



Frequently Asked Questions

Powering Affordable Reliable Technology (PART) program

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Items from the original 1.2 version published August 17, 2026, are as is. Items added in version 2.1 have a singular * leading the question. Items added in version 3.2 have double * leading the question. Items added in version 4.1 have triple * leading the question.

USDA Rural Development's Rural Utilities Service (RUS) is providing a list of questions asked by the public regarding the PART program and the Notice of Funding Opportunity (NOFO). Some of the questions will be extremely specific to a particular potential applicant but are included in this Frequently Asked Questions (FAQ) to ensure transparency and that everyone has access to the same information.

Because information changes, always consult official program regulations or contact your RUS General Field Representative for help. A list is available at this link:
<https://www.rd.usda.gov/contact-us/electric-gfr>.

You can email PART program questions to SM.RD.RUS.PART-Questions@usda.gov

DISCLAIMER: The information in this guide does not outweigh technical and regulatory language in the Inflation Reduction Act (IRA) (link available here: <https://www.congress.gov/bill/117th-congress/house-bill/5376/text>). PART is governed by Section 22001 of the IRA. In questions of precedence, always refer to the Public Law or regulation.



Contents

Questions for PART	8
Eligible Activities	8
What project types and technologies are eligible for PART funding?	8
Are behind the meter projects such as those through net metering agreements eligible under PART?	8
If I am generating eligible RER for my own industrial use, would a project that expands capacity to sell excess power on the grid be eligible for PART funding? ...	8
*Does the combination of modular hydro generation paired with energy storage qualify as an eligible technology under PART, and are there any specific requirements for how the storage must be integrated or sized relative to the hydro resource?	9
Are thermal storage systems eligible?	9
Is there a required minimum threshold (e.g., percentage of charging attributable to an eligible source) to qualify a storage system as "charged by" that resource?	9
Is ESS charged by a physically separated eligible generation source eligible for PART financing so long as the link between the source and the ESS can be proven?	9
*May multiple existing eligible renewable facilities be aggregated to support one BESS?	9
*How do we establish that 100% of the energy used to charge the ESS is coming from an eligible source?	10
What sort of documentation will be considered when determining if a project is being charged by an eligible source?	10
*May the ESS be dispatched primarily for purchased-power peak shaving, reliability, and resiliency so long as any renewable-charging requirement is satisfied?	10
If a microgrid is made up of an ESS that is powered by an RER, and the design also includes a diesel generator for redundancy, are the costs associated with the diesel generator eligible?	10
Is the program limited primarily to utility-owned generation, storage, and linear infrastructure?	10

Could the United States Department of Agriculture (USDA) statutory authority be used to include waste heat to power in this NOFO through an amendment/addendum?	11
Can I request funding for the refinancing of my existing plant?	11
Are the PART loans for new construction only? Or are upgrades and improvements to an existing biomass facility eligible as well?	11
*There are many aging hydro facilities in rural parts of the country that could produce significantly more power with new investments in rewinds, turbine upgrades, and other capacity increasing investments. Would a major upgrade project producing an increased amount of hydropower be eligible for PART funding?	11
Does Biomass include Ag Waste (dairy/swine/poultry manure/litter)?	12
***For facilities that produce both fuel and electricity, is the portion that produces electricity eligible under PART?	12
***If we have a biomass facility that generates biogas, can we sell biogas to a generation facility or export it into a gas pipeline and have our biomass project as eligible under PART?	12
***Can I use my Biomass project as a Combined Heat and Power system and receive funding for it under the PART program?	12
If a project qualified for a USDA Rural Energy for America Program (REAP) grant, does it qualify for PART?	13
Can I include transmission lines and other supporting infrastructure for my ESS and solar project under PART?	13
**If advanced control systems are fully integrated into an RER eligible-plus-storage microgrid to improve dispatch, resilience, and firming, can those controls be included as part of the PART-eligible project cost?	13
Where a utility receives a PART award for an eligible RER generation project and uses a third party owned transmission line to deliver the eligible RER power to eligible distribution customers, can the PART awardee recover its transmission costs?	13
For a new solar plus storage, where a battery storage system is being charged by solar, all costs are eligible except for the construction costs associated with the solar panel installation. Is that correct?	14



Is my organization eligible to apply for funding on a project owned and operated by a third party?	14
Is a project currently under construction eligible for PART?	14
**Where does RUS draw the line between permissible development activity and “commencement of construction” or “ground disturbance” for purposes of the PART requirements?	14
**For a project that is already in development, may pre-construction activities continue in parallel with the PART application and RUS environmental review without affecting eligibility?	15
Would this program be appropriate for a project that would upgrade our distribution system (lines, transformers, etc.) if we are not seeking funding for RER or EES?. 15	
Could PART funding be used to pay for battery storage costs via a PPA and qualify for the 40% forgiveness?	15
Applicant Eligibility	15
Can you confirm if non-utility entities are eligible to apply for this opportunity?	15
*Can a non-utility independent nonprofit that administers ratepayer-funded energy efficiency and emissions reduction incentive programs that partners with a state's investor-owned utilities whose ratepayers fund our programs be eligible for the PART Program?	16
*Can an operating utility that partners with a nonprofit that administers ratepayer-funded energy efficiency and emissions reduction incentive programs whose ratepayers fund the program, be eligible for the PART Program?	16
*Does an applicant have to be an “operating utility” in the area it seeks to serve in its PART LOI?.....	16
Could a project developer apply directly for funding?.....	16
Can a non-utility municipality apply for PART funding?	16
*If a municipality was a former RUS borrower, does that mean they are still eligible for this program? Additionally, if a municipality is currently a RUS borrower, can we assume they are eligible to submit a Letter of Interest (LOI)?	17
Can I apply for PART as a non-utility industry to operate my own RER facilities to fuel my own operations located in a rural area?.....	17
Are Native Hawaiians eligible for this program?.....	17

*Would a hydropower generator subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC) be considered an operating utility under the PART NOFO?	17
Other Eligibility Criteria	18
How is service territory defined for the purpose of the Rural Percentage determination?	18
*What documentation is required to establish Substantially Underserved Trust Area (SUTA) eligibility, especially where the service area contains SUTA eligible and non-SUTA eligible areas?	18
*How would USDA determine whether a large electric utility meets the rural service area requirements of the funding opportunity?	19
How does RUS measure consumer benefit?	19
Can a single LOI include several electricity projects located at different sites and potentially selling power to different utility off-takers, provided that the total requested financing remains within the \$100 million program limit?	19
*With regards to an existing wholesale power contract, if the distribution cooperative purchases wholesale power under an all-requirements or similar agreement with a generation-and-transmission cooperative, is consent from the wholesale supplier sufficient to confirm no violation of the wholesale contract or is something else needed?	20
*For projects proposed on existing City-owned former generation sites that are already developed or brownfield sites, what level of site control or environmental documentation is expected at the LOI stage versus the full application?	20
**How does RUS treat prior site disturbance and previously completed environmental permitting in making a determination of the appropriate level of environmental review?	20
**For a new project located on an existing brownfield or previously disturbed site, where the site has already been cleared or graded and applicable environmental and construction permits are already in place, what level of RUS environmental review is still required under PART?	21
**Where a project has already undergone environmental review or permitting through another process, how does RUS determine the applicable federal nexus for NEPA purposes? If another federal agency has already completed or is leading an	

environmental review, can RUS adopt, rely upon, or otherwise coordinate with that review rather than requiring a separate process?	21
**How does RUS determine whether a project qualifies for a Categorical Exclusion versus requiring an Environmental Assessment or Environmental Impact Statement?	21
Contact Information and Process.....	22
Where can we download the slides?	22
***Is there an official LOI template or format? (I understand a narrative is required)	22
Please explain the invitation to proceed process and what “above the funding cut-off level” means?	22
Who is the contact at USDA for future questions from stakeholders?	23
How are the environmental review team at USDA contacted?	23
Necessary Documents.....	23
Could you review the details of when a PPA is needed or not?.....	23
What type of documentation should be provided during the Letter of Intent (LOI) phase to verify the source of eligible RER?	23
What specific operating history, reference installations, certifications, warranties or performance data would USDA require to confirm a project uses Commercially Available Technology?.....	24
Timing and Schedules	24
Would a project be considered more competitive if an applicant has already begun environmental review before submitting an LOI?	24
Will submissions received by a certain date be accepted in a batch, similar to how PACE was managed?	24
After Validation what is the timing of loan forgiveness?	24
Award Structure and Forgiveness.....	25
For project loans, do loan disbursements and partial loan forgiveness occur only after the project is complete?	25
Can you provide more explanation or an example of the difference between system loans and project loans?	25
Are System Loans guaranteed the disbursement of funds during construction? ...	25



**Does RUS charge borrowers any fees to take out a PART loan?.....	25
External and Interim Financing	26
If USDA funding is available only for the ESS portion of a project, are we permitted to obtain separate financing from private lenders or other financing partners for the solar Photovoltaic (PV) installation?	26
Will PART funded projects still be eligible for Investment Tax Credits (ITCs)?	26
*Does an applicant and eventual borrower have any obligation around ITC and/or PTC proceeds after project COD if these funds are not needed as an equity contribution?	26
Can you use New ERA and use the PART forgivable loans on the same project?	26
For the required 25% contribution under a Project Loan, can federal investment tax credits, transferable tax credits or direct payment proceeds be recognized as part of the applicant's equity contribution?	27
*Can the PART loan be combined with a state or federal grant to cover a portion of the costs of a project?	27
For a Project Loan, must the developer finance all construction costs until commercial operation before PART loan proceeds are disbursed?.....	27



Questions for PART

Eligible Activities

What project types and technologies are eligible for PART funding?

There are two types of projects eligible for PART funding. 1) Construction of an eligible hydro, geothermal, and/or biomass fueled renewable energy resource project and/or 2) Energy Storage System (ESS) charged by hydro, geothermal, biomass, wind, and/or solar sources of renewable energy under Section 317 of the Rural Electrification Act (RE Act). Projects must serve eligible communities.

Are behind the meter projects such as those through net metering agreements eligible under PART?

Behind the meter consumer-owned, distribution resources are not eligible for PART funding. Section 4.6 (c) of the PART NOFO provides, "Funding will not be provided for merchant power Projects; Projects where a non-utility entity is generating power for its own use or behind the meter projects owned by the consumer

If I am generating eligible RER for my own industrial use, would a project that expands capacity to sell excess power on the grid be eligible for PART funding?

No, Section 4.6 (c) of the PART NOFO provides, "Funding will not be provided for merchant power Projects; Projects where a non-utility entity is generating power for its own use or behind the meter projects owned by the consumer."



***Does the combination of modular hydro generation paired with energy storage qualify as an eligible technology under PART, and are there any specific requirements for how the storage must be integrated or sized relative to the hydro resource?"**

A combined hydro/storage project could be eligible, provided all other requirements are met. The energy storage system must be charged by an eligible renewable energy resource.

Are thermal storage systems eligible?

A thermal storage system that stores heat without generating electricity is not eligible. Electricity must be the ultimate output of any PART financed project.

Is there a required minimum threshold (e.g., percentage of charging attributable to an eligible source) to qualify a storage system as "charged by" that resource?

The applicant must demonstrate that the ESS is charged 100% by an eligible RER using physical, contractual, or other demonstrable and auditable means.

Is ESS charged by a physically separated eligible generation source eligible for PART financing so long as the link between the source and the ESS can be proven?

Yes. The Operating Utility would need to demonstrate by physical, contractual, or other clear evidence that the ESS is charged by renewable power from a hydro, geothermal, biomass, wind, and/or solar renewable power source.

***May multiple existing eligible renewable facilities be aggregated to support one BESS?**

Yes, provided the applicant meets the definition of an operating utility and all other program requirements are met.



***How do we establish that 100% of the energy used to charge the ESS is coming from an eligible source?**

The applicant must demonstrate that the ESS is charged 100% by an eligible RER using physical, contractual, or other demonstrable and auditable means. Where the project does not rely on physical charging, the applicant must demonstrate that the quantity of power charging the battery over time is matched with an equal or greater quantity of eligible wind, solar, geothermal, biomass, or hydro power purchased over time under a power purchase agreement (PPA) or comparable agreement.

What sort of documentation will be considered when determining if a project is being charged by an eligible source?

Documents such as wholesale PPAs and other arrangements showing a clear connection between the source and the EES will be considered when determining if an ESS is being charged by an eligible source.

***May the ESS be dispatched primarily for purchased-power peak shaving, reliability, and resiliency so long as any renewable-charging requirement is satisfied?**

Yes. Provided all other requirements are met.

If a microgrid is made up of an ESS that is powered by an RER, and the design also includes a diesel generator for redundancy, are the costs associated with the diesel generator eligible?

No, the costs associated with the diesel generator would not be eligible for PART funding.

Is the program limited primarily to utility-owned generation, storage, and linear infrastructure?

Applicants to the PART Program are limited to Operating Utilities, as defined in Section 1.3 of the NOFO.



Could the United States Department of Agriculture (USDA) statutory authority be used to include waste heat to power in this NOFO through an amendment/addendum?

No, a waste to heat project is not within the statutory requirements of the PART Program.

Can I request funding for the refinancing of my existing plant?

No, refinancing is not an eligible purpose for this program. Eligible projects must not be constructed prior to the publication of the PART NOFO (August 3, 2026).

Are the PART loans for new construction only? Or are upgrades and improvements to an existing biomass facility eligible as well?

As an initial matter, an eligible biomass project must have electricity as its output, not just biofuel or heat. Accordingly, energy derived from burning inorganic materials such as plastic garbage or other waste would be ineligible. With respect to upgrades to such eligible biomass facilities, an applicant would need to demonstrate that the upgrade will produce a demonstrable increment of electric generation to substantiate the amount of federal funds being requested.

*There are many aging hydro facilities in rural parts of the country that could produce significantly more power with new investments in rewinds, turbine upgrades, and other capacity increasing investments. Would a major upgrade project producing an increased amount of hydropower be eligible for PART funding?

Upgrades that would result in new power supply would qualify as new construction provided they can be distinguished from investments in normal operating and maintenance (O&M) expenditures. Please bear in mind that the PART applicant/borrower must meet the NOFO's definition of an "operating utility."



Does Biomass include Ag Waste (dairy/swine/poultry manure/litter)?

Biomass is generally defined as a renewable organic material that comes from plants and animals. To be eligible for PART funding, the biomass project must have electricity as its output. Biomass that generates gas as the ultimate end product is not eligible. If the waste-to-energy system includes non-renewable inputs, the project would be ineligible for PART financing. Energy derived from burning inorganic materials such as plastic garbage or other waste would be ineligible.

***For facilities that produce both fuel and electricity, is the portion that produces electricity eligible under PART?

Provided that the applicant is an operating utility and the production of electricity is not incidental to the production of fuel (meaning that at least half of the fuel produced by the system is utilized within the Applicant's system to produce electricity), and the financing for new electricity production can be distinguished from the financing of fuel production, the electricity portion of the project could be eligible if all other criteria are met.

The PART NOFO defines "Project" as "Eligible new facilities constructed after the publication of this Notice compliant with all other applicable requirements of this notice used to generate electricity from an RER, and/or to store electricity..."

***If we have a biomass facility that generates biogas, can we sell biogas to a generation facility or export it into a gas pipeline and have our biomass project as eligible under PART?

No. The end product of an eligible project must be electricity that is provided to eligible off-takers.

***Can I use my Biomass project as a Combined Heat and Power system and receive funding for it under the PART program?

The PART NOFO defines "Project" as "Eligible new facilities constructed after the publication of this Notice compliant with all other applicable requirements of this notice used to generate electricity from an RER, and/or to store electricity..." A project that produces both heat and electricity may be eligible up to the portion used to generate electricity so long as the generation of electricity is not incidental to the generation of



heat and the separation of the heat production from the generation of electricity can be technically and financially defined.

If a project qualified for a USDA Rural Energy for America Program (REAP) grant, does it qualify for PART?

PART and REAP are not connected in any way. PART is a separate program with its own criteria. Most notably, however, is that REAP finances projects for an agricultural producer's or small rural business' renewable energy system or energy efficiency improvements for their own needs, whereas PART funds renewable energy projects for Operating Utilities, intended to be sold wholesale to electric distributors or a utility's own customers or members, if an electric cooperative.

Can I include transmission lines and other supporting infrastructure for my ESS and solar project under PART?

Solar generation is not eligible for PART funding. An ESS verifiably charged by an eligible RER (which can include solar power) would be eligible for PART funding, as well as reasonable and necessary linear infrastructure to connect the ESS to the eligible RER power source.

**If advanced control systems are fully integrated into an RER eligible-plus-storage microgrid to improve dispatch, resilience, and firming, can those controls be included as part of the PART-eligible project cost?

If such elements of the project are fully integrated, secure, compliant, and financially feasible, they may be included in an LOI submission for Agency consideration.

Where a utility receives a PART award for an eligible RER generation project and uses a third party owned transmission line to deliver the eligible RER power to eligible distribution customers, can the PART awardee recover its transmission costs?

No, the use of an existing transmission line is not "new facilities" as required by Section 3.3(b) the NOFO, and therefore not eligible for reimbursement.



For a new solar plus storage, where a battery storage system is being charged by solar, all costs are eligible except for the construction costs associated with the solar panel installation. Is that correct?

Correct. To be clear, the PART Program will not finance any of the solar procurement, engineering, construction, or other costs related to the solar facility. However, the ESS mentioned in the hypothetical would be eligible for PART funding.

Is my organization eligible to apply for funding on a project owned and operated by a third party?

No, the applicant must be the owner of the facility that will receive PART funding. Operation of the project by a third party, however, is permissible with prior approval by the agency.

Is a project currently under construction eligible for PART?

Construction must not commence prior to the publication of the PART Notice, August 3, 2026, nor before receipt of RUS Environmental Clearance.

****Where does RUS draw the line between permissible development activity and “commencement of construction” or “ground disturbance” for purposes of the PART requirements?**

There are a number of activities which do not involve ground disturbance in preparation for a project that would not count as “construction.” For example, engineering, financial analysis, the ordering of equipment, the warehousing of equipment in an existing facility, property staking, EPC contracting, permitting, interconnection negotiations, and other non-construction activities.



****For a project that is already in development, may pre-construction activities continue in parallel with the PART application and RUS environmental review without affecting eligibility?**

Yes, as long as no construction activities, including ground disturbance, tree clearing, grubbing/grading, have commenced. Otherwise, the project would not be eligible for environmental review.

Would this program be appropriate for a project that would upgrade our distribution system (lines, transformers, etc.) if we are not seeking funding for RER or EES?

No, however we invite you to explore loan financing opportunities offered by the Rural Utilities Service under the RE Act. We offer electric distribution loans at or near Treasury rates of interest.

Could PART funding be used to pay for battery storage costs via a PPA and qualify for the 40% forgiveness?

No. PART financing is only available for construction of new facilities.

Applicant Eligibility

Can you confirm if non-utility entities are eligible to apply for this opportunity?

They are not. Section 3.1 of the PART NOFO requires applicants to be Operating Utilities, as defined therein in Section 1.3.



*Can a non-utility independent nonprofit that administers ratepayer-funded energy efficiency and emissions reduction incentive programs that partners with a state's investor-owned utilities whose ratepayers fund our programs be eligible for the PART Program?

No. The applicant must be an operating utility to apply.

*Can an operating utility that partners with a nonprofit that administers ratepayer-funded energy efficiency and emissions reduction incentive programs whose ratepayers fund the program, be eligible for the PART Program?

Response: Yes. As long as the applicant/borrower meets the definition of an operating utility, it can apply for the PART Program. The partnership agreement, however, would be subject to review and approval by the agency.

*Does an applicant have to be an “operating utility” in the area it seeks to serve in its PART LOI?

No. An electric service provider that meets the definition of “operating utility” in any part of the United States may apply for PART funding. Please be advised that to receive final approval and funding the applicant must secure all necessary approvals from state and federal regulators to serve the area described in the applicant’s LOI and application.

Could a project developer apply directly for funding?

No. Section 3.1 of the PART NOFO requires applicants to be Operating Utilities, as defined therein in Section 1.3.

Can a non-utility municipality apply for PART funding?

No. Section 3.1 of the PART NOFO requires applicants to be Operating Utilities, as defined therein in Section 1.3.



***If a municipality was a former RUS borrower, does that mean they are still eligible for this program? Additionally, if a municipality is currently a RUS borrower, can we assume they are eligible to submit a Letter of Interest (LOI)?**

It depends. To be eligible for PART funding the municipality must meet the definition of an operating utility and be an electric service provider. A municipal water system (that is not also an electric service provider) that had borrowed from RUS in the past would not be classified as an electric service provider and therefore would be ineligible to apply. If a municipal electric utility had previously borrowed from RUS and meets the definition of operating utility, its service territory would be deemed rural for the purpose of its application and the PART rurality test.

Can I apply for PART as a non-utility industry to operate my own RER facilities to fuel my own operations located in a rural area?

No, No. Section 3.1 of the PART NOFO requires applicants to be Operating Utilities, as defined therein in Section 1.3. Additionally, Section 4.6 (c) of the NOFO provides, "Funding will not be provided for merchant power Projects; Projects where a non-utility entity is generating power for its own use or behind the meter projects owned by the consumer."

Are Native Hawaiians eligible for this program?

If you mean Native Hawaiians that are individuals, then no. Individuals are not eligible to apply for PART funding. Section 3.1 of the PART NOFO requires applicants to be Operating Utilities, as defined therein in Section 1.3. Native Hawaiian Operating Utilities, however, are eligible.

***Would a hydropower generator subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC) be considered an operating utility under the PART NOFO?**

Yes. The NOFO's definition of Operating Utility does not distinguish between federal, state, or local jurisdiction. Provided FERC oversight specifies an area of geographic service, and the applicant has a commitment to serve a geographic area, such an



applicant could be eligible to apply as an operating utility. RUS would consider FERC authorization to be the functional equivalent of a certificate of convenience and necessity. Additionally, for states that may not require Certificates of Convenience and Necessity, evidence that the state has granted the applicant the right to provide electricity to a geographic area by operation of statute, regulation, or order could also qualify as being an Operating Utility under the NOFO.

Other Eligibility Criteria

How is service territory defined for the purpose of the Rural Percentage determination?

The service area is the area where electricity from the facilities to be financed by the proposed project will be delivered and consumed.

*What documentation is required to establish Substantially Underserved Trust Area (SUTA) eligibility, especially where the service area contains SUTA eligible and non-SUTA eligible areas?

SUTA is based on geography and is a completely discretionary authority granted to the Administrator. Please review the SUTA statute, (Section 306F of the Rural Electrification Act) and the SUTA regulation (7 CFR § 1738.103). The SUTA statute refers to another law, 38 USC 3765, to define “trust land” and in turn that provision refers to section 7(a) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(a)). For the purposes of the LOI, if you believe that a project serves an eligible SUTA geography, provide a description or illustration of the location of the project and its service area relative to the SUTA statute in your LOI or as an attachment referenced in your LOI. If the LOI is selected to advance to the application stage, the agency may request additional information to verify the LOI data. It is not uncommon for tribal communities to have a “checkerboard” combination of trust land, tribal owned land, and fee simple land. In such cases the RUS Administrator has the discretion to determine SUTA eligibility based on what is necessary and incidental to serving SUTA territories. Please note that under the terms of the PART NOFO and Section 317 of the Rural Electrification Act (RE Act), the Agency does not have discretion to offer an interest rate other than the municipal rate described in Section 317 of the RE Act.



*How would USDA determine whether a large electric utility meets the rural service area requirements of the funding opportunity?

The eligible applicant proposes the area that the project is designed to serve. The determination of rurality will be based on the proposed geographic area using population or meters served. The applicant may put forward its entire service area for consideration or a subset of the applicant's service territory identifying the specific communities it seeks to serve with the PART funded project.

How does RUS measure consumer benefit?

Applicants must demonstrate the benefits to consumers from savings under loan forgiveness of the PART award. For entities that are both generating and distributing energy, that should be quite easy in providing examples of rates prior to the PART award compared to proposed rates post PART award. For entities that are only generating or storing energy, applicants could provide examples of how savings under the loan will be passed on to consumers.

Can a single LOI include several electricity projects located at different sites and potentially selling power to different utility off-takers, provided that the total requested financing remains within the \$100 million program limit?

Yes, a portfolio of projects totaling \$100 million or less is eligible for financing, provided that the applicant will be the borrower and owner of all proposed projects. The agency reserves the right, however, to send an Invitation to Proceed for only one project, or a combination of any proposed projects.

Additionally, a single LOI may be submitted by joint applicants covering one or more projects. The Agency may evaluate each proposed Project separately as to whether to provide an Invitation to Proceed and may require co-applicants to accept separate contractual and financial commitments relating to the Project or Projects contained in the joint LOI.



*With regards to an existing wholesale power contract, if the distribution cooperative purchases wholesale power under an all-requirements or similar agreement with a generation-and-transmission cooperative, is consent from the wholesale supplier sufficient to confirm no violation of the wholesale contract or is something else needed?

Yes; however, the Agency may ask for additional details if the project moves to the application stage.

*For projects proposed on existing City-owned former generation sites that are already developed or brownfield sites, what level of site control or environmental documentation is expected at the LOI stage versus the full application?"

The LOI should explain in detail what the applicant seeks to do and the steps anticipated to complete its proposed project. The Agency does not expect LOI submitters to have full site control or environmental clearances at the LOI stage. If a project moves to the application stage, applicants are advised to begin the environmental review process with the RUS Environmental and Historic Preservation Division staff. Funds cannot be disbursed unless the applicant has completed all necessary environmental review and permitting requirements. Furthermore, underwriting cannot be completed without establishing sufficient site control to determine project assets, liabilities, and risks. Applicants are warned not to commence construction prior to receiving environmental clearance from RUS. Applicants should keep in mind that projects must be complete, and funds be disbursed well before September 30, 2031.

**How does RUS treat prior site disturbance and previously completed environmental permitting in making a determination of the appropriate level of environmental review?

Assuming you mean a previously disturbed site unrelated to the proposed project, before any further activities begin, we advise you to consult with EHPD about the specifics of your project and procedures necessary to receive Environmental Clearance. Such requests will be handled on a case-by-case basis.



****For a new project located on an existing brownfield or previously disturbed site, where the site has already been cleared or graded and applicable environmental and construction permits are already in place, what level of RUS environmental review is still required under PART?**

For a brownfield site EHPD would need to review the action prior to the commencement of any construction activities. Projects located on a brownfield site or Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) type site may require additional levels of environmental review and early coordination with EHPD is highly recommended to avoid any delays in review and approvals.

****Where a project has already undergone environmental review or permitting through another process, how does RUS determine the applicable federal nexus for NEPA purposes? If another federal agency has already completed or is leading an environmental review, can RUS adopt, rely upon, or otherwise coordinate with that review rather than requiring a separate process?**

The fact that another Federal Agency is involved in the project would create a federal nexus. If the other Agency has completed an environmental review EHPD can coordinate with the applicant and the other applicable Federal Agency to determine whether relying on the other Agencies' Environmental review documents is the best approach and/or if any additional environmental review by RUS is required. These projects are reviewed on a case-by-case basis by EHPD staff and coordination with the Agency Official.

****How does RUS determine whether a project qualifies for a Categorical Exclusion versus requiring an Environmental Assessment or Environmental Impact Statement?**

RUS follows USDA's National Environment Policy Act regulations, at 7 CFR § 1b.2(f) to make that determination.



Contact Information and Process

Where can we download the slides?

Slides can be found here: Powering Affordable Reliable Technology Program | Rural Development as well as the USDA Rural Development Website here:

<https://www.rd.usda.gov/media/file/download/part-wednesday-webinar-deep-dives.pdf>

***Is there an official LOI template or format? (I understand a narrative is required)

No, however information on applying for the PART program is available on Grants.gov including the LOI guide that outlines the requirements of the LOI submission. Please see the link below:

<https://simpler.grants.gov/opportunity/354883d0-cdf7-4353-90d4-59d5b8f7c331>

Please explain the invitation to proceed process and what “above the funding cut-off level” means?

1. LOIs will receive a time stamp upon submission.
2. LOIs that are incomplete, ineligible, or unfeasible will be rejected or eliminated from the queue.
3. LOIs that are complete, eligible, and clearly feasible based on the submission itself will be ranked generally in the order received, unless the RUS Administrator uses the discretionary authority under the NOFO to take into account geographic diversity and Substantially Underserved Trust Areas (SUTA) to alter the funding queue.
4. An estimate will be made of the amount of funding requested or to be considered for funding with respect to available funds. That estimate will establish a preliminary funding cutoff point in the funding queue.
5. LOI submitters that fall above the preliminary funding cutoff point will be sent an Invitation to Proceed. The Invitations to Proceed will outline the procedures for filing a complete application and the amount of funding that will be considered by the RUS. The amount of funding and project composition described in the Invitation to Proceed may be different than what was requested by the LOI submitter.



6. Invitation to Proceed recipients will have 60 days to submit a complete application.
7. See also Section 5.2 of the PART NOFO "Review Selection Processes"

Who is the contact at USDA for future questions from stakeholders?

SM.RD.RUS.PART-Questions@usda.gov

How are the environmental review team at USDA contacted?

The environmental team may be contacted at: rus.ehpd.support@usda.gov or through your General Field Representative at the following website:

<https://www.rd.usda.gov/contact-us/electric-gfr>

Necessary Documents

Could you review the details of when a PPA is needed or not?

A PPA is needed when the applicant Operating Utility is selling power to an electric utility serving an eligible area. An applicant Operating Utility generating power for its own eligible customers would not need a PPA but would need to demonstrate its obligation to serve an eligible service area. A similar rule would apply to Battery Service Agreements (BSAs). Alternate agreements that are the functional equivalent of a PPA or BSA will be evaluated on a case-by-case basis.

What type of documentation should be provided during the Letter of Intent (LOI) phase to verify the source of eligible RER?

At a minimum an LOI submitter should identify the named sources of RER and, if selected to receive an Invitation to Proceed (ITP), should be prepared to provide full documentation of power supply arrangements.



What specific operating history, reference installations, certifications, warranties or performance data would USDA require to confirm a project uses Commercially Available Technology?

The definition of Commercially Available Technology in Section 1.3 of the PART NOFO provides general guidance on what meets the requirement. Specifically, it states:

Commercially Available Technology. Equipment, devices, applications, or systems that have a proven, reliable performance, and replicable operating history specific to the proposed application. The equipment, device, application, or system is based on an established patented design or has been certified by an industry-recognized organization and subject to installation, operating, and maintenance procedures generally accepted by industry practices and standards. Service and replacement parts for the equipment, device, application, or system must be readily available in the marketplace with established warranty applicable to parts, labor, and performance.

Timing and Schedules

Would a project be considered more competitive if an applicant has already begun environmental review before submitting an LOI?

No, it would not. Competition within the PART Program is based on the time of submission, not the projects themselves.

Will submissions received by a certain date be accepted in a batch, similar to how PACE was managed?

PART LOIs, like PACE, are managed on the basis of the time and date of submission, not batches.

After Validation what is the timing of loan forgiveness?

Loan forgiveness will be granted once a project has been completed, operational, and validated by the agency.



Award Structure and Forgiveness

For project loans, do loan disbursements and partial loan forgiveness occur only after the project is complete?

Yes, that is correct.

Can you provide more explanation or an example of the difference between system loans and project loans?

System Loans provide 100% financing to currently functioning Operating Utilities, given that their performance can be easily determined with respect to financial feasibility of the loan. A full systemwide lien is required as collateral for the loan unless other acceptable forms of security are provided. In contrast, Project Loans provide only 75% financing to Operating Utilities that need not be currently functioning, but which have at least certificates of convenience and necessity to operate (Electric cooperatives not regulated by a Public Service Commission please note the final sentence in the definition of Operating Utility). Funding is reduced because there may not be history of performance by the applicant and because collateral is only taken on the Project assets and revenues generated from the Project.

Are System Loans guaranteed the disbursement of funds during construction?

No, it is within the RUS Administrator's discretion to determine if funds will be released during construction. Presumably, however, currently functioning Operating Utilities with strong financials would prove smaller risk to the Agency if multiple advances were made during construction of the Project.

****Does RUS charge borrowers any fees to take out a PART loan?**

No.



External and Interim Financing

If USDA funding is available only for the ESS portion of a project, are we permitted to obtain separate financing from private lenders or other financing partners for the solar Photovoltaic (PV) installation?

Yes.

Will PART funded projects still be eligible for Investment Tax Credits (ITCs)?

RUS does not object to applicants receiving ITCs; however, RUS cannot give tax advice. Please consult your tax advisor and/or the Internal Revenue Service (IRS) with respect to whether such funding would still be eligible for ITCs.

*Does an applicant and eventual borrower have any obligation around ITC and/or PTC proceeds after project COD if these funds are not needed as an equity contribution?

The RUS expects to be informed of the status of ITC and PTC proceeds. Further requirements will be dictated by the project's financial feasibility and equity requirements.

Can you use New ERA and use the PART forgivable loans on the same project?

No. PART and New ERA are very distinct programs which are administered on different schedules because of the complexities of New ERA. Additionally, only electric cooperatives are eligible for New ERA.



For the required 25% contribution under a Project Loan, can federal investment tax credits, transferable tax credits or direct payment proceeds be recognized as part of the applicant's equity contribution?

Section 2 of the PART NOFO provides "RUS may consider allowing the Awardee to meet the financial equity requirements by utilizing any applicable direct payment or tax credit relating to the Project as provided in Internal Revenue Code of 1986 and its implementing regulations. If the Administrator allows a PART Applicant to meet the financial equity requirement by utilizing applicable tax credits or direct payments relating to the Project, the Agency may require additional security or credit support from the PART Applicant pending the PART Applicant's receipt of the tax credit or direct payment."

*Can the PART loan be combined with a state or federal grant to cover a portion of the costs of a project?

With respect to a federal grant, yes: (i) if the applicant is not a Non-Federal Entity, as defined under 2 CFR 200.1; or (ii) if it is a Non-Federal Entity, that the legislation providing the federal grant specifically authorizes the use of such funds for cost sharing requirements of other Federal programs, as laid out in 2 CFR 200.306(b). With respect to state grants, yes if the if the state program authorizes such use for other programs. Additionally, the applicant must disclose other sources of financing and ensure that there are no restrictions from the state or federal agency making the award that the applicant seeks to stack with a PART award. The PART program will not reimburse or provide forgiveness for project costs covered by another government entity. The RUS must also ensure that it remains in a secured first position with respect to collateral securing its loan.

For a Project Loan, must the developer finance all construction costs until commercial operation before PART loan proceeds are disbursed?

For a Project Loan, applicants must be Operating Utilities, and so the Operating Utility must finance all construction costs until commercial operation and validation before the PART loan proceeds are disbursed and before debt forgiveness is granted.