



Rural Development

Rural Utilities Service
& Rural Business-Cooperative Service
Energy Efficiency Programs

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



USDA Rural Development offers a variety of financing options to expand efforts to help rural communities save money, reduce the need to purchase or generate energy, reduce emissions from electricity generation, and help strengthen rural economies through job creation for energy efficiency and conservation projects.

	High Energy Cost Grant	Energy Efficiency and Conservation Loan Program (EECLP)	Rural Energy Savings Program (RESP)	Electric Infrastructure Loan Program	Energy Resource Conservation (ERC)	Rural Energy for America Program (REAP) Renewable Energy Systems and Energy Efficiency Improvements	Rural Energy for America Program (REAP) Energy Audit and Renewable Energy Development Assistance	Rural Economic Development Loan and Grant Program (REDLG)
Typical Projects	Energy system upgrades, including behind-the-meter energy efficiency and conservation measures	Energy efficiency upgrades and on- and off-grid renewable energy projects	Relending for energy efficiency investments	Renewable power generation and electric system infrastructure upgrades, smart grid and smart metering	Building envelope upgrades, HVAC, renewable energy projects, and distributed generation projects	Wind, solar, hydroelectric, geothermal, ethanol, biodiesel, biomass boilers, anaerobic digesters, envelope upgrades, and automated controls	Conducting energy audits or renewable energy development assistance	Loans made from revolving loan funds for projects that will create or retain rural jobs
Purpose	To offset extremely high household energy costs in areas where energy costs exceed 275 percent of the national average	To finance utilities' energy efficiency and renewable energy programs that help reduce consumption and manage load	To help rural families and small businesses reduce energy use or expenditures through energy efficiency investments	To finance the improvement of electric facilities in rural areas	To enable current RUS borrowers to make funds available to their consumers for energy conservation and renewable energy projects	To provide grants and guaranteed loans to agricultural producers and rural small businesses for energy efficiency improvements and renewable energy systems	To provide energy audits, renewable energy technical assistance, or renewable energy site assessments to agricultural producers and rural small businesses. Rural small businesses must be located in eligible rural areas. This restriction does not apply to agricultural producers.	To provide funding for rural projects through local utility organizations
Eligibility	For-profit and nonprofit organizations, cooperatives, trusts, state and local governments, any agency and instrumentality of a state or local government, Indian Tribes, and Tribally-owned entities An individual or group of individuals applying on behalf of unincorporated community associations Any of the above entities located in a U.S. territory or other area authorized by law to participate in programs of the RUS or under the Rural Electrification Act	Utilities furnishing the energy needs in rural areas	Former and current RUS borrowers Subsidiaries of RUS borrowers or former RUS borrowers Any of the following entities that provide or propose to provide retail electric service in rural areas: <ul style="list-style-type: none">• Corporations• States• Territories, subdivisions, and agencies• Municipalities• Utility districts• Cooperatives• Nonprofit and limited dividend• Mutual associations	Entities that furnish and improve electric service in rural areas, including: <ul style="list-style-type: none">• State and local governmental entities• Federally recognized Tribes• Nonprofits, including cooperatives and limited dividend or mutual associations• For-profit businesses (must be a corporation or limited liability company)	RUS borrowers with outstanding direct loans	Agricultural producers and rural small businesses	<ul style="list-style-type: none">• State and local governments• Federally recognized Tribes• A land-grant college or university, or other institutions of higher education• Rural electric cooperatives• Public power entities• An instrumentality of a state and local government• A Resource Conservation & Development Council	Intermediaries <ul style="list-style-type: none">• Former RUS borrowers who borrowed, repaid or pre-paid an insured, direct, or guaranteed loan• Nonprofit utilities that are eligible to receive assistance from the Rural Development Electric or Telecommunication Programs• Current Rural Development Electric or Telecommunication Programs Borrowers
Interest Rate	Grant	Federal Financing Bank (FFB) plus 1/8 percent	0 percent	FFB plus 1/8 percent	U.S. Treasury rate	Negotiated between lender and borrower; may be either fixed or variable	N/A	0 percent loan or grant
Loan Terms for Borrower	N/A	15 years or the useful life of machinery and equipment	Up to 20 years	Up to 35 years	Terms vary based upon the principal balance and terms of the existing direct loans	<ul style="list-style-type: none">• Up to 30 years on real estate• Up to 15 years or the useful life of machinery and equipment• Up to 7 years on working capital	25 percent of the cost of the energy audit is paid by the agricultural producer or rural small business	10 years
End User/Ultimate Recipient	Persons, states, political subdivisions of states, and other entities organized under the states' laws	Consumer who receives a loan from a borrower under the EECLP	A consumer served by an eligible entity that has the ability to repay a loan made by the eligible entity	Any of the eligible entities of the traditional Electric Infrastructure Loan Program	RUS borrowers' consumers	N/A	Agricultural producers and rural small businesses	Nonprofit and for-profit entities, public bodies, or Federally recognized Indian Tribes
Interest Rate for Relending	N/A	Direct U.S. Treasury rate plus the borrower's interest rate from RUS plus 1.5 percent	3 percent or lower	N/A	Flexible	N/A	N/A	0 percent The utility can charge a servicing fee
Website	http://www.rd.usda.gov/programs-services/high-energy-cost-grants	http://www.rd.usda.gov/eeclp	http://www.rd.usda.gov/resp/	http://www.rd.usda.gov/eilp	http://www.rd.usda.gov/erc	www.rd.usda.gov/reap	http://www.rd.usda.gov/reap-ea	http://www.rd.usda.gov/redlg