

Distributed Generation Energy Project Financing

What does this program do?

This program provides loans and loan guarantees to energy developers for distributed energy projects, including grid-connected renewable energy projects, that provide wholesale or retail electricity to existing USDA Rural Development, Rural Utility Service (RUS) Electric Program borrowers or other electric utilities serving rural communities.



**Distributed Generation Energy
Project Financing Website**

Who can apply?

- Existing RUS Electric Program borrowers
- Energy project developers for distributed energy projects with a power purchase agreement (PPA) that serves rural customers.
- Wholly-owned subsidiaries of an existing RUS borrower
- Utilities serving rural areas

What is an eligible area?

Projects must serve areas with less than 20,000 residents. If less than 75% of the power goes to rural areas, then the loan amount is limited to the percentage provided to rural areas.

How can funds be used?

Funds can be used to build:

- Energy generation projects, including renewable energy projects
- Distributions lines
- Energy storage systems

Is there a deadline to apply?

For application deadline information check the Distributed Generation Energy Project Financing Program webpage at this link: tinyurl.com/RUSDisGen

What are some of the loan terms?

- For others besides existing RUS borrowers, the maximum RUS loan amount is 75% of the total project costs.
- The length of the loan cannot exceed 30 years.

How do I get started?

Contact the Rural Utility Service, Office of Loan Origination and Approval Deputy Assistant Administrator. A contact list is available at this link: tinyurl.com/RD-RUS-POC.

What governs this program?

- The Code of Federal Regulations Title 7, Subtitle B, Chapter 17 Part 1710, available at this link: tinyurl.com/CFR171710
- The Rural Electrification Act of 1936, as amended through P.L. 118-22, enacted November 17, 2023, available at this link: tinyurl.com/RuralElecAmend

NOTE: Because information changes, always consult official program instructions or contact your local USDA Rural Development office for help. A list is available at this link: tinyurl.com/RDStateOffices. You will find additional RD program resources at rd.usda.gov. Information about other USDA programs and services is available at this link: ask.usda.gov. USDA is an equal opportunity provider, employer, and lender.

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