



## ***Rural Energy Equity Act*** **Senator Peter Welch**

The *Rural Energy Equity Act* would improve and authorize strong funding levels for the Rural Energy for America Program (REAP). The bill would make REAP more accessible for smaller rural businesses and farms and make the program more climate friendly.

Specifically, the bill would:

- Allow project development assistance to include both efficiency and renewable energy elements and establish emissions reduction as a goal of the assistance.
- Make projects more affordable by increasing the federal cost share maximum from 25% to 50%, and 75% for underserved groups.
- Simplify the application process for smaller projects, making it easier for rural small businesses and smaller farms to apply.
- Establish regional demonstration projects to lower greenhouse gas emissions.
- Ensure adequate project development assistance is conducted on REAP.
- Increase funding so more projects can be completed through the program.
- Allow USDA more funding to administer the program.

### **Endorsing Organizations:**

The Rural Energy Equity Act is endorsed by Agriculture Energy Coalition (AgEC), American Council for an Energy Efficient Economy (ACEEE), California Climate and Action Network (CalCAN), Dairy Farmers of America (DFA), Encore Renewable Energy, Environment Policy and Law Center (EPLC), National Center for Appropriate Technology (NCAT), National Farmers Union (NFU), Natural Resources Defense Council (NRDC), National Sustainable Agriculture Coalition (NSAC), New England Farmers Union, Organic Valley, Rural Energy Vermont, and Vermont Dairy Producers Alliance (VDPA).

### **Background**

REAP provides guaranteed loan financing and grants to farmers and rural small businesses for renewable energy systems and to make energy efficiency improvements. Farmers can also apply for funding to buy efficient equipment and improve processing efficiency.

The *Inflation Reduction Act (IRA)* appropriated \$1.177 billion for REAP and made some programmatic changes to the program.