

Definitions applicable to this NOFA

Agricultural Producer—An individual or entity directly engaged in the production of agricultural products, including crops (including farming); livestock (including ranching); forestry products; hydroponics; nursery stock; or aquaculture, whereby 50 percent or greater of their gross income is derived from the operations.

Annual receipts—Total income or gross income (sole proprietorship) plus cost of goods sold.

Biogas—Biomass converted to gaseous fuels.

Biomass—Any organic material that is available on a renewable or recurring basis including agricultural crops; trees grown for energy production; wood waste and wood residues; plants, including aquatic plants and grasses; fibers; animal waste and other waste materials; and fats, oils, and greases, including recycled fats, oils, and greases. It does not include paper that is commonly recycled or unsegregated solid waste.

Capacity—The load that a power generation unit or other electrical apparatus or heating unit is rated by the manufacturer to be able to meet or supply.

Capacity Factor—The ratio of the average load on (or power output of) a generating unit or system to the capacity rating of the unit or system over a specified period of time.

Commercially Available—Systems that have a proven operating history and an established design, installation, equipment, and service industry.

Demonstrated Financial Need—The applicant must demonstrate that it is unable to finance the project from its own resources or other funding sources without grant assistance.

Eligible Project Cost—Total project costs that are eligible to be paid with grant funds.

Energy Audit—A written report by an independent, qualified entity or individual that documents current energy usage, recommended improvements and their costs, energy savings from these improvements, dollars saved per year, and the weighted-average payback period in years.

Energy Efficiency Improvement—Improvements to a facility or process that reduce energy consumption.

Financial Feasibility—The ability of the business to achieve the projected income and cash flow. An assessment of the cost-accounting system, the availability of short-term credit for seasonal business, and the adequacy of raw materials and supplies.

Grant Close Out—When all required work is completed, administrative actions relating to the completion of work and expenditures of funds have been accomplished, and RBS accepts final expenditure information.

In-kind Contributions—Applicant or third-party real or personal property or services benefiting the Federally assisted project or program that are contributed by the applicant or a third party.

Interconnection Agreement—The terms and conditions governing the interconnection and parallel operation of the applicant's electric generation equipment and the utility's electric power system. Other services required by the applicant from the utility are covered under separate arrangements.

Leveraged Funds—The funds needed to pay for the portion of the eligible project costs of the project not paid for by a grant awarded under this program.

Other Waste Materials—Inorganic or organic materials that are used as inputs for energy production or are by-products of the energy production process.

Power Purchase Arrangement—The terms and conditions governing the sale and transportation of electricity produced by the applicant to another party. Other services are covered under separate arrangements.

Pre-commercial Technology—Technologies that have emerged through the research and development process and have technical and economic potential for application in commercial energy markets but are not yet commercially available.

Renewable Energy—Energy derived from a wind, solar, biomass, or geothermal source or hydrogen derived from biomass or water using wind, solar, or geothermal energy sources.

Renewable Energy System—A process that produces energy from a renewable energy source.

Rural—Any area other than a city or town that has a population of greater than 50,000 inhabitants and the urbanized area contiguous and adjacent to such a city or town.

Small Business—A private entity including a sole proprietorship, partnership, corporation, and a cooperative (including a cooperative qualified under section 501(c)(12) of the Internal Revenue Code) but excluding any private entity formed solely for a charitable purpose, and which private entity is considered a small business concern in accordance with the Small Business Administration's Small Business Size Standards by North American Industry Classification System (NAICS) Industry found in 13 CFR 121; provided the entity has 500 or

fewer employees and \$20 million or less in total annual receipts including all parent, affiliate, or subsidiary entities at other locations.

Total Project Cost—The sum of all costs associated with a completed, operational project.

Grant Amounts

The amount of funds available for this program in FY 2003 is \$23 million. RBS grant funds may be used to pay up to 25 percent of the eligible project costs. Half of the funds will be available for renewable energy systems and the other half for energy efficiency improvement projects. USDA may reallocate funds between the renewable energy systems and the energy efficiency improvement funds. Applications for renewable energy systems must be for a minimum grant request of \$10,000, but no more than \$500,000. Applications for energy efficiency improvements must be for a minimum grant request of \$10,000, but no more than \$250,000. The actual number of grants funded will depend on the quality of proposals received and the amount of funding requested. These limits are consistent with energy efficiency improvement projects and alternative energy systems, which the Department has determined are appropriate for agricultural producers and rural small businesses. Grant limitations were based on historical data supplied from Department of Energy, Environmental Protection Agency and Rural Utilities Service on renewable energy systems and from an energy efficiency state program for energy efficiency improvements.

Applicant Eligibility

An eligible applicant must be an agricultural producer or rural small business. Individual applicants must be citizens of the United States (U.S.) or reside in the U.S. after being legally admitted for permanent residence. Entities must be at least 51 percent owned, directly or indirectly, by individuals who are either citizens of the U.S. or reside in the U.S. after being legally admitted for permanent residence. The applicant must also have demonstrated financial need. In the case of an applicant that is applying as a rural small business, the business headquarters must be in a rural area and the project to be funded also must be in a rural area. Adverse actions made on applications are appealable pursuant to 7 CFR part 11.

Project Eligibility

The proposed project must be for the purchase of a renewable energy system or to make energy efficiency