



Funding Your Wind Turbine Project with a USDA REAP GRANT

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Webinar Overview

- Webinar is being recorded
- Will be posted on our website
- Q&A at end of session
 - **Please submit questions through Go-to-Meeting**
- Callers please stay on Mute
- Submit projects for Pre-Feasibility screening at:
northernpower.com/pre-feasibility-request.php
- ***Contact Info to be Posted on Our Website***



Program Outline

- About Northern Power Systems
- Community Wind and the Northern Power® 100
- Northern Power® 100 Product Overview
- REAP Grant Overview
- REAP Grant Scoring
- REAP Application Process
- Q&A



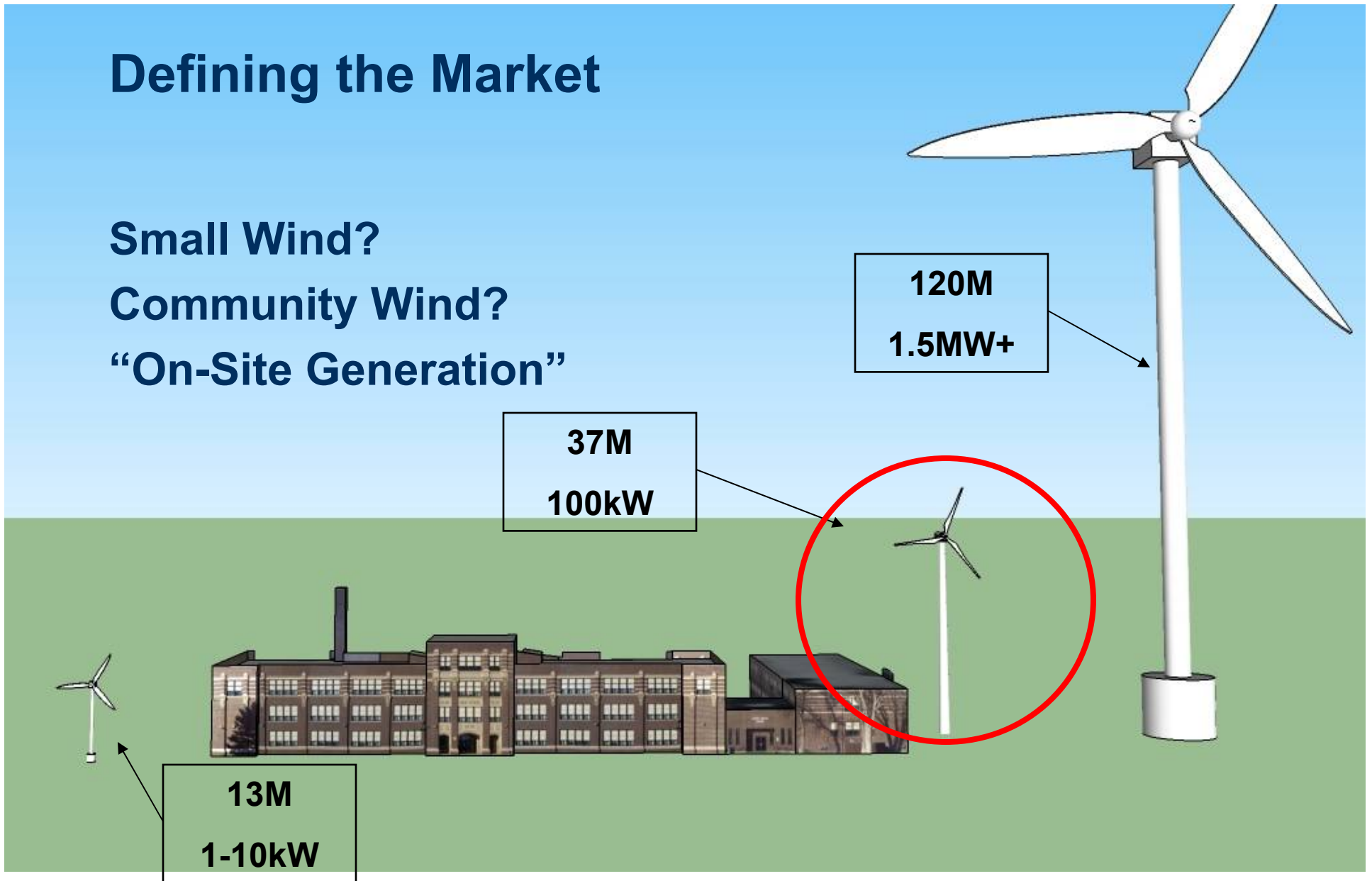
About Northern Power Systems

- Over 35 years experience
- Founding member of AWEA
- Leading DOE / NREL partner
- 100+ NPS 100 shipped
- Made in America



Defining the Market

Small Wind?
Community Wind?
“On-Site Generation”



(Images from Google SketchUp, 2010)



Direct.

Northern Power 100 Community Wind Turbine Product Overview

- 100kW rated power; 37m tower; 156 ft. tip height
- Advanced permanent magnet direct drive technology
- Increased energy capture at low winds
- Low maintenance (1 visit per year)
- 24/7 SmartView monitoring
- Quiet Operation
- Easy utility interconnection
- Certified to CE, UL, CSA safety and performance standards
- Power Curve and sound levels validated by DNV-GEC to IEC international standards



What is Community Wind? The Right Size, The Right Equipment

✧ The Northern Power 100's community friendly design makes it the ideal fit for:

- Agri-business
- Municipalities
- Light Industrial
- Schools and Universities
- Remote Villages
- Recreational facilities
- Hospitals
- Resorts
- Retail
- Warehouses



Community Wind Market Drivers

- **Grassroots desire for green energy**
- **Ease of siting**
- **Low height requirements**
- **Low acoustic impact**
- **Educational value**
- **Marketing value**
- **Financial:**
 - Lower upfront investment with incentives and RECs
 - Available wind resource
 - Rising utility rates



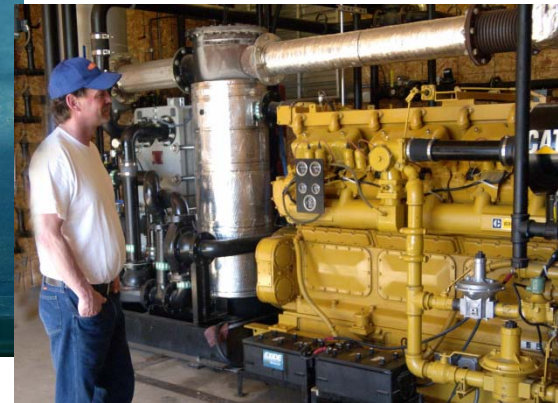


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RURAL ENERGY FOR AMERICA

(previously called Section 9006 Renewable Energy Systems and Energy Efficiency Improvement Programs)



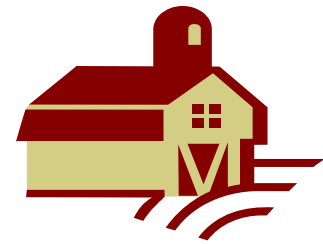
Purpose of Funding Program

- To assist farmers and rural small businesses with costs for the purchase and installation of RE systems and EE improvements.
- Grants, loan guarantees, and combination grant/loan guarantee packages are available





Eligible Applicants



- **Ag Producers** if 50%+ gross income derived from the agricultural operations*
- **Rural Small Businesses** that don't exceed SBA size standards by NAICS code, including parent, affiliate and subsidiaries (www.sba.gov/size/index.html)
- **Municipal-Owned Electric Utilities** that provide services on a cost-of-service basis without support from public funds or government subsidy and that operate independent of direct Governmental control. Maximum 4 million megawatt hours total electric output in preceding FY.

Program Specifics:

- Renewable Energy Grant Maximum:
- Total eligible project costs:
 - 25% up to \$500,000.
- Energy Efficiency Grant Maximum:
 - 25% up to \$250,000.
- Guaranteed loan Maximum:
 - \$25 million



Project Eligibility

- Must be for purchase of RE system or EE improvements
- Pre- or Commercially available technology
- EE: Audit if TEPC > \$50k / Assessment < \$50k
- RE: Feasibility Study if TEPC > \$200k

TEPC = Total Eligible Project Costs



More Eligibility

- Project locations must be in rural areas with < 50k population and not adjacent to more urban areas. All of VT is eligible.
- Applicants must own and control the project and have long-term project site control.*
- Businesses must have majority ownership by US citizens or permanent residents.
- Individuals must be US citizens or permanent residents.



Applicants Not Eligible

- Municipalities
- School Districts
- Not-for-profit Corporations*
- Delinquent taxes or federal debt
- Federal court judgments or debarred from Federal assistance

Eligible Use of Funds

- Post-application purchase and installation of RE systems and EE equipment, construction or improvements*
- Energy audits or assessments
- Permit fees, interconnection fees, Power Purchase Agreement fees
- Professional service fees, except application prep
- Renewable Energy feasibility studies, business plans, and Technical Reports
- Retrofitting**



Additional Use of Funds – With Loan Guarantees

- Capital improvements to an existing RE system
- Working capital
- Land acquisition costs

Ineligible Use of Funds

- Residential Improvements
- Agricultural tillage equipment
- Vehicles
- Grant application preparation
- Routine repairs



Three ways to apply:

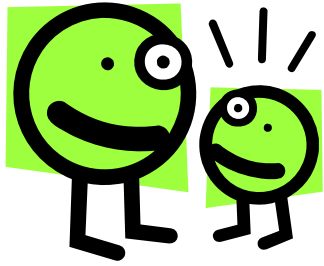
- Grant only:
 - 25% Total eligible project costs
- Guaranteed Loan Only:
 - 75% Total eligible project costs
- Combo Grant/Guaranteed loan:
 - 25% grant/50% Guaranteed loan



Scoring Criteria

- Energy Replaced, Produced or Saved
- Environmental Benefits
- Commercial Availability
- Technical Merit
- Match \$ Readiness
- Small Ag Producer / Very Small Business
- Simplified Application
- Previous Grantee
- Return on Investment
- Loan Rate





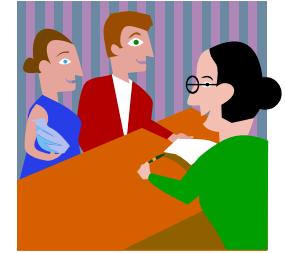
Scoring Incentives

- For Small Ag Producers under \$600,000 gross ag income 5 pts, under \$200,000 gross ag income 10 pts
- For Very Small Businesses with < \$1 MM gross receipts and < 15 employees 10 pts
- For Simplified Applications with \$200,000 or less eligible project costs 5 points*
- EE Projects Costs =/<\$50,000 that opt for energy audit in lieu of assessment 5 pts

Document Scoring!

- Commercial technology:
 - attach catalog specifications
 - cite and attach warranty required in Technical Report (i) O&M, varies by technology
 - cite numerous systems operating nationwide designed by your engineer or others
 - purchase 5 year or longer warranty on major equipment components for additional points, show on invoice**
 - cite a maintenance agreement for the system that will mitigate system degradation or breakdown

Application Process



Based on State where project is located:

- Contact USDA early to begin intake survey, application process, civil rights compliance review, and environmental assessment for project*
- Submit an original and two complete copies of application
- Submit separate applications for RE and EE
- Encourage applications now to review and suggest improvements; deadlines TBD later.

FULL Applications

- Grant Projects >\$200k
- Guaranteed Loans >\$600k
- Must *demonstrate* financial need for grant and document **full** financial information*
- Must use Technical Report Appendix B
- May use pre-commercial or commercial technology
- May receive progressive reimbursements, subject to conditions, final 10% held until complete, certified operational, and with final paperwork received.
- Independent business level feasibility study required for RE
- Independent energy audits required for EE
- In-state licensed P.E. required for RE projects >\$400k, EE >\$200k**
- Technical Report opinion and recommendation by a qualified independent consultant for projects >\$1.2MM



All Applications

- Legal organizational documents and Duns number
- Evidence of committed match funds
- Self-Evaluation Score with Documentation
- Technical Report Information*
- Forms/Certifications/Narrative/Financials**
- Additional credit analysis, collateral appraisal, equity and financial information required for Loan Guarantees and Combos



**The USDA is an equal
opportunity provider
and employer.**



Initial Program Inquiries



- Energy Inquiries in VT:

Donna at 802-828-6031

Cheryl at 802-828-6083

Energy Inquiries in NH:

Karen at 603-223-6045

Call today for Intake Survey and Quick Tip
sheet and resource list.

Website: <http://www.rurdev.usda.gov/vt/>



Q & A



Summary

- Community Wind Is Growing
- Multiple Funding Sources Are Available
 - **USDA**
 - **State**
 - **Federal 30% Small Wind ITC Incentive**
- REAP Grants
 - **Contact State Coordinator Early**
 - **Submit Early**
- Northern Power 100 turbine is a fit for the USDA REAP Grants



THANK YOU



Direct.