



United States
Department of
Agriculture

Rural Development



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The USDA Rural Energy Savings Program (RESP)

Overview and Update

EECLP vs RESP Overview

	EECLP- \$Billions	RESP- \$100 Million plus
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, on-bill, PACE programs, traditional consumer loans (line item in the electric bill)
RUS Cushion of Credit Account	Available	Not available

Rural Energy for America Program (REAP)

Rural Energy for American Program (REAP) provides Grants and Guaranteed Loan funding for Renewable Energy System Installations and Energy Efficiency Improvements for Agriculture Producers and Rural Small Businesses

Agenda

- Rural Energy Savings Program 2018
 - Loan Purpose and Authority
 - Eligibility
 - Application Process
 - Eligible Activities
 - Environmental Review
 - Loan Conditions
 - NEW! – Manufactured Home Replacement

Loan Purpose and Authority

RESP (Direct RUS Loan)

- Help rural families and small businesses achieve cost savings through loans that would enable them to implement durable cost-effective energy efficiency measures.
- The Agricultural Act of 2014

Eligibility

RESP

- any public power district, public utility district, or similar entity, or any electric cooperative that borrowed and repaid, prepaid, or is paying an electric loan made or guaranteed by RUS;
- any entity primarily owned or controlled by 1 or more entities described before; or
- any other entity that is an eligible borrower of RUS, as determined by 7 CFR 1710.101.

1710.101 Types of Eligible Borrowers

Those that provide:

- 1) The retail electric service needs of rural areas, or
- 2) The power supply needs of distribution borrowers...

Program Evolution

- Loan History
- Loan Size
- Funding Availability

Representative programs

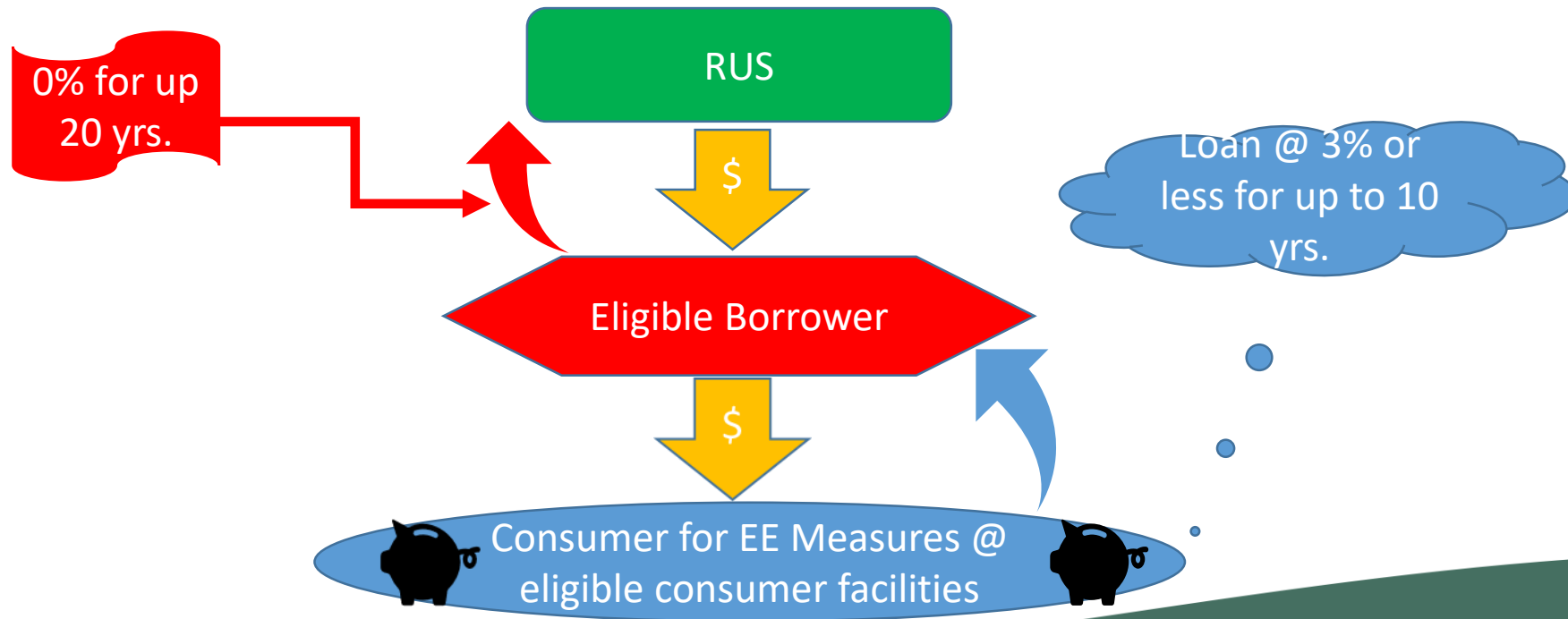
- NOPEC – Businesses
- Reliable – Solar for energy cost reduction
- KW Savings- Help My House Program

Rural Energy Savings Program- Direct Loan

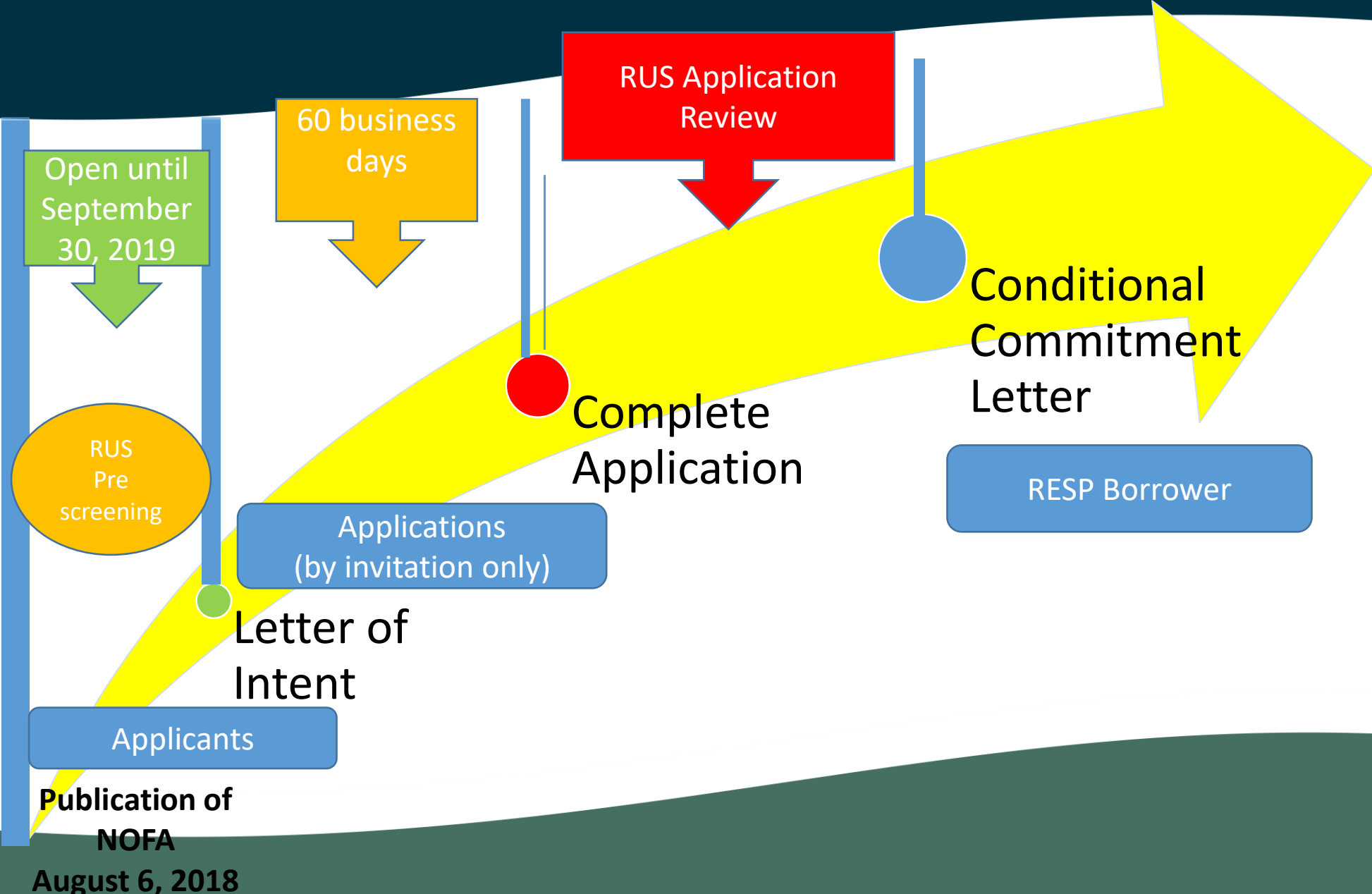
Why we have RESP?

To help rural families and small businesses achieve cost savings through loans that would enable them to implement durable cost-effective energy efficiency measures.

How do we help rural families and small businesses achieve cost savings?



2018 RESP Application Process



RESP Eligible Activities (NOSA Section E(d))

- i. Lighting Improvements (Residential and commercial)
- ii. HVAC Systems
- iii. Building Envelope Improvements
- iv. Water Heaters
- v. Compressed Air Systems
- vi. Motors
- vii. Boilers, Dryers, Heaters and process related equipment
- viii. Energy Audits
- ix. On or Off Grid Renewable Energy Systems
- x. Energy Storage Devices
- xi. Energy Efficient Appliance Upgrades
- xii. Irrigation or Water and Waste Disposal System Efficiency Improvements
- xiii. Replacement of Manufactured Homes
- xiv. Other Activities and investments directly related to Energy Efficiency Implementation

Some Activities Listed as Cat Ex

Air Flow Efficiency - Interior - Add/Replace

- Air Destratification
- Airflow and fan speed reduction
- Ductwork system with centrifugal or vane axial fans
- Enclosed high-velocity fan
- Improve design and balance of duct system
- Increase pipe insulation
- Install local ventilation and makeup air hoods
- Open propeller fans
- Reduce Ventilation Loads
- Reduce ventilation rate to minimum
- Variable-air-volume (VAV) system to reduce fan energy use

Cooling System - Interior - Add/Replace

- Improve Cooling Efficiency
- Increase chilled water design temperature
- Increase Condensing Efficiency
- Increase Condensing Unit Efficiency
- Install Double-Bundle Chillers
- Install High-Efficiency Compressor
- Install More Efficient Cooling System
- Install Refrigerated Space Doors or Curtains
- Lower condenser water design temperature
- Multiple Compressors and Controls for Air Conditioning Systems
- Optimize cooling tower flow controls
- Parallel unequal reciprocating compressor
- Reciprocating compressor
- Rotary compressor
- Screw compressor
- Use multiple chillers and optimization controls

RESP Loan Conditions

- 20 Year Maximum Loan Term
- 10 Year Advance (Draw) Period
- Up to 4% for startup
- No more than 50% draw in any one year
- Must start repayment at 10 years
- Rurality (Currently 20,000 per census tract, but if any of the current service area is rural, all service areas are eligible)
- Equipment/materials must be ATTACHED to a dwelling/building/property

RESP Changes for 2018

- Notice Period Open through September 2019, or until all funds are exhausted
- Addition of:
 - Replacement of Manufactured Homes (if determined to be more energy efficient)
- Applicants are encouraged to consider projects that provide measurable results in helping rural communities build robust and sustainable economies through strategic investments in **infrastructure, partnerships and innovation.**

Manufactured Home Replacement This is Eligible!



Manufactured Home Replacement

This is Not!



Manufactured Home Replacement

While this is a modular home, it is not eligible.



Manufactured Home Replacement

Is eligible IF replacement would be more cost effective in saving energy

HUD Standards (1994)

Newer homes – case by case



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Questions?

RUS Electric Program GFR Link: <https://www.rd.usda.gov/contact-us/electric-gfr>

USDA Rural Development is committed to the future of rural communities.

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