

ANALYSIS

Department of Energy

Energy Audits

Analyst: Katie Bannikov

Request: Approve the submission of a federal grant application to the U.S. Department of Agriculture, Rural Energy for America Program, in the amount of \$100,000, for energy audits of agricultural producers and rural small businesses.

Analysis: The U.S. Department of Agriculture, Rural Energy for America Program is offering a competitive grant for energy audits and renewable energy development assistance grants with a maximum award of \$100,000 for the federal fiscal year. The intent of the funds is to increase the private sector supply of renewable energy and decrease energy demand through efficiency improvements thereby lowering energy costs for agricultural producers and rural small businesses in the future.

This funding opportunity shall be used to provide energy audits, renewable energy technical assistance, and renewable energy site assessments to agricultural producers and rural small businesses. The grant has a 5% cap on administrative expenses and no state cost share requirement, however there is a 25% cost share for the agricultural producers and rural small businesses.

The application is due January 31, 2025. If awarded, the agency indicates that no additional positions are required to administer the program.

Recommendation: The Legislative Fiscal Office recommends approval of the request.

Request: Authorization to apply for a grant of \$100,000 for small rural business energy efficiency and renewable energy systems grants from the U.S. Department of Agriculture Renewable Energy Development Assistance Grant.

Recommendation: Approve the request.

Discussion: The Department of Energy (ODOE) is requesting authorization to apply for a grant of \$100,000 from the U.S. Department of Agriculture Renewable Energy Development Assistance (REDA) grant program. The purpose of the grant is to provide subgrants to small rural businesses for energy efficiency and renewable energy systems grants. ODOE began receiving grant funding through the REDA program in 2021, which can provide 75 percent of the cost of an energy audit for eligible small rural businesses. Since the initial receipt of the grant, ODOE has provided support for 13 such energy audits.

The grant has no state matching requirements but does require subgrantees to pay 25 percent of the cost of supported energy audits. The grant application is due on January 31, 2025, and is expected to be administered through existing staff resources within ODOE.



Oregon

Tina Kotek, Governor



January 17, 2025

Senator Kate Lieber, Co-Chair
Representative Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

550 Capitol St. NE
Salem, OR 97301
Phone: 503-378-4040
Toll Free: 1-800-221-8035
FAX: 503-373-7806
www.oregon.gov/energy

Dear Senator Lieber and Representative Sanchez:

Nature of the Request

The Oregon Department of Energy requests approval to apply for additional funding from the U.S. Department of Agriculture's Renewable Energy Development Assistance Grant. ODOE was previously awarded funding from REDA; it supports our Oregon Rural and Agricultural Energy Assistance Program. ODOE's program assists rural small businesses and agricultural producers by providing grants to promote energy audits, access technical assistance, and assess sites for potential renewable energy projects. The grant, if awarded, will be used to provide 75 percent of the cost of an energy audit or assessment for eligible Oregon rural small businesses and agricultural producers.

Since first receiving a REDA grant in 2021, ODOE staff have engaged in a range of outreach activities related to the REDA program, including creating and honing promotional materials, promoting the program at a variety of events bringing together rural and agricultural businesses, and building awareness among colleagues to take advantage of cross-promotional activities. Under this program, rural and agricultural businesses submit interest forms that ODOE staff use to identify the resources or technical assistance that may be available for them. So far, the grant has supported 13 energy audits. Two of the businesses that took advantage of the energy audits successfully leveraged them to apply for and receive Rural Energy for America Program grants. ODOE staff have also been able to use the interest forms to make referrals that have contributed to two additional REAP awards and multiple successful utility incentive awards. With a new round of funding, we will continue to explore avenues for reaching businesses with the potential to benefit from energy efficiency incentives, and maximize opportunities to cross-promote the Rural and Agricultural Energy Assistance program in rural Oregon to inform and lower operating costs for farms and small businesses in rural communities.

Federal Grant Information

- The Renewable Energy Development Assistance grant is offered by the U.S. Department of Agriculture to provide funding to rural small businesses and agricultural producers for renewable energy systems or to make energy efficiency improvements. ODOE uses the grant funding to help fund energy assessments for Oregon farms, ranches, and rural small businesses

- ODOE will be requesting \$100,000 in grant funds. The grant has a 12-month performance period that can be extended by an additional 12 months.
- The grant application is due January 31, 2025.
- There is no state match requirement, but USDA does require program participants to provide a 25 percent match of the audit cost. ODOE has worked with Energy Trust of Oregon and local utilities to provide the participant match requirements in select areas.
- ODOE will leverage existing staff to administer the grant.
- The grant will support ODOE's mission to help Oregonians make informed decisions and maintain a resilient and affordable energy system through energy education and technical assistance.

Action Requested

ODOE requests approval to apply for the USDA's Renewable Energy Development Assistance grant. If awarded, ODOE intends to return to a future Ways and Means or Emergency Board to seek limitation, if needed.

Thank you,

A handwritten signature in dark ink, appearing to read "Janine Be".

Janine Benner, Director

cc: Sione Filimoehala, CFO
Katie Bannikov, LFO

[Rural Energy for America Program Energy Audit & Renewable Energy Development Assistance Grants in Oregon | Rural Development](#)