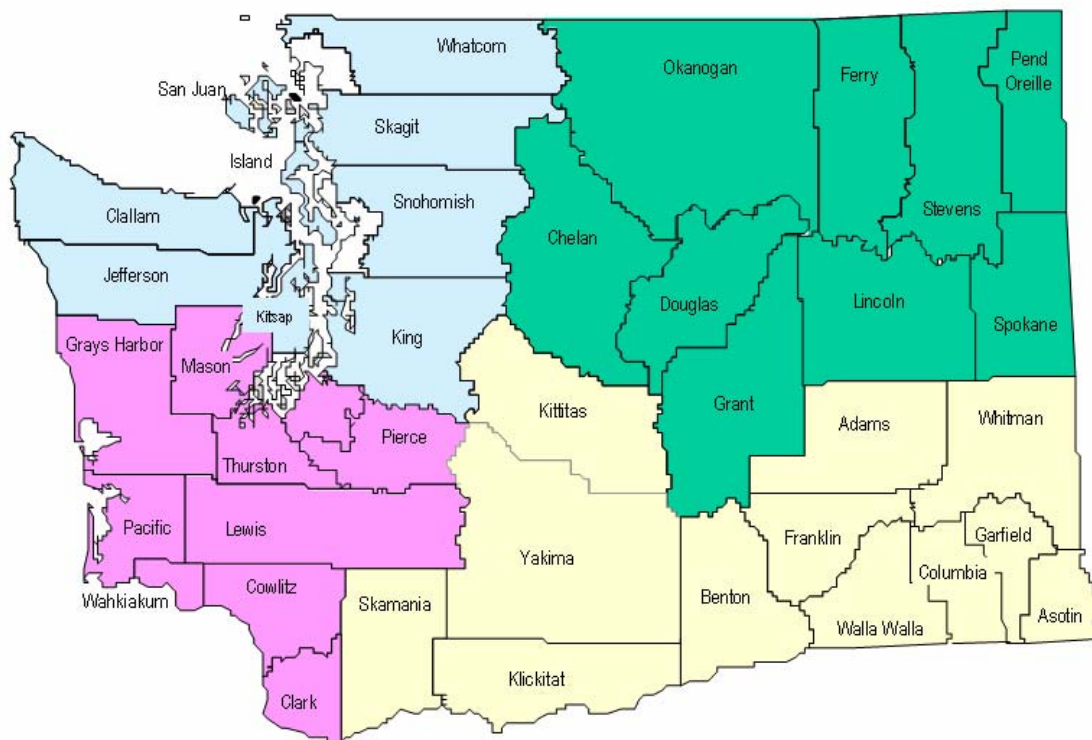
FY 2006 (the 4th year of a 5 year program) offered \$11.385 million in funding for competitive grants and \$176.5 million in authority for guarantee loans \$23 million nationally for the Section 9006 Energy Program, which served 375 recipients.

FY 2005 (the 3rd year of a 5 year program) \$23 million (e) was available nationally for the Section 9006 Energy Program. 148 applications grant were approved for funding nationally.

In **FY 2004** (the 2nd year of the program), \$22.8 million was available nationally in competitive grant funds. 167 grant applications were approved for funding nationally

In **FY 2003** (the 1st year of the program), \$21.23 million was available in competitive grant funds. 113 applications grant were approved for funding nationally.

WASHINGTON STATE USDA RURAL DEVELOPMENT



Area Office 1
Mount Vernon
360-428-4322

Area Office 2
Olympia
360-704-7760

Area Office 3
Wenatchee
509-664-0210

Area Office 4
Yakima
509-454-5743

Current as of 10/03

NW Area Office- Mount Vernon
Sharon Exley – Business Specialist
2021 E. College Way, Suite 216
Mt. Vernon, WA 98273-3610
Phone: (360) 428-4322, Ext. 159
Fax: (360) 424-6172
sharon.exley@wa.usda.gov

NE Area Office- Wenatchee
Leroy Debes – Business Specialist
Room 317, Federal Building
301 Yakima Street
Wenatchee, WA 98801
Phone: (509) 924-7350, Ext. 115
Fax: (509) 924-7787
leroy.debes@wa.usda.gov

SW Area Office- Olympia
Don Wagoner – Business Specialist
1835 Black Lake Blvd. SW, Suite C
Olympia, WA 98512-5716
Phone: (360) 704-7724
Fax: (360) 704-7775
don.wagoner@wa.usda.gov

SE Area Office- Yakima
Vacant – Business Specialist
1606 Perry Street, Suite D
Yakima, WA 98902
Phone: (509) 454-5743, Ext. 4
Fax: (509) 454-5682