



NEWS RELEASE

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**USDA Invites Applications for Renewable Energy Funding
Funds Will Help Increase Production and Use of Renewable Energy, Create Jobs,
and Protect Natural Resources**

WASHINGTON, May 4, 2010 – Agriculture Secretary Tom Vilsack today announced that USDA is seeking applications to increase the production and use of renewable energy sources. Funding is available from four USDA Rural Development renewable energy programs authorized by the Food, Conservation, and Energy Act of 2008 (Farm Bill).

“This funding will help spur investments in technologies that will reduce reliance on fossil fuels, conserve natural resources and help build a sustained renewable energy industry in rural America,” Vilsack said. “Support provided by USDA through these programs will not only benefit the environment, it will create green jobs and help America become more energy self-sufficient.”

USDA is accepting applications for grants and loan guarantees in the Rural Energy for America Program (REAP) until June 30, 2010. More information on how to apply for funding is available in the April 26, 2010 *Federal Register*. The Rural Energy for America Program provides funds to agricultural producers and rural small businesses to purchase and install renewable energy systems and make energy efficiency improvements.

Eligible projects include installing renewable energy systems such as wind turbines, solar, geothermal, biomass, anaerobic digesters, hydroelectric, and ocean or hydrogen systems. Funding may also be used to purchase energy-efficient equipment, add insulation, and improve heating and cooling systems. In fiscal year 2009, this program helped fund 1,485 REAP projects in 50 states, the commonwealth of Puerto Rico and the Western Pacific Islands.

“The Rural Energy for America Program enables owners of small rural businesses, farms and ranches to reduce energy consumption, part of President Obama’s effort to reduce our reliance on foreign oil and the destabilizing effects of a changing climate,” Vilsack said. “Through this program, farmers, agricultural producers and small business owners will be able to upgrade or replace outdated, inefficient systems in their operations. That not only saves money, it supports job creation.”

One rural company that used REAP funds to reduce energy costs is Energex American, Inc., a Mifflintown, Penn., based pellet manufacturing firm. In 2009, the company received a \$476,685 grant to help fund the installation of an industrial dryer powered by woody biomass. The company reduced its annual demand for propane by 150,000 gallons and realized energy

Committed to the future of rural communities.

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savings of nearly 98 percent.

In addition to the REAP program, Secretary Vilsack announced that USDA is also planning to accept applications for three other renewable energy programs: the Biorefinery Assistance Program, Repowering Assistance Program and the Bioenergy Program for Advanced Biofuels. Details on how to apply will be released later this week in the *Federal Register*.

- USDA's Biorefinery Assistance Program provides guaranteed loans to develop and construct commercial-scale biorefineries or to retrofit existing facilities using eligible technology for the development of advanced biofuels. The amount of a loan guaranteed for a project under this program cannot exceed 80 percent of total eligible project costs.
- The Repowering Assistance Program is designed to encourage the use of renewable biomass as a replacement fuel source for fossil fuels used to provide process heat or power in the operation of eligible biorefineries (those biorefineries in existence on June 18, 2008 -- the date the 2008 Farm Bill was enacted).
- The Bioenergy Program for Advanced Biofuels works to support and ensure expanding production of advanced biofuels by providing payments to eligible advanced biofuels producers. Advanced biofuels are derived from renewable biomass, other than corn kernel starch. These include cellulose, sugar and starch, crop residue, vegetative waste material, animal waste, food and yard waste, vegetable oil, animal fat, and biogas (including landfill gas and sewage waste treatment gas). This program is an important part of achieving the Obama administration's goal to increase biofuels production and use.

With the publication of the recent Rural Energy for America Program (REAP), Notice of Solicitation of Application (NOSA), we will be accepting applications until June 30, 2010 as specified in the publication. However, South Carolina, USDA Rural Development will have our own internal deadlines for submission of applications to compete for our state allocations of funds. Upon our state allocation of funds being exhausted, all applicants will compete for funding from our National Office reserve funds.

SC's first deadline for receipt of applications to compete for funding will be May 17, 2010. All applications received by this date will be scored, ranked, and considered for funding for the first round of our state allocation of funds. The remaining deadlines are June 1, 2010, June 15, 2010, and the final deadline will be 4:30 p.m. June 30, 2010 per the REAP NOSA. At the end of each deadline, all applications received will be ranked according to their priority score, and considered for funding. This consideration of funding will be based upon the availability of funds remaining in our state allocation, and for those applications that are unable to be funded from our allocation; they will be forwarded to our National Office to compete for funding. It is our belief, that by implementing these deadlines, this will allow South Carolina's applicants the best opportunity to compete for funding at the state and National levels respectively.

USDA, through its Rural Development mission area, administers and manages more than 40 housing, business and community infrastructure and facility programs through a national

network of 6,100 employees located in the nation's capital and 500 national, state and local offices. These programs are designed to improve the economic stability of rural communities, businesses, residents, farmers and ranchers and improve the quality of life in rural America. Rural Development has an existing portfolio of more than \$134 billion in loans and loan guarantees.

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