

We at LATTICE Energy Solutions appreciate the opportunity to present our renewable energy products and services in view of the robust monetary incentives, grants, and low interest / long term federal loans which are currently available within the new IRA legislation. In this document, we will focus on the REAP Grant ([Renewable Energy for America Program](#))

We've attached our web platform link to review which will reflect in detail our best-in-class network of companies and renowned service. The purpose of this correspondence is to communicate and consult on the funding that is available to achieve sustainability, resiliency, and greater profitability for your community, business, and stakeholders.

Contact us at no cost or commitment to learn more about how renewable energy solutions can meet sustainability / ESG goals while enhancing profitability:

Your [Lattice Energy Solutions](#) – Team

(844) 771-0787
229 W General Screven Way H1-C
Hinesville, Georgia 31313

OUR MUNICIPAL & INDUSTRIAL PRODUCT PORTFOLIO:

- **Agricultural, Commercial and Industrial Solar Power**
- **Sustainable Land Management**
- **Sustainable Real Estate Development**
- **Smart Construction and Surveying**
- **Utilities, Microgrids & PPAs**
- **Energy / Battery Storage**
- **Broadband Internet & Wireless Products**
- **Commercial / Municipal / Fleet EV Charging**
- **Design & Project Engineering**
- **Stand-by Energy Generation**
- **Municipal & Governmental Sustainability**
- **Biofuels, Manure, and Wastewater Solutions**
- **Consultation Services**
- **Carbon Credits & Carbon Offsets**
- **Efficient Lighting, Controls, & Power Shaving**
- **Financial Products**
- **Grant Writing and Incentives**



Application Window:

OPEN

Program Application Period:

Open for Fiscal Years 2023 & 2024

Application Windows:

June 30, 2023

September 30, 2023

December 31, 2023

March 31, 2024

June 30, 2024

September 30, 2024

What does this program do?

The program provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements. Agricultural producers may also apply for new energy efficient equipment and new system loans for agricultural production and processing.

Who may apply for this program?

- Agricultural producers
 - An entity directly engaged in production of agricultural products where at least 50 percent of their gross income coming from agricultural operations.
- Small businesses
 - Must be located in eligible rural areas and one of the following:
 - Private for-profit entity (sole Proprietorship, Partnership, or Corporation)
 - A Cooperative [including those qualified under Section 501(c)(12) of IRS Code]
 - An electric utility (including a Tribal or governmental electric utility) that provides service to rural consumers and operates independent of direct government control)
 - A Tribal corporation or other Tribal business entities that are chartered under Section 17 of the Indian Reorganization Act (25 USC 477) or have similar structures and relationships with their Tribal entity without regard to the resources of the Tribal government.
 - Must meet the Small Business Administration size standards in accordance with 13 CFR 121.

NOTE: Agricultural producers and small businesses must have NO outstanding delinquent federal taxes, debt, judgment, or debarment.

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Who may qualify for loan guarantees?

Eligible borrowers are:

- Rural small businesses.
- Agricultural producers.

What are the borrowing restrictions for loan guarantees?

- Individual borrowers must be citizens of the United States or reside in the U.S. after being legally admitted for permanent residence.
- Private-entity borrowers must demonstrate that loan funds will remain in the U.S.

What is an eligible area?

- Projects must be located in rural areas with populations of 50,000 residents or less*.
- Check [eligible rural areas](#)

*Agricultural producers may submit projects to be located in non-rural areas as long as the project is associated with an on-site production operation.

How may the funds be used?

Funds may be used for the purchase and installation of renewable energy systems, such as:

- Biomass (for example: biodiesel and ethanol, anaerobic digesters, and solid fuels).
- Geothermal for electric generation or direct use.
- Hydropower is below 30 megawatts.
- Hydrogen.
- Small and large wind generation.
- Small and large solar generation.
- Ocean (tidal, current, thermal) generation.

Funds may also be used for the purchase, installation, and construction of energy efficiency improvements, such as:

- High efficiency heating, ventilation, and air conditioning systems (HVAC).
- Insulation.
- Lighting.
- Cooling or refrigeration units.
- Doors and windows.
- Electric, solar or gravity pumps for sprinkler pivots.
- Switching from a diesel to electric irrigation motor.
- Replacement of energy-inefficient equipment.

Energy Efficiency Improvement applications must contain an Energy Audit, or Energy Assessment (depending on Total Project Costs) that complies with Appendix A to RD Instructions 4280-B

Agricultural producers may also use guaranteed loan funds to install energy efficient equipment and systems for agricultural production or processing.

What funding is available?

- Loan guarantees on loans up to 75 percent of total eligible project costs.
- Grants for up to 50 percent of total eligible project costs.
- Combined grant and loan guarantee funding up to 75% of total eligible project costs.

What is the maximum amount of a loan guarantee?

The loan guarantee percentage is published annually in a Federal Register notice. REAP loans approved in Fiscal Year 2023 will receive an 80 percent guarantee.

What are the loan guarantee terms?

The lender, with Agency concurrence, will establish and justify the guaranteed loan term based on the use of guaranteed loan funds, the useful economic life of the assets being financed and those used as collateral, and the borrower's repayment ability. The loan term will not exceed 40 years.

What are the interest rates for the loan guarantee?

- Interest rates are negotiated between the lender and borrower.
- Rates may be fixed or variable.
- Variable interest rates may not be adjusted more often than quarterly.

What are the applicable fees for the loan guarantee?

- There is an initial guarantee fee, currently 1 percent of the guaranteed amount.
- There is a guarantee retention fee, currently 0.25 percent of the outstanding principal balance, paid annually.
- Reasonable and customary fees for loan origination are negotiated between the borrower and lender.

What are the underwriting requirements for the loan guarantee?

- The lender will conduct a credit evaluation using credit documentation procedures and underwriting processes that are consistent with generally accepted prudent lending practices and also consistent with the lender's own policies, procedures, and lending practices.
- The lender's evaluation must address any financial or other credit weaknesses of the borrower and project and discuss risk mitigation requirements.
- The lender must analyze all credit factors to determine that the credit factors and guaranteed loan terms and conditions ensure guaranteed loan repayment.
- Credit factors to be analyzed include but are not limited to character, capacity, capital, collateral, and conditions.

What are the grant terms?

Renewable Energy System Grants:

- \$2,500 minimum.
- \$1 million maximum.

Energy Efficiency Grants:

- \$1,500 minimum.
- \$500,000 maximum.

Are there additional requirements?

- Applicants must provide matching funds if applying for a grant only.
 - 50% Federal grant share limited to projects that meet one of the following:
 - Project is a Renewable Energy System (RES), or RES retrofit that produces zero greenhouse gas emissions (Carbon Dioxide, Methane, Nitrous Oxide, or Fluorinated Gases) at the project level.
 - Project is located in an Energy Community as defined in 26 USC 45(b)(11)(B) and determined by the Department of the Treasury.
 - Project is an Energy Efficiency Improvement (EEI).
 - Is a project proposed from an eligible Tribal Corporation or other Tribal Business entity (including agriculture operations) as described in 7 CFR part 4280.
 - All other projects are limited to 25% Federal grant share
- Applicants must provide at least 25 percent of the project cost if applying for loan.
- All projects must have technical merit and utilize commercially available technology.
- Energy efficiency projects require an energy audit or assessment.
- All projects require an environmental review prior to award or construction

How do we get started?

Applications for this program are accepted year-round at your [local office](#).

Who can answer questions?

Contact your [State Rural Development Energy Coordinator](#).

What law governs this program?

- Grants – Code of Federal Regulation, [7 CFR Part 4280 -- Loans and Grants](#)
- Guaranteed Loans – Code of Federal Regulation, [7 CFR 5001](#).
- This program is authorized by Title IX of the

Why does USDA Rural Development do this?

This program helps increase American energy independence by increasing the private sector supply of renewable energy and decreasing the demand for energy through energy efficiency improvements. Over time, these investments can also help lower the cost of energy for small businesses and agricultural producers.

NOTE: Because citations and other information may be subject to change, please always consult the program regulations listed in the section above titled “What law governs this program?” You may also contact your [local office](#) for assistance.

[REAP IRA Changes 2 \(usda.gov\)](#)

Eligibility Mapping - [Eligibility \(usda.gov\)](#)

Distressed Community Mapping - [Distressed Energy Communities \(arcgis.com\)](#)

Description of Change	Brief Description
NEW Funding Source: Inflation Reduction Act of 2022	

\$1.055 Billion in Inflation Reduction Act Funding
Underutilized Technology Set-aside

Subject	Current Language	Regulation Location	Brief Description of Change
REAP Energy Efficiency Improvements and Renewable Energy Systems			
Underutilized Technology		3/31/23 REAP Notice	Applicable to IRA funding only Renewable Energy technologies which do not produce greenhouse gas emissions at project level and that make up less than 20% of total grant dollars obligated at the end of the fiscal year (FY) two years previous to current year. <i>(Example, for FY23, FY21 award data is used)</i>
Number of Employees Calculation	Uses preceding 12 months	4280.103 Small Business 3/31/23 REAP Notice	Conforming REAP to SBA calculation of number of employees which has been updated to use preceding 24 months
Application Limits	Applicants may compete one RES and one EEI grant application per fiscal year. Legally formed entities based on tax identification number were viewed as independent applicants	4280.110 (c) 3/31//23 REAP Notice	Maximum grant award applies to all affiliated entities as if they applied as one applicant. Maximum grant assistance to an applicant in a fiscal year is \$1,500,000
Grant Minimums	Minimum RES grant request of \$2,500 Minimum EEI grant request of \$1,500	4280.115 (a) 3/31/23 REAP Notice	Minimum grant request has been changed to a minimum total project cost. Regardless of federal grant share eligible projects must meet the minimum total project costs: RES of \$10,000 and EEI of \$6,000

Subject	Current Language	Regulatory Citation	Brief Description of Change																																						
REAP Energy Efficiency Improvements and Renewable Energy Systems (Cont'd)																																									
Federal Grant Share	25 % of Total Eligible Project Costs	4280.115 3/31/23 REAP Notice	Federal grant share of up to 50% using IRA funding for projects that meet one of the following: <ul style="list-style-type: none"> -Renewable energy systems or retrofits that produce zero greenhouse gas emissions at the project level; -Projects located in an Energy Community defined in 26 U.S.C. 45 (b)(11)(B); -Energy efficiency improvement projects; -Projects proposed by eligible Tribal entities All other projects remain limited to 25% or less federal grant share																																						
Scoring	<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>Criteria</u></th> <th style="text-align: right;"><u>Points</u></th> </tr> </thead> <tbody> <tr><td>Energy generated/saved/replaced</td><td style="text-align: right;">25</td></tr> <tr><td>Previous recipient</td><td style="text-align: right;">15</td></tr> <tr><td>Length of payback period</td><td style="text-align: right;">15</td></tr> <tr><td>Commitment of matching funds</td><td style="text-align: right;">15</td></tr> <tr><td>Environmental benefits</td><td style="text-align: right;">5</td></tr> <tr><td>Size of request</td><td style="text-align: right;">10</td></tr> <tr><td>Existing business</td><td style="text-align: right;">5</td></tr> <tr><td>State Director/Administrator Points</td><td style="text-align: right;">10</td></tr> <tr><td>TOTAL POINTS</td><td style="text-align: right;">100</td></tr> </tbody> </table>	<u>Criteria</u>	<u>Points</u>	Energy generated/saved/replaced	25	Previous recipient	15	Length of payback period	15	Commitment of matching funds	15	Environmental benefits	5	Size of request	10	Existing business	5	State Director/Administrator Points	10	TOTAL POINTS	100	4280.121 3/31/23 REAP Notice	<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>Criteria</u></th> <th style="text-align: right;"><u>Points</u></th> </tr> </thead> <tbody> <tr><td>Energy generated/saved/replaced</td><td style="text-align: right;">25</td></tr> <tr><td>Previous recipient</td><td style="text-align: right;">15</td></tr> <tr><td>Length of payback period</td><td style="text-align: right;">15</td></tr> <tr><td>Commitment of matching funds</td><td style="text-align: right;">10</td></tr> <tr><td>Environmental benefits</td><td style="text-align: right;">10</td></tr> <tr><td>Disadvantaged or distressed community</td><td style="text-align: right;">15</td></tr> <tr><td>State Director/Administrator Points*</td><td style="text-align: right;">10</td></tr> <tr><td>TOTAL POINTS</td><td style="text-align: right;">100</td></tr> </tbody> </table> *Key priorities now embedded in scoring. See notice.	<u>Criteria</u>	<u>Points</u>	Energy generated/saved/replaced	25	Previous recipient	15	Length of payback period	15	Commitment of matching funds	10	Environmental benefits	10	Disadvantaged or distressed community	15	State Director/Administrator Points*	10	TOTAL POINTS	100
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Application Windows	October 31 March 31	4280.122 3/31/23 REAP Notice	Announces 6 quarterly application windows. Complete applications <i>compete</i> in the following quarter: <table border="0" style="margin-left: 20px;"> <tr><td>Q1</td><td>April 1, 2023</td><td>-</td><td>June 30, 2023</td></tr> <tr><td>Q2</td><td>July 1, 2023</td><td>-</td><td>September 30, 2023</td></tr> <tr><td>Q3</td><td>October 1, 2023</td><td>-</td><td>December 31, 2023</td></tr> <tr><td>Q4</td><td>January 2, 2024</td><td>-</td><td>March 31, 2024</td></tr> <tr><td>Q5</td><td>April 1, 2024</td><td>-</td><td>June 30, 2024</td></tr> <tr><td>Q6</td><td>July 1, 2024</td><td>-</td><td>September 30, 2024</td></tr> </table>	Q1	April 1, 2023	-	June 30, 2023	Q2	July 1, 2023	-	September 30, 2023	Q3	October 1, 2023	-	December 31, 2023	Q4	January 2, 2024	-	March 31, 2024	Q5	April 1, 2024	-	June 30, 2024	Q6	July 1, 2024	-	September 30, 2024														
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REAP GRANT WRITING FEES

\$1500 - Consultation for writing your own REAP grant

\$4000 - Fee for turnkey REAP grant writing for projects under \$1,000,000

\$5000 - Fee for turnkey REAP grant writing for projects over \$1,000,000

\$8000 - \$15,000 Fee for turnkey REAP grant writing with stamped engineering by Lattice Energy

NOTES