



Subject: Information for applicants interested in upgrades to existing maple syrup reverse osmosis units during Fiscal Year 2014

From: USDA Natural Resources Conservation Service and USDA Rural Development

Beginning in Fiscal Year 2014 the Natural Resources Conservation Service (NRCS) will no longer fund applicants requesting to upgrade an existing maple syrup reverse osmosis unit (R/O) through the Environmental Quality Incentives Program (EQIP). Instead, NRCS will focus solely on funding energy audits through Technical Service Providers and assisting producers to adopt the reverse osmosis technology in situations where it has never been installed before.

Fortunately, USDA Rural Development will offer reverse osmosis upgrades through their Rural Energy for America Program. While the rules and rates between the two programs are different, an NRCS compliant energy audit is sufficient to apply for the USDA Rural Development program. Please refer to [USDA Rural Development - Rural Energy for America Program – Quick Tips](#) for additional details on this program.

For additional information on either program, please contact:

USDA Rural Development

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USDA Rural Development - Rural Energy for America Program - Quick Tips

- To help Agricultural Producers and Rural Small Businesses purchase and install RE systems and make Energy Efficiency Improvements.

Applicant Eligibility:

- Eligible Ag Producers: if 50%+ gross income derived from the agricultural operations
- Eligible Small Business: if does not exceed SBA size standards by NAICS code, including parent, affiliate and subsidiaries.

http://www.sba.gov/sites/default/files/size_standards_table.pdf

- Small Business definition includes: Tribal enterprises organized consistent with Department of Interior's regulation of Section 17 Corporations operate independent of governmental control, and are eligible to apply for REAP funds.
- Project Location Must be located in Eligible Rural Area: All of VT is eligible, parts of southern NH are ineligible. See eligibility identifier for addresses in Hillsborough, Rockingham and Merrimack Counties in NH-

http://www.rurdev.usda.gov/BCP_BI_LEAP.html

- Non-Rural Agricultural Producers: Applications from non-rural agricultural producers can be determined eligible if:
 - Facility must be used for agricultural production
 - 50% or more of income from Agricultural production
 - Integral component of or directly related to the agricultural production operation, and
 - Co-located with the agricultural production operation
- Applicants must have place of business in a State.
- Projects must be in a State of the United States.

http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_sstd_tablepdf.pdf

- All applicants including Sole-Proprietors are required to have a Dun and Bradstreet Universal Numbering System (DUNS) number. The DUNS number is a nine-digit identification number, which can be obtained at no cost online at:
<http://fedgov.dnb.com/webform>
or via phone at 1-866-705-5711.
- **Once** you have obtained a DUNS Number from D&B, you must register with the System for Award Management (SAM). Go to www.sam.gov You must complete both processes beginning with the DUNS number, followed by the SAM registration.

- For SAM Customer Service, contact:
866-606-8220
- **Please note: all applications when submitted MUST include a DUNS and SAM registration number.**
- Applicant may not have outstanding Federal Judgments/Delinquencies/Federal Debt:
- Municipalities, School Districts, Not-for-Profit Corporations are not eligible.

Project Eligibility:

- Eligible Technologies: Wind, solar, bio-energy, anaerobic digesters, geothermal, hydrogen, small hydro, energy efficiency. Commercial or Pre-commercial only, no Research and Development.
- Energy Efficiency Improvements: **For building improvements**, i.e. energy efficient windows, insulation, energy efficient lighting, etc. applicant must be the owner of the building.
- Energy Efficiency Projects/Equipment: EEI projects must replace an in-efficient energy equipment with similar – capacity equipment:

Capacity of Energy Efficiency Improvements

- For energy efficiency improvements - if the proposed improvement has a greater capacity than the existing equipment, the Agency will pro-rate the energy efficiency improvement's total eligible project costs based on the capacity of the existing equipment.
- For Energy Efficiency, site ownership is required if the Energy Efficiency improvement is a fixture—lessees cannot apply for facility improvements for buildings they do not own. Lessees may apply for equipment improvements for equipment they will own.
- Energy Efficiency (improvements to a facility, building or process that reduces energy consumption)
 - *Energy *Assessment* required if total project costs = or less than \$50,000
 - applicant may decide to do audit for more points in competition
 - Energy *Audit* required if total project costs exceed \$50,000 (audit must be conducted by a Certified Energy Manager or P.E.)
- Eligible project costs include post-application purchase and installation of RE and EE equipment, construction or improvements; energy audits or assessments; permit fees, interconnection fees, PPA fees; energy feasibility studies and business plans; retrofitting; construction of a new facility only when used for the same purpose, is similar in size, and will provide more energy savings than improving the existing facility. **For EE: only audit items are eligible. For RE: only what is necessary to produce and deliver the RE is eligible.**
- All applicants must own the project, control its operation and maintenance, and have long-term site control:

Program Guidelines:

- Grants Only: 25% of total eligible project costs, Minimum grant \$1500 EE / \$2500 RE, Maximum grant 25% up to \$250k EE / \$500k RE
- 75% non-federal match funds required for grant only projects at time of application. Letters of commitment from source is required documentation, need letter from applicant documenting how much money they are putting into project in form of cash plus copy of bank statement showing availability of cash.

- Combination Grant/Guaranteed Loans/ or Guaranteed Loan Only:

USDA Funding cannot exceed 75% total project costs including grant and guaranteed loan, or a guaranteed loan only. Applicants with Total Project costs exceeding \$80k or more are encouraged to apply for a combination grant/guaranteed loan. When applying for a combination grant/guaranteed loan submit grant and GL application simultaneously. Grant contributes to borrower equity % in project.

- Guaranteed Loan criteria: Lender applies for Guaranteed Loan for 50% of total project costs for a Combo project or 75% of total project costs for a Guaranteed Loan Only Project. Maximum loan request is \$25MM for RE and EE.

Borrower Equity in the project is 15% for a guaranteed loan request of less than \$600k, or 25% for a guaranteed loan request of \$600k or over, based on sources and uses for the project. The Guarantee % can be up to 85% with a 1% Guar. Fee, and 0.25% (one quarter of one percent) annual renewal fee based on the principal balance due annually on 12/31.

- Guaranteed Loans may include costs for capital improvements to an existing RE system, working capital to operate the system, and land acquisition costs necessary for the system. It may also include closing costs, loan fees or application fees.
- An applicant may apply for both an Efficiency and Renewable project during the same year, but separate applications are required.
- All proposed technology must be either **pre-commercial or commercially available**, through R&D with a proven operating history, established design and installation procedures, with warranties available for parts, labor and performance. SAP applications must only use commercial technology and agree to one lump sum payment at completion of project.
- Only approved post-application purchase and installation of equipment, (new, refurbished, or remanufactured) is eligible. **Used equipment, agricultural tillage equipment, and vehicles are not eligible.** Only approved post-application construction or project improvements are eligible. **Residential improvements are not an eligible use of funds.**
- Scoring Incentives:

Small Ag Producers, Very Small Businesses, Simplified Applications <\$200k total project costs, EE project costs =/<\$50k that opt for energy audit in lieu of assessment, Environmental Benefits, 5-year warranties, Written Commitments for match funds, Payback Period. All scores claimed must be documented at time of application.

- Submit an original and two complete copies of application. **Two application sizes:**

Full Application Template: FULL (Project Costs >\$200k) or SIMPLIFIED (Project Costs <\$200k) applications. FULL requires historical and 3 years pro forma financial documentation, business level feasibility study for RE projects, comprehensive Technical Report, in-state licensed PE for projects >\$400k, independent opinion on technical report for projects >\$1.2MM.

Simplified Application Template: SIMPLIFIED, (Project Costs of \$200K and less) energy audit only for EE project costs >\$50k, and agreement to use commercial technology and receive one lump sum payment at completion of work and certified operational testing within 24 months.

- **Applicants are encouraged to work with their vendor/manufacturer/design engineer of choice to complete the Technical Report requirements in the application.**

- Construction: Construction contracts >\$100k may require surety, contracts and final plans and specs must be approved by RD prior to start of construction, owners are not eligible for payment for their own work, prescribed contracts for various project costs, EEO, Open & Free Competition. All construction and other contracts should be discussed in detail with RD staff.

Program Resources:

- Initial Inquiries in VT 802-828-6031
- Initial Inquiries in NH 603-223-6041
- Program Website: www.rurdev.usda.gov/rbs/farbill/index.html