ENVIRONMENTAL REQUIREMENTS ASSOCIATED WITH FEDERAL FUNDING

OBTAINING FUNDS

The **United States Department of Agriculture** has two programs that provides funding (grants or loans for renewable energy projects. The largest program is the Rural Energy for America Program (REAP) with funds through the Inflation Reduction Act. The other is the Rural Business Enterprise Grant.

Rural Energy for America Program

Rural Business Enterprise Grant

Who Can Apply:

- Agricultural producer directly engaged in production of agricultural products and income is 50% or greater from agriculture business.
- Rural Small Business (includes electric utility that provides service to rural consumers without support from public funds).

Who Can Apply:

- Rural co-ops
- Nonprofit corporation, local / state agencies

Funds can be used for:

- Feasibility studies
- Business plans

The **United States Department of Energy**, through the Infrastructure Investment and Jobs Act has 300 billion in loan guarantees for clean energy, facility decarbonization, and energy infrastructure reinvestment projects.

> **Small Innovative Projects in Solar**

Who Can Apply:

Open

Funds can be used for:

- Concepts / research associated with solar-thermal power plants
- Photo-voltaic research associated with cost reduction, increased

Loan Program Office Title 17 **Clean Energy Financing**

Who Can Apply:

- Developers
- Manufacturers and service providers
- Regulated utilities
- public power entities
- Independent power producers

Funds can be used for:

Innovative Energy

Funds can be used for:

- Renewable energy projects (biomass, geothermal, anaerobic digesters, hydrogen, wind, solar, hydroelectric, E85/biodiesel
- Acquisition or development of land, easements, or rights of way; construction, conversion, renovation of buildings; plants, machinery, equipment, access for streets and roads; parking areas and utilities.

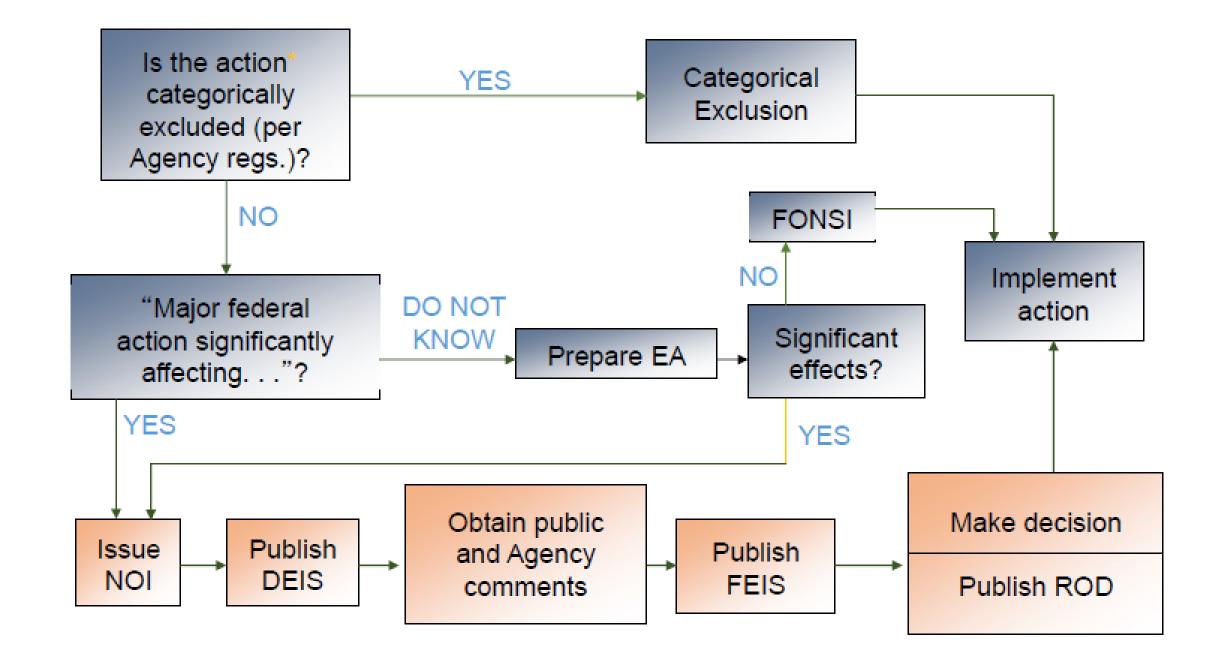
output, recycling of materials

- Manufacturing of clean energy technology
- Use of a qualifying clean energy technology
- Replacing of existing energy infrastructure to reduce air emissions

ONCE AWARD HAS BEEN APPROVED – HOW TO GET YOUR FUNDS / ENVIRONMENTAL CLEARANCE

Projects that receive US government funds or are located on federal lands (Department of Interior, Bureau of Indian Affairs) must comply with the National Environmental Policy Act (NEPA) of 1969.

There are three levels of documenting NEPA compliance – Categorical Exclusions (CATEX), Environmental Assessments (EA), and Environmental Impact Statements (EIS). NEPA documentation must be complete and considered final / signed off prior to ground disturbance.



Categorical Exclusion without a Report are projects that involve no or minimal alterations in the physical environment and typically occur on previously disturbed land. Examples include upgrading **existing facilities** (adding upgraded panels) or constructing new facilities within existing ROW or site.

Categorical Exclusions requiring an Environmental Report include projects considered small-scale development or take place within a new corridor. **Projects must disturb less than 10 acres.**

Environmental Assessment is for a project that disturbs over 10 acres and does not generate significant impacts that can not be mitigated.

Timelines Associated with Each Type of Document

NEPA Documentation	Timeline	Consultation Requirements
CATEX w/o Report	30 calendar days	None
CATEX w Report	60 calendar days	Informal Consultation with USFWS (IPaC) and SHPO
EA	180 calendar days	Informal Consultation with USFWS (IPaC), State Historic Preservation Office, State and Local Agencies, Public
		Informal Consultation with

365 calendar days+

USDA has a robust NEPA program and associated regulations. Regulations are under 7 CFR 1970.0

USDA has two "categories" of Categorical Exclusions – those that require an Environmental Report and those that do not.



Environmental Impact Statement is when all else fails.

The DOE has only one Categorical Exclusion "category" – they require a Record of Categorical Exclusion. Funding applications may also require an Environmental Questionnaire (EQ1).

Compliance with NEPA requires an analysis of the current conditions of the site and the associated impacts.

Depending upon the site conditions, additional surveys may be required. The NEPA document can not be submitted to the agency without surveys required. Additional surveys can include

- Cultural Resource Surveys (Archaeological and Historic Structures) (can be weather dependent and work plus reporting can be three months)
- Threatened and Endangered Species Habitat or Presence / Absence Surveys (season dependent, may require multiple visited)
- Waters of the US Delineation (season dependent in the north and west)
- Glare Survey
- Bat / Bird Studies (Wind)

EIS

USFWS (IPaC), State Historic Preservation Office, State and Local Agencies, Public

For federal projects, NEPA document can not be reviewed by the agency until these surveys and associated consultation has been completed for EA and EISs. If the project is funded by the USDA, a programmatic agreement between the USDA and the SHPO's allows for funding to be awarded without Section 106 completed at the time of the NEPA document approval – this is used for CATEX's.

Revisions to NEPA Associated with HR 2811 (Debt Ceiling)

Several provisions were made to amend the act. The provisions include:

- Updating the definition of a major federal action (when NEPA is required or not); and
- Designating federal actions and /or impacts that do not require further environmental review;
- Modification to determination of level of review (thresholds); and
- Analysis requirements

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How does this pertain to renewables? Loans from federal government are potentially excluded from NEPA due to definition of major federal action. If the project requires federal funding to proceed, NEPA will more than likely be applicable; however if not, we have entered into a gray area. Awaiting federal guidance and court cases.

