

Rural Energy for America Program Renewable Energy Systems & Energy Efficiency Improvement Guaranteed Loans & Grants

Application Window:

CLOSED

Program Application Period:

The Agency is not accepting REAP grant applications at this time. Guaranteed loan applications may be submitted.

Application Windows:

The Agency will not be accepting REAP grant or combined grant and guaranteed loan applications between July 1 and Sept 30, 2025. If the Agency receives an application during this time, it will not be reviewed or processed, and the application will be returned. Guaranteed loans may be accepted and compete on an on-going basis in accordance with 7 CFR 5001.315.

For state specific information:

-- Select State --

Federal Register Notice

<https://www.federalregister.gov/documents/2024/10/16/2024-23854/notice-of-funding-opportunity-for-the-rural-energy-for-america-program-for-fiscal-years-2025-2026>

Overview

Federal Register Notices

- [Comprehensive Notice March 25, 2025](#)
([/media/file/download/comprehensive-notice-3-25-25.pdf](#)).
- [Stakeholder Announcement](#)
([/media/file/download/usda-rd-sa-reap-deadline-06302025.pdf](#)).

FAQs

[REAP Renewable Energy Systems & Energy Efficiency Improvements FAQs](#) ([/media/file/download/reap-renewable-energy-systems-faqs.pdf](#)).

What does this program do?

The program provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements. Agricultural producers may also apply for new energy efficient equipment and new system loans for agricultural production and processing.

Who may apply for this program?

- Agricultural producers
 - An entity directly engaged in production of agricultural products where at least 50 percent of their gross income coming from agricultural operations.
- Small businesses
 - Must be located in eligible rural areas and one of the following:
 - Private for-profit entity (sole Proprietorship, Partnership, or Corporation)

- A Cooperative [including those qualified under Section 501(c)(12) of IRS Code]
 - An electric utility (including a Tribal or governmental electric utility) that provides service to rural consumers and operates independent of direct government control)
 - A Tribal corporation or other Tribal business entities that are chartered under Section 17 of the Indian Reorganization Act (25 USC 477) or have similar structures and relationships with their Tribal entity without regard to the resources of the Tribal government.
- Must meet the Small Business Administration size standards in accordance with 13 CFR 121.

NOTE: Agricultural producers and small businesses must have NO outstanding delinquent federal taxes, debt, judgment or debarment.

Who may qualify for loan guarantees?

Eligible borrowers are:

- Rural small businesses.
- Agricultural producers.

What are the borrowing restrictions for loan guarantees?

- Individual borrowers must be citizens of the United States or reside in the U.S. after being legally admitted for permanent residence.
- Private-entity borrowers must demonstrate that loan funds will remain in the U.S.

What is an eligible area?

- Projects must be located in rural areas with populations of 50,000 residents or less*.
- Check [eligible rural areas](https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=ONERD) (<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=ONERD>).

Agricultural producers may submit projects to be located in non-rural areas as long as the project is associated with an on-site production operation.

How may the funds be used?

Funds may be used for the purchase and installation of renewable energy systems, such as:

- Biomass (for example: biodiesel and ethanol, anaerobic digesters, and solid fuels).
- Geothermal for electric generation or direct use.
- Hydropower below 30 megawatts.
- Hydrogen.
- Small and large wind generation.
- Small and large solar generation.
- Ocean (tidal, current, thermal) generation.

Funds may also be used for the purchase, installation and construction of energy efficiency improvements, such as:

- High efficiency heating, ventilation and air conditioning systems (HVAC).
- Insulation.
- Lighting.
- Cooling or refrigeration units.
- Doors and windows.
- Electric, solar or gravity pumps for sprinkler pivots.
- Switching from a diesel to electric irrigation motor.
- Replacement of energy-inefficient equipment.

Energy Efficiency Improvement applications must contain an Energy Audit, or Energy Assessment (depending on Total Project Costs) that complies with Appendix A to RD Instructions 4280-B

Agricultural producers may also use guaranteed loan funds to install energy efficient equipment and systems for agricultural production or processing.

What funding is available?

- Loan guarantees on loans up to 75 percent of total eligible project costs.
- Grants for up to 50 percent of total eligible project costs.
- Combined grant and loan guarantee funding up to 75% of total eligible project costs.

What is the maximum amount of a loan guarantee?

The loan guarantee percentage is published annually in a Federal Register notice. REAP loans approved in Fiscal Year 2025 (<https://www.federalregister.gov/documents/2024/06/25/2024-13895/onerd-annual-notice-of-guarantee-fee-rates-periodic-retention-fee-rates-loan-guarantee-percentage>) will receive an 80 percent guarantee.

What are the loan guarantee terms?

The lender, with Agency concurrence, will establish and justify the guaranteed loan term based on the use of guaranteed loan funds, the useful economic life of the assets being financed and those used as collateral, and the borrower's repayment ability. The loan term will not exceed 40 years.

What are the interest rates for the loan guarantee?

- Interest rates are negotiated between the lender and borrower.
- Rates may be fixed or variable.
- Variable interest rates may not be adjusted more often than quarterly.

What are the applicable fees for the loan guarantee?

- There is an initial guarantee fee, currently 1 percent of the guaranteed amount.
- There is a guarantee retention fee, currently 0.25 percent of the outstanding principal balance, paid annually.

- Reasonable and customary fees for loan origination are negotiated between the borrower and lender.

What are the underwriting requirements for the loan guarantee?

- The lender will conduct a credit evaluation using credit documentation procedures and underwriting processes that are consistent with generally accepted prudent lending practices and also consistent with the lender's own policies, procedures and lending practices.
- The lender's evaluation must address any financial or other credit weaknesses of the borrower and project and discuss risk mitigation requirements.
- The lender must analyze all credit factors to determine that the credit factors and guaranteed loan terms and conditions ensure guaranteed loan repayment.
- Credit factors to be analyzed include but are not limited to character, capacity, capital, collateral, and conditions.

What are the grant terms?

Renewable Energy System Grants:

- \$2,500 minimum.
- \$1 million maximum.

Energy Efficiency Grants:

- \$1,500 minimum.
- \$500,000 maximum.

Are there additional requirements?

- Applicants must provide matching funds if applying for a grant only.
 - 50% Federal grant share limited to projects that meet one of the following:
 - Project is a Renewable Energy System (RES), or RES retrofit that produces zero greenhouse gas emissions (Carbon Dioxide, Methane, Nitrous Oxide, or Fluorinated Gases) at the project level.

- Project is located in an Energy Community as defined in 26 USC 45(b)(11)(B) and determined by the Department of the Treasury.
- Project is an Energy Efficiency Improvement (EEI).
- Is a project proposed from an eligible Tribal Corporation or other Tribal Business entity (including agriculture operations) as described in 7 CFR part 4280.
 - All other projects are limited to 25% Federal grant share
- Applicants must provide at least 25 percent of the project cost if applying for loan.
- All projects must have technical merit and utilize commercially available technology.
- Energy efficiency projects require an energy audit or assessment.
- All projects require an environmental review prior to award or construction

How do we get started? Applications for this program are accepted year-round at your [local office](https://www.rd.usda.gov/contact-us/state-offices). (<https://www.rd.usda.gov/contact-us/state-offices>).

Who can answer questions?

Contact your [State Rural Development Energy Coordinator](https://www.rd.usda.gov/contact-us/state-energy-coordinators) (<https://www.rd.usda.gov/contact-us/state-energy-coordinators>).

What law governs this program?

- Grants – Code of Federal Regulation, [7 CFR Part 4280 -- Loans and Grants](https://www.ecfr.gov/current/title-7/subtitle-B/chapter-XLII/part-4280#subpart-B) (<https://www.ecfr.gov/current/title-7/subtitle-B/chapter-XLII/part-4280#subpart-B>).
- Guaranteed Loans – Code of Federal Regulation, [7 CFR 5001](https://www.ecfr.gov/cgi-bin/text-idx?SID=7042cbedc634de6b581b41385370fc9e&mc=true&node=pt7.1). (<https://www.ecfr.gov/cgi-bin/text-idx?SID=7042cbedc634de6b581b41385370fc9e&mc=true&node=pt7.1>)
- REAP is authorized by Title IX of the Agriculture Improvement Act of 2018.

Why does USDA Rural Development do this?

This program helps increase American energy independence by increasing the private sector supply of renewable energy and decreasing the demand for energy through energy efficiency improvements. Over time, these investments can also help lower the cost of energy for small businesses and agricultural producers.

NOTE: Because citations and other information may be subject to change, please always consult the program regulations listed in the section above titled “What law governs this program?” You may also contact your [local office](#) (<https://www.rd.usda.gov/contact-us/state-offices>) for assistance.

To Apply

Guaranteed Loans:

NOTE: Please select your state in the dropdown menu above to find the [state office contact information](#) (<https://www.rd.usda.gov/page/state-offices>) and speak to a program specialist before attempting to fill out any forms or applications. This will save you time in completing your application.

Rural Development has implemented the OneRD Guarantee Loan Program, view full program information at [OneRD Guarantee Loan Program](#) (<https://www.rd.usda.gov/onerdguarantee>).

Grants:

NOTE: If state specific forms are not shown above, please refer to the forms listed below to start the process of applying for a grant. Please speak to a [Rural Development Energy Coordinators](#) (<https://www.rd.usda.gov/contact-us/state-energy-coordinators>) before attempting to fill out any forms or applications. This will save you valuable time in the process.

To complete an application for this program, you must be pre-registered with the [System for Award Management \(SAM\)](http://www.sam.gov/SAM/) (<http://www.sam.gov/SAM/>) and also have a [Unique Entity ID](https://sam.gov/content/home) (<https://sam.gov/content/home>). Neither of these applications cost money, but they can take time so be sure to get this taken care of right away. If you are already registered with these systems, you do not need to do it again.

Forms

Accessing Forms

If you are using Google Chrome, your browser settings may require you to first download the form and then open the form.

If an error message populates when opening these forms, please follow these steps to resolve the error:

1. Open your version of Adobe Acrobat Reader.
2. Go to the menu and click “Edit”.
3. Next click “Preferences” and under the “Categories” drop down select “General”.
4. Under the General, uncheck the option “show online storage when saving files” and then click the OK button.

- [RBCS How-To Apply Video Series for Applicants](https://www.youtube.com/playlist?list=PLwtRQQ0pVhiWcZ6cQi0fKcpNssfZUcGwB) (<https://www.youtube.com/playlist?list=PLwtRQQ0pVhiWcZ6cQi0fKcpNssfZUcGwB>).
- Form 4280-3A Total Project Costs of \$80,000 or less
 - Form 4280-3A Instructions | DOC | PDF
 - [E-Form 4280-3A](https://forms.sc.egov.usda.gov/efcommon/eFileServices/eForm3A.PDF) (<https://forms.sc.egov.usda.gov/efcommon/eFileServices/eForm3A.PDF>).
- Form RD 4280-3B Total Project Costs of less than \$200,000 but more than \$80,000

- Form RD 4280-3B Instructions | DOC | PDF
- E-Form 4280-3B
(<https://forms.sc.egov.usda.gov/efcommon/eFileServices/eForm3B.PDF>).
- Form RD 4280-3C Total Project Costs of \$200,000 and greater
 - Form RD 4280-3C Instructions | DOC | PDF
 - E-Form 4280-3C
(<https://forms.sc.egov.usda.gov/efcommon/eFileServices/eForm3C.PDF>).
- Application for Federal Assistance - Form SF-424
(</media/file/download/rd-sf424-4-0-v40.pdf>)(pdf)
- Budget Information - Construction Programs - Form 424-C
(</media/file/download/rd-sf424c-2-0-v20.pdf>) (pdf)
- Assurances: Construction Programs - Form 424-D
(</media/file/download/rd-sf424d-v11.pdf>) (pdf)
- Request for Environmental Information - Environmental Checklist (</media/file/download/rd-environmental-information-07312023.pdf>) (pdf)
- Renewable Energy Systems Vendor Certification
(/sites/default/files/res_trsummary_vendorcertification.docx).
- Energy Efficiency Improvement Vendor Certification
(/sites/default/files/eei_trsummary_vendorcertification.docx).

Other Requirements

Technical considerations for RBCS Renewable Energy System projects are available for the technologies listed below. The following documents are intended to clarify existing technical merit requirements under the law or Agency policies, including criteria outlined in 7 C.F.R. 4280-B and its appendices. The Agency encourages the use of these documents when developing an application.

-[Solar PV-BESS-Technical Considerations for RBCS Projects \(/media/file/download/usda-rd-rbcs-solar-pv-bess-technical-considerations-rbcs-projects.pdf\)](#).

- [agstar risk analysis checklist.pdf \(https://www.epa.gov/sites/default/files/2020-10/documents/agstar_risk_analysis_checklist.pdf\)](#).

Contact

Please contact your [State Rural Development Energy Coordinator \(/www.rd.usda.gov/contact-us/state-energy-coordinators\)](#) for more information on this program.

Persons with disabilities that require alternative means for communication should contact the U.S. Department of Agriculture (USDA) Target Center at (202)720-2600 (voice) or by email at Target-center@usda.gov (<mailto:Target-center@usda.gov>).

Events

Webinar Events

REAP Renewable Energy Systems Technology | [Link \(https://www.nrel.gov/state-local-tribal/rural-energy-for-america-program.html\)](#).

Previous Webinars

USDA/NREL REAP Distributed Wind Energy Webinar: June 17, 2024 1:00 PM EST. Learned how distributed wind technologies can best contribute to rural businesses, including tips on submitting successful REAP wind applications.

USDA/NREL REAP Solar plus Battery Storage Webinar: July 17, 2024 3:00 PM EST. Learned how solar plus storage technologies can best contribute to rural businesses, including tips on submitting successful REAP solar plus battery storage applications.

- **IRA REAP Webinar: April 4, 2023.** Updates on funding available under the Rural Energy for America Program (REAP) after the passage of the Inflation Reduction Act (IRA). | [Webinar Recording \(https://www.youtube.com/watch?v=Hxcs4uHyqpQ\)](https://www.youtube.com/watch?v=Hxcs4uHyqpQ)
- **REAP Stakeholder Call: January 9, 2023** | [Webinar Recording \(https://www.youtube.com/watch?v=v6GmBCLi1KA\)](https://www.youtube.com/watch?v=v6GmBCLi1KA)