

Rural Energy Pilot Program

Frequently Asked Questions

OVERVIEW

Q1: What is the Rural Energy Pilot Program (REPP) Grant?

A1: REPP grants are awarded on a competitive basis to help distressed rural areas and energy-distressed communities establish and develop clean energy communities through the deployment of community-scale, distributed energy technologies, innovations, and solutions. The maximum grant award amount per applicant is \$2 million. Grants can be used to pay for up to 80 percent of eligible project costs directly related to:

- Commercially-available, community-based, community-scaled, distributed renewable energy systems
- Up to 20 percent of available funds can be used for community energy planning, capacity building, technical assistance, efficiency, and weatherization.

Q2: What is a Rural Energy Community Partnership?

A2: An established Rural Energy Community Partnership (RECP) provides assistance to an identified community for purposes as specified in the REPP Notice of Funding Opportunity (NOFO) published in the *Federal Register* on January 19, 2022 (available at this link: <https://go.usa.gov/xtz7r>). Such purposes include:

- Community energy planning, capacity building, or technical assistance
- Community efficiency and weatherization
- Installation and equipping of community-scale renewable energy systems

The partnership doesn't have to be located in the identified community, but REPP assistance **must specifically** impact the identified community.

APPLICATION PROCESS

Q1: How do I apply?

A1: You can visit the program website (available at <https://go.usa.gov/xtzGv>), click on the "To Apply" tab, and follow the directions.

Q2: When are applications due?

A2: Letters of Intent must be received no later than 11:59 p.m. Eastern Time on April 19, 2022. Complete applications must be received no later than 11:59 p.m. Eastern Time on July 18, 2022.

Q3: Where do I submit my application?

A3: A **Letter of Intent** must be submitted electronically using a secure Cloud Vault account access provided by Rural Development. **Complete applications** must be submitted electronically using a secure Cloud Vault account access provided by Rural Development. Visit the program website (available at <https://go.usa.gov/xtzGv>), click on the “To Apply” tab, and follow the directions to learn more.

Q4: What will happen to my application if I am not selected for funding?

A4: Because the REPP is a pilot program with funds only available until they are expended, unfunded applications will be withdrawn.

APPLICANT ELIGIBILITY

Q1: Who can apply?

A1: “Applicants” are the lead entities or organizations acting on behalf of Rural Energy Community Partnerships (RECPs) as defined in the REPP Notice of Funding Opportunity (NOFO) published in the *Federal Register* on January 19, 2022 (available at this link: <https://go.usa.gov/xtz7r>).

The partnership must include a lead applicant from one of the following entities:

- A district organization (such as an economic development authority)
- A federally-recognized Tribe, political subdivision of a Tribe, or consortium of Tribes
- A state, political subdivision of a state, or a consortium of subdivisions of a state, or local government engaged in economic development activities
- A public or private nonprofit organization

If selected, the lead applicant will enter into a financial assistance agreement with USDA Rural Development, receive the REPP grant funding, and take ownership and control of any assets purchased with grant funds. This includes disposition responsibilities.

Q2: Is there a difference between the applicant and the Rural Energy Community Partnership?

A2: Yes. The applicant is the lead entity as described in Q1 above. The applicant acts on behalf of the Rural Energy Community Partnership. The NOFO provides a list of eligible lead entity types. This list is more restrictive than the types of entities that can partner with the lead entity to form a RECP.

Eligible partnerships must be comprised of the lead entity and one or more of the following entities:

- Public or private nonprofit organizations
- State or local government organizations or political subdivisions
- Tribal organizations
- Municipalities or other public bodies

Q3: Is the partnership required to be a formal legal entity?

A3: The principal purpose of the RECP is to apply for – and, if selected, administer a REPP grant. The executed partnership agreement must document the relationships between the parties responsible for delivering REPP tasks in the defined region. It does not have to be a lengthy or cost-prohibitive agreement, and can include a signed memorandum of understanding (MOU) between all RECP partners. **Note:** this is a February 2022 update.

Q4: Is a single entity – whether a business, nonprofit, government organization, or Tribal entity an eligible applicant for REPP funding?

A4: REPP grants will be awarded to Rural Energy Community Partnerships (RECPs) comprised of **at least** two eligible entities: a lead entity and a partner entity. A single entity can be the lead applicant if it meets the lead applicant definition.

Q5: I am a small business in need, am I an eligible REPP applicant?

A5: No. Businesses can be a participating partner and can also benefit from the programming and support provided by the partnership, but a small business cannot apply alone, and cannot receive REPP funds as a pass-through recipient.

Q6: Are institutes of higher learning, such as Land-Grant colleges and universities, eligible REPP applicants?

A6: REPP does not specifically list land-grant colleges, universities or other institutions of higher education as eligible REPP applicants. However, these entities are not excluded from participating. Rural Development recommends RECPs engage educational institutions in roles that emphasize their relative strengths, including training, capacity building, and technical assistance.

Q7: As a rural electric cooperative, we are organized as a private, nonprofit organization. Am I correct that we would be considered an eligible applicant?

A7: REPP-eligible lead applicant types include private, nonprofit organizations. Thus, in this instance, the cooperative is eligible to apply as a lead entity.

Q8: We are a federally-recognized Tribe and wish to apply as the lead applicant. Can a Tribal school be our only partner in the RECP?

A8: Yes. In this instance, the partnership consists of an eligible lead applicant (your federally-recognized Tribe) and an eligible partner entity (the Tribal school).

Q9: Is a Soil and Water District an eligible lead applicant?

A9: Yes. This type of entity falls under the category of “district organization.”

Q10: Can a rural electric cooperative partner with a Tribe as an eligible RECP?

A10: Yes.

Q11: Does the RECP need to have a history, or can it be a newly-formed entity?

A11: The RECP can be either a newly-formed entity, or one with a history.

Q12: The REPP LOI seems to require formal documents as evidence of the RECP's membership, structure, and purposes such as a Charter, Articles of Incorporation, or contracts. Is it possible to demonstrate a RECP's purposes and commitments with less formal documents?

A12: Yes. An executed Memorandum of Understanding (MOU) among the partner entities is sufficient evidence of a formal agreement among RECP partners.

PROJECT ELIGIBILITY

Q1: We have an existing business incubator partnership we would like to expand. Is this eligible under REPP?

A1: The REPP grant must specifically help an identified community for purposes as specified in the REPP Notice of Funding Opportunity published on January 19, 2022 (available at this link: <https://go.usa.gov/xtz7r>). Such purposes include:

- Community energy planning, capacity building, or technical assistance
- Community efficiency and weatherization
- Installation and equipping of community-scale renewable energy systems

Q2: We have a community college interested in providing job training. Is this an eligible use of REPP funds?

A2: The community college can be a technical service provider to the established partnership. The application scope of work must specify that the training offered by the college includes REPP-eligible purposes such as community energy planning, capacity building, and technical assistance, or community efficiency and weatherization, or the installation of community-scale renewable energy systems.

Q3: What is meant by "community?"

A3: The REPP partnership must serve a rural community as specified in the REPP Notice of Funding Opportunity published in the *Federal Register* on January 19, 2022 (available at this link: <https://go.usa.gov/xtz7r>).

Q4: Is an applicant limited to filing only one application?

A4: Yes. Only one application can be submitted through the Rural Energy Community Partnership (RECP) lead applicant. If two applications are submitted by the same lead applicant, both will become ineligible. If an applicant is **affiliated** with another entity that has also applied, both applications will be ineligible. (By definition, an affiliate is an "entity controlling – or having the power to control – another entity, or a third party or parties that control – or have the power to control – both entities.")

Q5: We are ready to launch our programs nationwide. Can we apply for a REPP grant that serves the entire country, or multiple parts of it?

A5: Yes. You can apply for a REPP grant that serves multiple parts of the country, provided the project targets a defined region small enough to enable close collaboration among partner members.

Q6: What is the definition of “rural” for the REPP program?

A6: By definition, the population of the targeted service region must have fewer than 50,000 residents, or the region must be rural in terms of the communities and towns assisted. For more information, the REPP Notice of Funding Opportunity published in the *Federal Register* on January 19, 2022 (available at this link: <https://go.usa.gov/xtz7r>). An eligibility tool is also available at this link: <https://go.usa.gov/xtjwg>. Click “the Rural Business” tab at the top of the page, and then look for Rural Energy Pilot Program.

Q7: If the service area of our project will cover several rural communities, do each of the communities need to fall under the 50,000 or fewer population limit? Do we aggregate the population of each community? What if one or two communities are over the 50,000 population limit, but the rest are under? Are we still eligible?

A7: Projects must be located in rural areas only. The application’s scope of work must identify the communities with populations of 50,000 or fewer to be served. The populations of multiple communities do not need to be aggregated. Communities with populations of 50,000 or more should not be part of the project’s scope.

Q8: Is there a minimum community size that must be met to be eligible?

A8: There is no minimum population requirement.

Q9: Must the REPP applicant headquarters be located in, or next to, a rural area?

A9: No. Rural Development is not concerned with the physical location of the REPP applicant. However, the partnership **must** assist rural communities specifically as identified in the application.

Q10: Our organization has a county-based focus. The town where we’re headquartered is not considered low income, and our zip code is not a listed as a “distressed energy community.” Are we eligible to apply?

A10: The service region must be a rural area and must include a majority of communities that are considered low income in accordance with Section 45D(e) of the Internal Revenue Code of 1986 as amended (available at this link: <https://go.usa.gov/xzaYp> - PDF).

Targeted assistance priority will be given to partnerships serving:

- 1) Distressed rural communities (check the 2020 Distressed Communities Index Interactive Map at this link: <https://eig.org/dci/interactive-map>)
- 2) Communities with high energy burdens (check the U.S. Department of Energy’s Low-Income Energy Affordability Data Tool at this link: <https://go.usa.gov/xtJYF>)
- 3) Distressed energy communities (information available at this link: <https://ruraldevelopment.maps.arcgis.com/apps/webappviewer/index.html?id=86027863e066487ca1b33dc9217a70d1>).
- 4) Socially-vulnerable communities (check the Centers for Disease Control and Prevention Social Vulnerability Index at this link: <https://go.usa.gov/xtzed>)
- 5) Qualified Opportunity Zone communities (check the Economic Innovation Group’s Opportunity Zones Activity Map at this link: <https://eig.org/oz-activity-map>)

- 6) Disadvantaged communities as defined in Section I. C. of the REPP NOFO (information is available at this link: <https://go.usa.gov/xtD97>). The EPA Environmental Justice Screening and Mapping Tool (available at this link: <https://www.epa.gov/ejscreen>) also be used to support this indicator.

Q11: Would a project to install solar panel streetlights be eligible under REPP?

A11: It depends. It depends. REPP's goal is to provide energy burden relief for priority communities through the installation of community-scale, distributed-energy technologies. While a solar panel streetlight project certainly deploys renewable energy to the community, consideration must be given to how well such a standalone project addresses overall energy burden relief in the community.

Q12: Our organization is an eligible applicant, and we are located in, and serve, communities with populations of 50,000 or fewer. Our communities do NOT, however, meet the definitions of "distressed," "high-energy-burdened," "distressed energy community," "socially-vulnerable," "opportunity zone," or "disadvantaged community." Can we still apply?

A12: Yes, you can still apply. However, it's important to note REPP applicants are competing for limited funding based on their ability to provide assistance to the targeted areas identified in the REPP NOFO (available at this link: <https://go.usa.gov/xtD97>). Also, see Q10 and A10 above for additional information.

Q13: We are interested in the installation of a technology that does not yet have one year of proven performance data as required in the definition of commercially-available technology. If the REPP program allows for a 3-year period of performance, would we be eligible to apply for a project using this technology prior to it being commercially available?

A13: No. Eligibility is determined at the time of application review. Therefore, the technology mentioned would not be eligible for REPP.

Q14: Are there any restrictions on the off-takers or users of power generated by the RECP?

A14: The notice of funding opportunity does not address off-takers of power. However, the program's goal is to provide energy burden relief for priority communities through the installation of community-scale, distributed-energy technologies. By definition, these operate locally, and can be connected to a larger power grid at the distribution level, but they can also operate independently, or off-grid. Proposals that maximize the community's energy burden relief will score higher.

Q15: We are developing a Habitat for Humanity project that would purchase 20 existing houses and install a 20kW solar photo voltaic system with batteries on each home. Eighteen of the homes have garages and we would install electric vehicle charging stations in each garage. The homes would support low-income families. Would this project qualify for REPP?

A15: As described, it appears this project will deploy distributed renewable energy systems to lessen the energy burdens of low-income households. Therefore, the project appears to be REPP-eligible.

However, use of funds would be limited to the renewable energy systems: housing stock cannot be purchased with REPP funds. Furthermore, the lead entity is responsible for managing assets acquired with grant funds for the **life of the assets**. Therefore, we would need to ensure that grant-funded assets are owned by the lead applicant.

Q16: Are syngas or biomass renewable energy projects eligible under REPP? If so, how do we meet the 2 MW generation limit?

A16: Distributed community renewable energy is eligible. Therefore, if the gas is used to turn a generator to produce electricity, then it would be eligible under REPP.

Q17: Is the 2 MW renewable energy system size limit referring to AC or DC energy?

A17: The renewable energy system size limit refers to DC energy.

Q18: Can an organization be a partner in two different RECP applications?

A18: Yes. The single application restriction is specific to the **lead applicant entity** and its affiliated entities.

Q19: Who are the intended ultimate recipients or beneficiaries of REPP funding?

A19: The intended beneficiaries of REPP funds are members of exceptionally underserved communities whose energy costs consume a disproportionately higher percentage of their household income.

Q20: The term “community solar” typically refers to a solar project where multiple owners purchase subscriptions or blocks of ownership within the project. Is that the type of project this program is looking to fund?

A20: A community solar project can be considered an eligible project under REPP. However, the focus of the REPP program is on community-driven solutions to energy burdens. Please refer to the definitions of community-scale energy, distributed renewable energy resources, and other definitions as noted in the Notice of Funding Opportunity published in the *Federal Register* on January 19, 2022 (available at this link: <https://go.usa.gov/xtzz4> - PDF).

ELIGIBLE USE OF FUNDS AND MATCHING FUNDS REQUIREMENTS

Q1: How can funds be used?

A1: The REPP grant must specifically help an identified community as specified in the REPP Notice of Funding Opportunity published in the *Federal Register* on January 19, 2022 (and available at this link: <https://go.usa.gov/xtzz4> - PDF). Such purposes include:

- Community energy planning, capacity building, or technical assistance
- Community efficiency and weatherization
- Installation of community scale renewable energy systems

Q2: How can funds NOT be used?

A2: REPP funds cannot be used to pay expenses related to:

- Vehicles
- Used equipment
- Business operations that derive more than 10 percent of their annual gross revenue – including lease income from space or machines – from gambling activity. (This **excludes** state or Tribal-authorized lottery proceeds approved by Rural Development and used to raise funds for a REPP partnership or project.)
- Business operations that get income from illegal activities or those of a sexual nature
- The purchase of real estate or land
- Lease payments, including lease-to-own or capitalized leases
- Funding political or lobbying activities
- Paying federal direct or guaranteed loans, or any other form of federal debt
- Incurred expenses, equipment purchases, or paid services occurring prior to the grant period
- Expenses associated with applying for a REPP grant
- Expenses associated with reporting results or outcomes during the disbursement, performance, and servicing portions of REPP
- Projects that create a conflict of interest, or the appearance of a conflict of interest

Examples of conflicts of interest include:

- Distribution of grant and matching funds to an individual owner, partner, or stockholder – or to a beneficiary or immediate family of the applicant – when the recipient will retain any portion of ownership in the applicant's project. Grant and matching funds must not be used to support costs for services or goods going to – or coming from – a person or entity with a real or apparent conflict of interest.
- Assistance to employees, relatives, and associates. Rural Development will process any requests for assistance under this subpart in accordance with 7 CFR part 1900 Subpart D (available at this link: <https://go.usa.gov/xtJx3>).
- Member – delegate clause. No member of, or delegate to, Congress shall receive any share or part of this grant or any benefit that may arise there from; but this provision shall not be construed to bar, as a contractor under the grant, a publicly-held corporation whose ownership might include a member of Congress. Additional regulations and compliance requirements are referenced in paragraphs VI (six) and VIII (eight) of the Notice of Funding Opportunity (available at this link: <https://go.usa.gov/xtzz4> - PDF). Applicants found to be in violation of any applicable federal law or statute will be deemed ineligible.

Q3: Is there a matching fund requirement?

A3: Yes. A 20 percent cost share match is required on all eligible projects. For example, if a project's activity cost is \$1 million, the REPP grant can cover 80 percent – or \$800,000 – of eligible costs, while \$200,000 must come from matching funds.

Q4: Can I match the REPP grant with a U.S. Economic Development Administration (EDA) grant?

A4: More often than not, matching funds must come from non-federal sources. However, as permitted by law, a REPP grant can be matched with federal funds. Applicants can consult the REPP funding notice (available at this link: <https://go.usa.gov/xtzz4> - PDF) and REPP application guide (which will be shared with applicants upon receipt of their required Letter of Intent) for possible sources of federal matching fund assistance. Consult with the EDA grant source to determine if EDA funds can be used as matching funds for another federal program.

Q5: What if I can't provide evidence of matching funds in the application, but can show them in the future?

A5: Funds are not necessarily required to be “in the bank” by the date of obligation. However, the source of the matching funds must be committed to the project by the grant closing date.

Q6: Does the REPP grant have multiyear draws?

A6: The REPP grant period is 36 months. Activity draws can take place no more often than monthly. For each activity within the draw, a 20 percent match must be used and documented along with the funds requested.

Q7: Is the conversion of single-phase power to three-phase power an eligible project under REPP?

A7: Conversion as a stand-alone project is not eligible for REPP, as it does not deploy community-scale, distributed-energy technologies. However, this could be a smaller component within a larger scope project.

Q8: Can labor performed by a solar company be considered as matching funds?

A8: Yes; in-kind labor can be contributed by third parties if it is valued at customary rates. In-kind contributions by the applicant cannot be used to meet the matching fund requirement.

Q9: Can other federal funds be used as match?

A9: If the other federal program allows for it then yes, USDA Rural Development will accept the other federal funding as match for the REPP.

Q10: Can the value of the avoided cost of purchased energy as reflected within the energy price of a power purchase agreement be used as matching funds?

A10: Yes. The value of savings that will accrue during the grant period can be used as matching funds. However, any value that is attributed to savings received outside the grant period is not eligible.

Q11: Is it the expectation that each project must include 80 percent costs associated with renewable energy equipment and installation, and 20 percent costs associated with energy planning, or can the application be for installation only?

A11: The entire REPP grant award can be used to install a community-scale renewable energy system and related distributed energy resources. For example, on a \$2 million grant request, this amounts to \$2 million **minus** the 20 percent matching fund requirement – or \$1.6 million – for a renewable energy system. Activities related to energy planning, capacity building, technical assistance, and community efficiency and weatherization also are allowed (up to 20 percent of total eligible project costs). but are not a grant requirement.

Q12: In the training webinars, you mentioned there is a preference for projects that combine sources of federal funding, and that preference is reflected in the scoring criteria. Specific federal programs (such as the U.S. Department of Energy's Weatherization Assistance, State Energy, and Energy Transitions Initiative Partnership Project programs, AmeriCorps Energy Corps, and the U.S. Environmental Protection Agency's Environmental Justice Grants Program) were noted. Is there a preference for these programs in particular? Would a project receive more points if they are leveraging those specific programs, or is it any federal funding, including COVID stimulus funds?

A12: There is no specific federal program preference. We simply have a working relationship with the programs listed; knowing that they are available federal sources of matching funds. As long as the alternative federal program allows matching with other federal programs such as REPP, it can be presented as matching funds.

Q13: Can in-kind goods and services count as match towards the grant?

A13: The applicant entity is not allowed to provide in-kind matches. However, third parties can provide in-kind towards the project, as long as their labor or service is valued at customary rates. A detailed description of the type of in-kind, the number of hours, rate paid, and similar information must justify the in-kind contribution.