

KANSAS ENERGY REAP FAQ

PROGRAM

USDA Rural Energy for America Program Frequently Asked Questions

How does the grant process work?

Answer: REAP is both a grant and a guaranteed loan program. Currently, the Kansas Energy Program (KEP) only has experience in working with the grant portion of the program, but can assist with the loan portion, if needed.

Am I in a rural area?

Answer: The USDA basically defines a rural area as an area with a population less than 50,000 people. To look up an exact address, visit [USDA's Property Eligibility site](#).

What is my NAICS code?

Answer: NAICS stands for the North American Industry Classification System, which is used by federal agencies to classify businesses by industry type. To determine your NAICS code, you can talk to your business manager, CPA, or tax preparer. Your business income tax will have the NAICS code listed. For a list of all NAICS codes, visit the [U.S. Census Bureau's NAICS page](#).

How do I determine if I'm a small business?

Answer: The small business size standard is based on either annual receipts or number of employees, depending on your NAICS code. Once you have determined your NAICS code, visit the [Small Business Size Standard table](#). Find your NAICS code to determine your accompanying small business size standard.

I'm a non-profit or not-for-profit. Am I eligible?

Answer: Generally, only for-profit entities that meet the population and small business size standard are eligible for USDA REAP grants. The Kansas Energy Program can assist in determining your eligibility. In addition, we can assist non-profit or not-for-profit organizations with assessments and assistance with other grants. Take a look at the regulations for more details ([CFR Title 7, Volume 15, Chapter XLII, Subpart 4280.103](#); see definition of Small Business).

When do I need to submit the REAP grant?

Answer: Grant applications are generally due October 31 (projects under \$80,000) or March 31 (all projects). These dates are subject to change based upon available federal funding. Applications are accepted at any time, and will be held by the USDA until the next appropriate deadline (based on project size). As soon as the complete application has been received by the USDA, you have the option of starting the project (for example, purchasing or ordering equipment). If you start on the project before USDA has reviewed and approved the application, you do so at your own risk, with the possibility that the project may not be funded. **Any orders, purchases, down payments, etc., completed before the application is submitted to USDA are not eligible for reimbursement, even if the application is subsequently approved.**

For more information or inquiries visit [Kansasenergyprogram.org](https://kansasenergyprogram.org) or contact David Carter at dcarter@ksu.edu, 785-532-4998

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What documents and information will I need for the REAP grant?**Answer:**

- Three years of business income tax returns *
- Documentation on number of full-time employees over the past year *
- Letter of commitment of funds or proof of funds *
- Employee identification number *
- Dun and Bradstreet (DUNS) number *
- System for Award Management (SAM) Commercial and Government Entity (CAGE) number *
- Technical report
- Minimum 12-months of utility bills with energy usage and billing costs *
- Quotes or estimates for desired energy-related projects *
- Depending on the cost of the project, you will need either a 4280A (under \$80,000), 4280B (\$80,000 to \$200,000), or 4280C (\$200,000 to \$500,000).
- SF-424
- SF-424-C
- SF-424-D
- Form for over \$200,000 (environmental impact study...)

Items with an asterisk (*) must be provided by the small business to KEP. Additional details about how to obtain much of this information found [here](#).

When can I start the project?

Answer: As soon as the complete grant application has been received by the USDA, you have the option of starting the project (for example, purchasing or ordering equipment). If you start on the project before USDA has reviewed and approved the application, you do so at your own risk, with the possibility that the project may not be funded. **Any orders, purchases, down payments, etc., completed before the application is submitted to USDA are not eligible for reimbursement, even if the application is subsequently approved.**

What type of projects are eligible?

Answer: Take a look at [USDA's REAP fact sheet](#). For energy efficiency projects, you must be able to show a reduction in energy consumption. Some businesses try to implement energy efficiency projects while expanding their facility or increasing the existing system size, making it difficult to show an overall reduction in energy use. For example, a business may decide they never had sufficient lighting levels and may increase the number of light fixtures installed. Although the new LED lighting decreases energy use, the increase in number of fixtures offsets energy savings. Another example is a grocery store that decides to replace a small cooler with a larger cooler to increase storage capacity. While the new cooler is more efficient, the energy savings is negated by the increased size.

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What should I do if my house and business are on the same utility meter?

Answer: In the REAP grant program, the USDA cannot account for energy use at a residence. Residential renewable energy system (RES) or energy efficiency improvement (EEI) projects are considered ineligible under [CFR Title 7, Volume 15, Chapter XLII, Subpart 4280.114\(d\)](#).

Agricultural producers and small businesses located next to or near a residential facility who want to implement a RES must document one of the following options to be eligible, as described in more detail in [CFR Title 7, Volume 15, Chapter XLII, Subpart 4280.113\(e\)](#):

- Installation of a second meter (or similar device) that results in all of the energy generated by the RES being used for business purposes
- Certification that any excess power will be sold to the grid and not used for residential purposes
- Demonstration that at least 51% of generated energy will benefit the business or agricultural operation.

For EEI projects, no improvements to the residence are allowed to be a part of the REAP project and a separate meter (or similar device) may be required.

My REAP grant application was approved. When can I expect funding?

Answer: If your application was approved, you must first complete the project before requesting reimbursement of funds. Once the project is completed and you have submitted all necessary items to the USDA Rural Development Office, the reimbursement process should be completed within a few weeks.

I submitted a grant application, but the project was not funded. Do I still have a chance of receiving funding?

Answer: If a project that costs less than \$80,000 is not funded in its first application "round", that project can compete for multiple funding opportunities or rounds at both the state and federal award level. These five opportunities for projects under \$80,000 typically occur in a 12-month period, though it could be longer.

These FAQs are provided as a service only and may not reflect changes in the federal regulations governing the USDA Rural Energy for America Program. In instances where information in this fact sheet contradicts federal regulations, the federal regulation will prevail."