



Committed to the future of rural communities.

Rural Energy for America Program

GRANT FUNDING FOR RENEWABLE FLEXIBLE FUEL BLENDER PUMPS

The Rural Energy for America Program (REAP) offers grant and guaranteed loan funding for eligible rural businesses to assist with the cost of purchasing and installing flexible fuel pumps for mid-range ethanol blends (including E85). Biodiesel is also eligible.

APPLICANT ELIGIBILITY

- The applicant must be a rural small business or agricultural producer. For gasoline service stations with convenience stores, applicants must have total income of \$27 million or less in the previous tax year. Total income is defined as gross receipts less cost of goods sold.
- Current on all Federal debts.

PROJECT ELIGIBILITY

- The project must be for the purchase and installation of a renewable flexible fuel blender pump system (such as mid-range ethanol blends or E85).
- The project must be for commercially available technology.
- The project must be located in a rural area, which is defined as any area other than a city or town that has a population of greater than 50,000 inhabitants and the urbanized area contiguous and adjacent to such a city or town according to the latest decennial census of the United States.
- The applicant must be the owner of the project and control the revenues and expenses of the project, including operation and maintenance. A third-party under contract to the owner may be used to control revenues and expenses and manage the operation and/or maintenance of the project.
- Satisfactory sources of revenue in an amount sufficient to provide for the operation, management, maintenance, and debt service of the project must be available for the life of the project.

GRANT FUNDING

- The amount of grant funds that will be made available to an eligible project will not exceed 25 percent of total eligible project costs. The minimum grant amount is \$2,500 and maximum amount is \$500,000.
- The applicant is responsible for and must secure the remainder of the total eligible project costs not covered by grant funds. State, local, and private funds, and investment tax credits, can be used in conjunction with the REAP grant. Other direct Federal grant funds cannot be used to meet the matching fund requirement.

ELIGIBLE PROJECT COSTS

Costs must be an integral and necessary part of the renewable flexible fuel blender pump system. Grant applications must be submitted to USDA Rural Development prior to incurring project costs. Costs incurred before submission of the grant application are not eligible for grant funding. Eligible costs include the following:

- Post-application purchase and installation of equipment (new, refurbished, or remanufactured), including dispensers, pumps, tanks, and piping.
- Post-application construction or improvements.
- Permit and license fees.
- Professional service fees, except for application preparation.
- Retrofitting.

APPLICATIONS

Grant applications are selected for funding based on a competitive process based on criteria including the type and quantity of renewable energy generated or saved, expected environmental benefits of the renewable energy system, and the estimated project economic investment return.

Loan guarantees are also available for projects utilizing commercial bank financing.

HOW TO APPLY

To discuss a project and/or to obtain an application guide, please contact the USDA - Rural Development State Office in Columbia at 573-876-0995 or one of our USDA - Rural Development Area Offices shown below.

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| ▪ St. Joseph | 816-364-3927 | ▪ Springfield | 417-831-5246 |
| ▪ Kirksville | 660-665-3274 | ▪ Farmington | 573-756-6488 |
| ▪ Clinton | 660-885-5567 | ▪ Dexter | 573-624-5939 |

Program information and applications are also available at our website:

<http://www.rurdev.usda.gov/MO-REAP.html>