

# Section 9006 Energy Program



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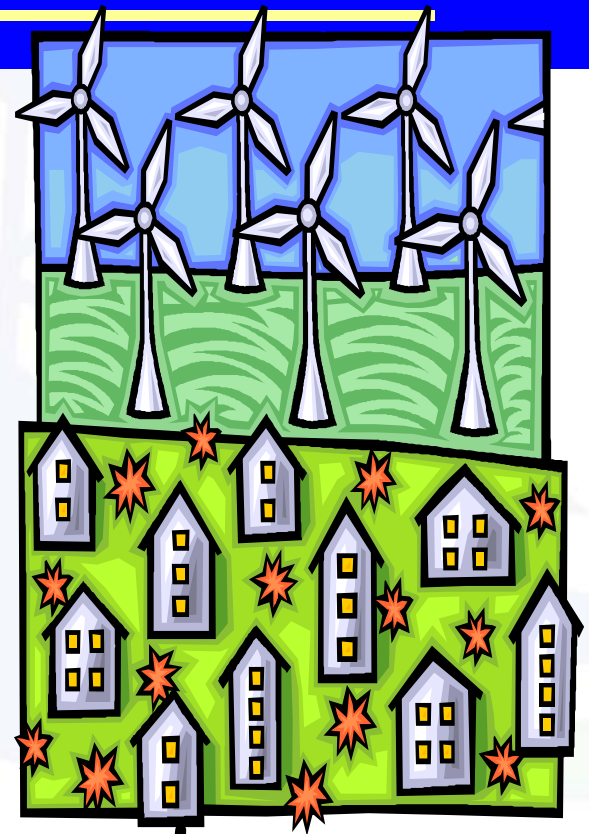


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To contact the Business-Cooperative Specialist nearest you, go to:  
[http://www.rurdev.usda.gov/ia/rbcs\\_BCMaP\\_of\\_Iowa\\_RD\\_6-04.pdf](http://www.rurdev.usda.gov/ia/rbcs_BCMaP_of_Iowa_RD_6-04.pdf)

# What is Section 9006?

- 2002 Farm Bill (till 2007)
- Continuing resolution 2008
- USDA Rural Development
- rural small businesses
- agricultural producers
- to purchase  
**Renewable Energy** Systems and  
**Energy Efficiency** Improvements.



# Section 9006

## USDA Energy Program

### RENEWABLE ENERGY

Wind  
Solar  
Geothermal  
Biomass  
Hydrogen

### ENERGY EFFICIENCY

Buildings  
Industrial  
(Equipment)  
"Replacement"



# Eligible Applicants

- Agricultural Producers

- Directly engaged in ag production
- 50%+ of gross income from ag operations

- Rural Small Businesses

- Must meet SBA small business size standards
- Go to SBA website and locate the table of size standards

<http://www.sba.gov/size/index.html>



# Types of Financial Assistance

- Grant Only  
for up to **25%** of total eligible costs
- Guaranteed Loan Only  
for up to **50%** of total eligible costs
- Combination Grant and Guaranteed Loan  
for up to **50%** of total eligible costs



Funding Guidelines	Renewable Energy	Energy Efficiency Improvements
Description	A system that <b>PRODUCES</b> or produces and delivers usable energy from a renewable energy source.	Improvements to a facility, building, or process that <b>REDUCES</b> energy consumption.
<b>Minimum</b> grant (no more than <b>25%</b> of total <u>eligible</u> project costs)	\$ 2,500 Minimum total <u>eligible</u> project costs of \$10,000	\$ 1,500 Minimum total <u>eligible</u> project costs of \$6,000
<b>Maximum</b> grant (no more than <b>25%</b> of total <u>eligible</u> project costs)	\$ 500,000	\$ 250,000

The minimum g-loan is \$5000 and the maximum is \$10 million

# Section 9006 Eligible Costs Include:

- **Post application** purchase & installation of equipment,  
(New, refurbished, or re-manufactured) except agricultural tillage equipment, used equipment and vehicles.
- **Post application** construction or project improvements, except residential.
- **Energy audits** or assessments,
- Permit and license fees,
- Professional service fees,  
except for application preparation





## Section 9006 Eligible Costs - Cont'd

- Business plans
- Feasibility studies & Technical reports
- Retrofitting **replacement**
- Construction of a new/energy efficient facility - same purpose, approximately same size, and based on the energy audit, provides more energy savings than improving an existing facility.
- Only costs identified in the energy audit for energy efficiency improvements are allowed.





# Section 9006 Eligible Costs - Cont'd

For guaranteed loan funds only

Working capital  
Land Acquisition

Are also considered eligible costs.

# Overall Business-Cooperative Program Information

[www.rurdev.usda.gov/ia/rbs.html](http://www.rurdev.usda.gov/ia/rbs.html)

<a href="#">Composite Chart - All Business-Cooperative Programs</a>	<a href="#">Application Due Dates</a>	Business-Coop Specialist to Contact	<a href="#">Application Forms, Certifications and Regulations</a>	
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## Other Information

<a href="#">Revolving Loan Fund Map</a>	<a href="#">DUNS Registration Process</a>	<a href="#">Reporting Requirements</a>	<a href="#">Coop Development Technical Assistance</a>	
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## Loan Program Information

B&I Guar. Loan	Business & Industrial Guaranteed Loans	<a href="#">B&amp;I Fact Sheet</a>	<a href="#">B&amp;I Basic Information</a>	<a href="#">B&amp;I and Energy Guaranteed Loan Comparison</a> <a href="#">RD Guaranteed Loan Comparison</a>	<a href="#">Lender User Manual for E-Authentication Process</a>
IRP Loan	Intermediary Relending Program	<a href="#">IRP Fact Sheet</a>	<a href="#">IRP checklist of documents for application</a>		
REDL	Rural Economic Development Loan	<a href="#">REDL Fact Sheet</a>	<a href="#">REDL checklist of documents for application</a>		

## Grant Program Information

RBEG	Rural Business Enterprise Grants	<a href="#">RBEG Fact Sheet</a>	<a href="#">RBEG checklist of documents for application</a>	<b><a href="#">RE/EE - Section 9006 Renewable Energy Systems and Energy Efficiency Improvements Program Grants &amp; Guaranteed Loans</a></b>
RBOG	Rural Business Opportunity Grants	<a href="#">RBOG Fact Sheet</a>	<a href="#">RBOG checklist of documents for application</a>	

RCDG	Rural Cooperative Development Grants	<a href="#">RCDG Facts (see below)</a>	<a href="#">RCDG checklist of documents for</a>	<b>VAPG</b> Value Added Producer Grant
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# Iowa Energy Home Page *(bottom of the page)*

[http://www.rurdev.usda.gov/ia/rbcs\\_RE-EE\\_Section\\_9006.html](http://www.rurdev.usda.gov/ia/rbcs_RE-EE_Section_9006.html)

**Grants**

**Guaranteed  
Loans**

**9008 Research &  
Development  
Biomass Program**

**Combination Grants & Guaranteed  
Loans**

You must file 2 applications -  
1 for the grant and 1 for the  
guaranteed loan.

**Awards from  
previous fiscal  
years**

# To reach application materials

- **Step 1** - Are total eligible projects costs -
  - ✓ \$200,000 or less
  - ✓ Exceeding \$200,000
- **Step 2** - Is your project
  - ✓ For energy efficiency improvements,
  - ✓ A renewable energy project?
- **Step 3** - Application materials



Committed to the future of rural communities.

Template

Link to Forms

Technical Report  
Guidelines

# 4 Application Templates



- ✓ **Simplified** grant - \$200,000 or less
- ✓ **Full** grant > \$200,000
- ✓ **G-loan** or **Combo** - \$600,000 or less
- ✓ **G-loan** or **Combo** - > \$600,000

# Energy Audit

(for energy efficiency projects only)



- Needed to determine eligibility
- Needed to determine if improvements eligible for funding
- Needed to answer score sheet questions
- Needed to determine technical feasibility

## Definition of Energy Assessor

An individual or entity that conducts an energy assessment.

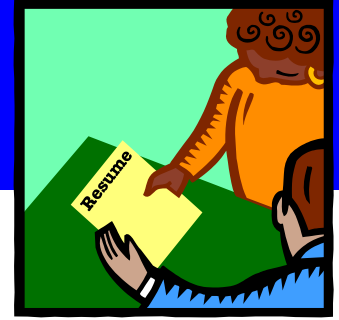
## Definition of Energy Auditor

An individual or entity that conducts an energy audit.

The assessor or auditor has to be an independent third party - it cannot be the applicant, it cannot be the technology company selling the product/process.



# Contents of Energy Audit



Qualifications and experience of energy auditor - has to be 3<sup>rd</sup> party.

- i. Situation report
- ii. Recommended improvements and costs
- iii. Technical analysis

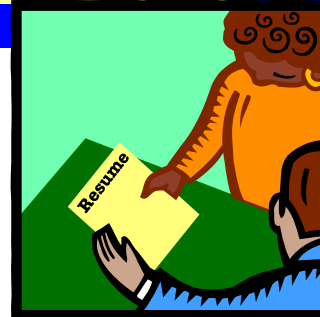
- A. Estimate annual energy savings and energy costs savings expected from each improvement identified.
- B. Calculate direct and indirect costs of each improvement.
- C. Rank potential improvement measures by cost effectiveness.



# Contents of Energy Audit (cont'd)

## iv. Potential Improvement description

- narrative
- preliminary specs for critical components
- preliminary drawing of layout if structural changes
- Document** baseline data compared to projected consumption - include 1 yr's bills along with utility rate schedules
- Identify significant changes in O&M costs
- Describe how outcomes will be measured.



Use the simplest format possible -

- the information we need to score the project should be readily accessible and summarized at the beginning of the energy audit report
- detailed information and documentation to support the conclusions should be attached.

For an energy efficiency project -  
The energy audit can account for up to 33.5 of a maximum of 115 pts (29%).



EE		RE	
Grain Dryer	158	Biomass	15
Industrial	4	Digester	2
Buildings	7	Lg. Wind	26
Total	169	Sm. Wind	10
		Lg. Solar	0
		Sm. Solar	1
		Geothermal	5
<b>Grand Total</b>	<b>228</b>	<b>Total</b>	<b>59</b>



# Total Dollars to Iowa - Section 9006

<b>Total awards</b>	<b>228</b>
<b>Total Grant Dollars</b>	<b>\$14,459,743</b>
<b>Total Guaranteed Loan Dollars</b>	<b>\$22,840,582</b>
<b>Total Dollars to Iowa</b>	<b>\$37,300,325</b>

