



Farm Bill 9006 Energy Efficiency and Renewable Energy Grant Program

Grant Applications due **June 27, 2005.**

To look at last year's winning projects, visit:

<http://www.rurdev.usda.gov/rd/newsroom/2004/EnergyLists0904.html>

To access specific information on 2005 grants, and to get an application, visit:

<http://www.rurdev.usda.gov/rbs/farmbill/2005NOFA/nofa05navigate.htm>

In March, USDA Rural Development released the FY05 Notice of Funding Availability (NOFA) for Section 9006 of the 2002 Farm Bill, the Renewable Energy Systems and Energy Efficiency Improvements Program. Applicants have 90 days to submit applications for the \$11.4 million in funding will be initially available for grants during the current solicitation. Grant applications will be due on June 27, 2005.

This year, the Agency is setting aside the other \$11.4 million in program funding for guaranteed loans. These funds will be administered under a final rule to be published in the Federal Register later this fiscal year. Any funds for loan guarantees not used by August 31, 2005 will be awarded to grant applicants under this solicitation.

The basic grant program and application processes are largely unchanged from last year. The minimum grant size is \$2,500 and the maximum is \$250,000 for energy efficiency improvements and \$500,000 for renewable energy systems. **Grants can provide up to 25% of total project costs.** However, there are some significant changes in how projects will be evaluated and scored:

- Energy efficiency projects receive no points for energy savings if the project does not save at least 20% of energy consumption.
- Renewable energy projects geared towards energy replacement (e.g., small wind systems) can receive up to 15 points (50% + displacement) while the maximum for projects aimed at energy generation is 10 points.
- Projects do not receive any points for environmental benefits unless they exceed the applicable state laws or regulations.
- Technical Merit Score: This is now the largest scoring category (35 points) Points will be awarded on a number of criteria in this category based on elements of the project plan and feasibility analysis.
- Project Readiness: Projects will be awarded up to 15 points for showing commitment letters for all sources of required funding. In the past, this was a requirement but did not have evaluation points associated with it.
- Small Producers: While \$1 million in revenue is still the cut-off for receiving points (5) as a "small producer", producers with revenue less than \$600,000 will receive 10 points and those under \$200,000 will receive 15 points.
- No Previous Awards: Applicants who have not received a grant in the past 2 years will receive 10 points.
- Return on Investment: Payback is now one of the least-important evaluation criteria. Projects with a payback less than 4 years receive 5 points; those with paybacks of 8-11 years receive 1 point.

Complete program details including the text of the NOFA, required application forms, frequently asked questions and notices of upcoming workshops are available the Environmental Law and Policy Group's Farm Bill page: <http://www.FarmEnergy.org>.

For more information:

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