



Rural Utilities Service Energy Efficiency Programs

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USDA Rural Development

Over 40 grant, direct loan, and guaranteed loan programs to finance housing, businesses, and infrastructure in rural areas.

Program Areas:

- **Rural Housing Programs**
- **Rural Utility Programs**
- **Rural Business and Cooperative Programs**

<http://www.rurdev.usda.gov>



Energy Programs at USDA Rural Development

- **Bio-refinery Assistance**
- **Biomass Crop Assistance Program**
- **Repowering Assistance**
- **Bioenergy Program for Advanced Biofuels**
- **Biomass Research and Development**
- **Rural Energy for America Program (REAP)**



Energy Programs at USDA Rural Development

- **High Energy Cost Grant**
- **Energy Resource Conservation Loans**
- **Energy Efficiency and Conservation Loan Program (EECLP)**
- **Rural Energy Savings Program (RESP)**



Energy Programs at USDA Rural Development

Can also fund energy efficiency and renewable energy projects via the following financing tools:

- **Community Facilities (non-profits)**
- **Water & Environmental Loans (municipal water/sewer systems)**
- **Business & Industry Guaranteed Loans (businesses)**



On-line tools: www.usda.gov/energy

- **Energy Maps--<https://www.usda.gov/energy/maps/maps/Investment.htm>**
- **Energy Matrix--<https://www.usda.gov/energy/matrix/Home>**



RUS Electric Program

- <https://www.rd.usda.gov/programs-services/all-programs/electric-programs>
- **\$5 billion of investment for FY 15**
- **\$5.5 billion of investment for FY 16**
- **RUS is current under a Continuing Resolution (no “budget”) for FY 17**
- **Incentive lender, not lender of last resort**
- **...population of 20,000 inhabitants or less will be considered rural... (based on 2010 Census Data)**



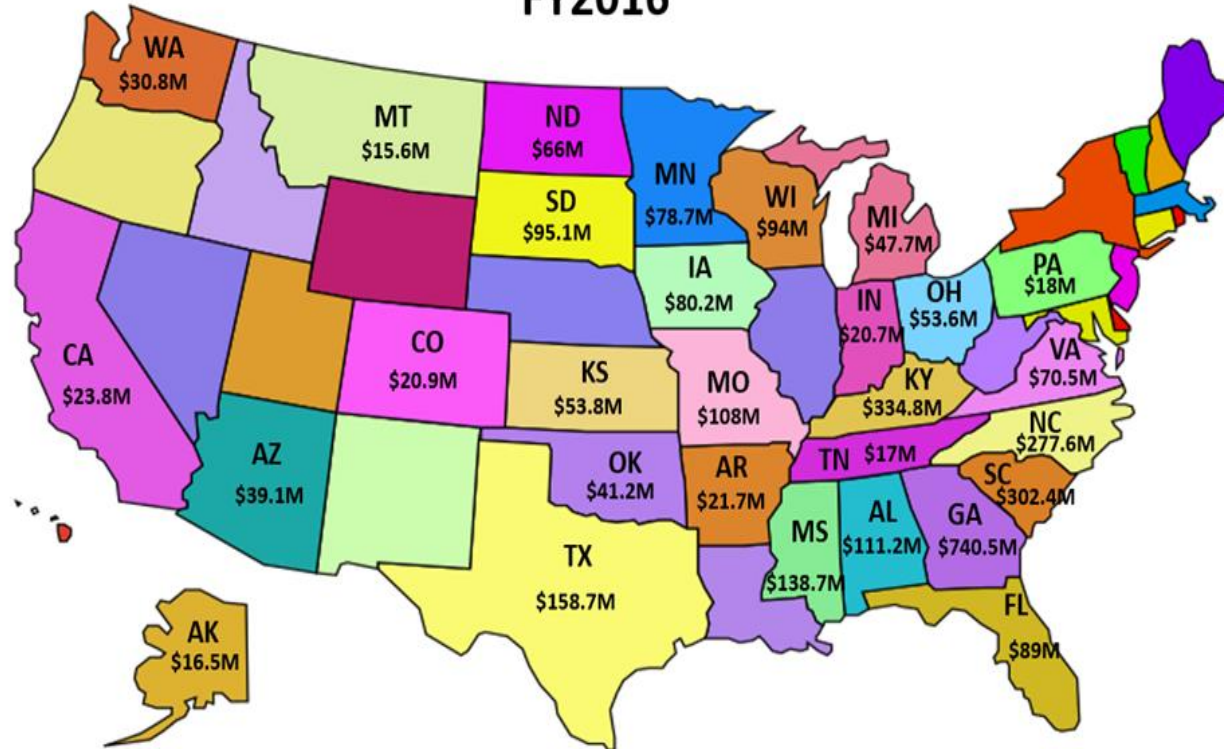
RUS Electric Program

- **\$46 billion loan portfolio**
- **612 current borrowers**
- **\$120 billion total investment since inception of program**
- **0.04% delinquency rate**
- **Over 40% of the electric infrastructure in the USA built by entities currently or once financed by RUS/REA**



RUS Electric Program

Loan Funds Received Per State FY2016





High Energy Cost Grant

- <https://www.rd.usda.gov/programs-services/high-energy-cost-grants>
- Provides financial assistance for the improvement of energy generation, transmission, and distribution facilities serving rural communities with home energy costs that are 275 percent above the national average.
- Guidelines are provided to assist in calculation of eligibility for off-grid households and communities and for very high cost to serve communities within utility service territories.
- Eligibility benchmarks are derived from Energy Information Administration (EIA) data (<http://www.eia.gov/>).



High Energy Cost Grant

- **Non-profit and for-profit corporations, associations, partnerships and cooperatives;**
- **Sole proprietorships;**
- **State or local government entities;**
- **Indian tribes, tribally-owned entities and Alaska Native Corporations;**
- **Individuals or group of individuals applying on behalf of their communities;**
- **any of the above entities located in a U.S. Territory or other area authorized by law to participate in programs of the Rural Utilities Service, USDA Rural Development, or USDA.**



Energy Efficiency and Conservation Loan Program

- <https://www.rd.usda.gov/programs-services/energy-efficiency-and-conservation-loan-program>
- **Utilities relending RUS funds to the consumer for EE upgrades to homes, businesses or industry.**
- **Utilities may charge an interest rate to the consumer.**
- **Loans to RUS borrowers may have terms for up to 30 years.**
- **Potential borrowers should reach out to USDA General Field Representatives for guidance on submitting an application. Available EECLP Toolkit.**



Rural Energy Savings Program

- <https://www.rd.usda.gov/programs-services/rural-energy-savings-program>
- Provides loans to entities that agree to make affordable loans to help consumers implement cost-effective, energy efficiency measures.
- RESP will help lower energy bills for rural families and businesses and will reduce barriers to investment in energy efficiency projects or activities.
- Eligible applicants include current and former Rural Utilities Service (RUS) borrowers, subsidiaries of current or former RUS borrowers, and entities that provide retail electric service in rural areas.

	Energy Efficiency and Conservation Loan Program	Rural Energy Savings Program
Eligibility	Utilities in rural areas	Not limited to utilities but they have to serve rural areas (E.g. subsidiaries of utilities)
Purpose	To help utilities manage their system load growth or a more beneficial load profile	To help rural families & rural small businesses reduce energy costs or consumption
Interest Rate	US treasury rate + 1/8 th %	0%
Interest Rate to Borrower	US treasury rate +borrowers interest rate from RUS +1.5%	3% or lower
Mark-up to end user	Capped at 1.5%, waived on case by case basis	Capped at 3%
Advances	Reimbursable	May or may not be reimbursable
Loan term	15 years or useful life of equipment	Up to 20 years
Acceptable financial structures/ investments	On bill, on bill-tariff based structures, direct investments in the utility's system	Only for re-lending like in tariff charge, PACE programs, traditional consumer loans (line item in the electric bill)
RUS Cushion of Credit Account	Available	Not available



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