

PACKAGING FEDERAL FUNDING FOR PROJECT FINANCING



Tools for Developing a Small-scale Biomass to Energy Project

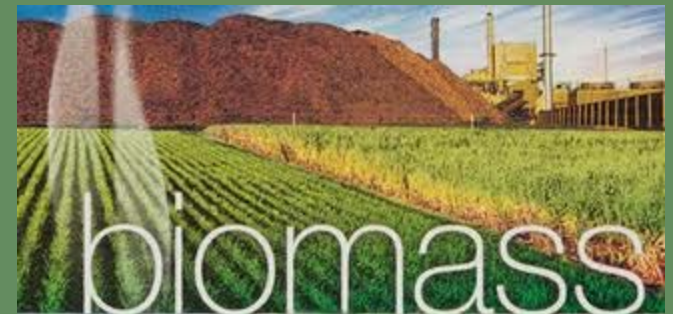
September 7, 2011, Danville, VA

PRESENTED BY:

SARAH AUBREY, PRINCIPAL

SARAH@PROSPERITYAGENERGY.COM

PHONE/FAX: (317)996-2777



WWW.PROSPERITYAGENERGY.COM



- Our mission is to be the best in the business at seeking funding for clients. We endeavor to strengthen communities, empower entrepreneurs and foster growth for farms and businesses by providing resources, knowledge and by writing successful proposals that enhance cash flow, create jobs, and nurture the rural environment.
- Goals
 - Strengthen communities
 - Empower entrepreneurs
 - Foster growth for farms and businesses in Ag and renewable energy



About Prosperity



- Full service funding opportunities development firm
 - Grant writing and research
 - Guaranteed loans
- Grant Administration
 - Communications and messaging
 - Speaking
- State and Federal contacts
 - USDA, EPA , DOE, foundations



Sarah Aubrey, Principal



- Over 400 successful grants in 32 states, since 2007
- Grants have yielded nearly \$50 million
- Certified grant administrator
- Leadership focus
 - Lugar Excellence in Public Service Series
 - Indiana Agricultural Leadership Program
 - National Speakers Association, member
- Lifelong farm resident; geothermal, Energy efficiency and Indiana Certified Forrest on own farm





- **Renewable Energy**
 - Biofuels, biomass, methane capture, wind, solar and geothermal
- **Entrepreneurship**
 - Urban /rural areas, energy technology developers, small business, farms
- **Energy Efficiency**
 - Irrigation, manufacturer retrofits, farm equipment, lighting, fans, HVAC, greenhouse, municipal waste water plants, university boilers, etc.
- **Energy Technology**
 - Alternative fuels and energy technology equipment
- **Conservation Sustainability/ Redevelopment**
 - Brownfield's, green building, farm practices, grass and woodlands



- Project assessment and feasibility funding source evaluation
- Grant writing
 - Proposal development
 - Application filing
 - General grant administrations
- Grant reporting following award
- Energy audits
- Guaranteed loan applications
- Speaking





- Liaison with government agencies and funding organizations
- Professional speaking services
- General communications
 - Placing articles in trade journals
 - Press releases
 - Media relations
- Educational webinars and training



Our Board of Advisors includes:

- Lobbying
- Lending Agencies
- Environmental Assessments
- Project Engineering and Design



What IS a Grant?



- Dollars you receive from an agency, foundation or organization
- They do not have to be paid back.
- Dollars are *usually* reimbursement – Not paid up front.
- Matching of 50 percent or more often required
- For a specific purpose – validate where dollars are used

What a Grant is NOT?



- Loan
- Free Money
- Tax Free
- Without Work
- Easy to Obtain
- A RESCUE for a Failing Business



What are Government Loans?



- 1. Direct Loan:** You receive a loan from the Agency and sign a contract.
- 2. Guaranteed Loan:**
 - You borrow from a lender.
 - You and lender complete application to Agency.
 - Agency guarantees the bank a percentage of amount borrowed if you default.

Government Loans...



- Why use loans?
- Can a Loan be used with a Grant?
- Is there a limit to the loan amount?

Creating Funding Packages



COMMON EXAMPLE

- Federal Grant -25 percent
- Federal Loan Guarantee-50 percent
- Private Equity-25 percent

TAX CREDIT EXAMPLE

- Federal Grant -25 percent
- Payments in lieu of tax credit (1603)? 30 percent
- Private Equity-20 percent
- Loan Guarantee 25 percent

Creating funding Packages, cont.



PARTICIPATING IN A RETROFIT

- Repowering Assistance Program-50 percent
- Business and Industry Loan-25 percent
- Private Equity-25 percent
- USDA REAP grant 25 percent
- USDA REAP Guaranteed Loan 50 percent
- Technology Provider Equity 10 percent
- Private Equity 15 percent

Funding 'Moral of the Story'



- Partner as much as possible
- Realize Private funding is part of each project
- Public Perception is very important



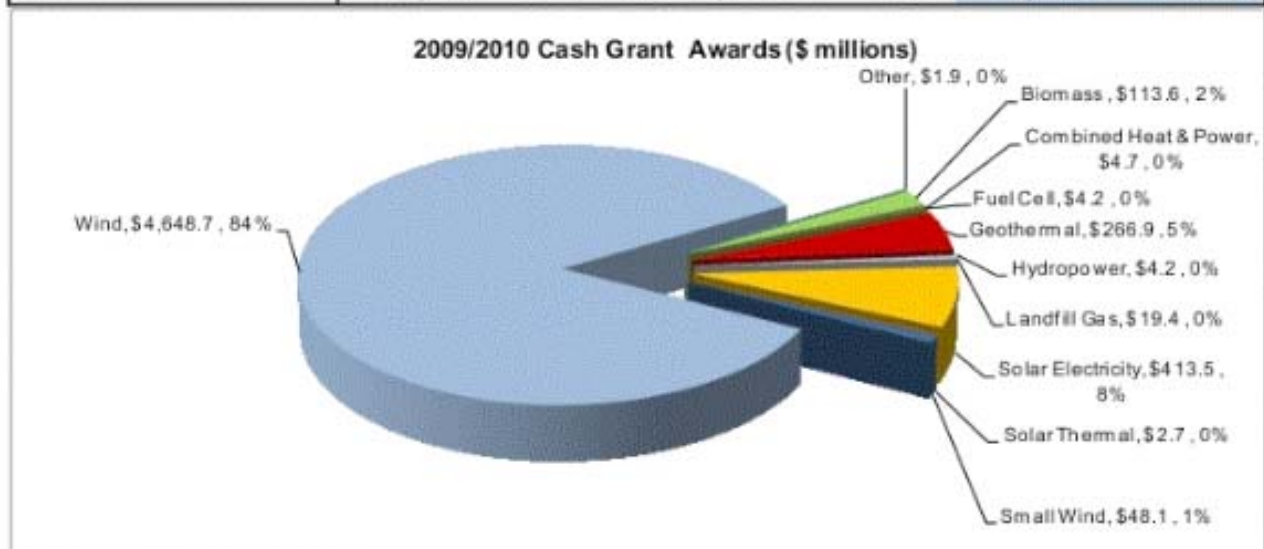
Where are You Searching for Funds?



- Federal dollars (USDA/Forest Service, etc)
- State agriculture and energy programs
- Investors/Manufacturers/Growers
- Partners in Community, university and private sectors
- Private Foundations?
- Trade Associations, (especially on energy crops)

“1603” Treasury Grant Stats

Industry Segment	1603 Cash Grants Awarded (\$ millions)					
	2009 Awards	Percent	2010 Awards	Percent	Total Awards	Percent
Biomass	\$71.4	3.7%	\$42.2	1.2%	\$113.6	2.1%
Combined Heat & Power	1.1	0.1%	3.6	0.1%	\$4.7	0.1%
Fuel Cell	1.9	0.1%	2.3	0.1%	\$4.2	0.1%
Geothermal	119.4	6.2%	147.5	4.1%	\$266.9	4.8%
Hydropower	4.1	0.2%	0.1	0.0%	\$4.2	0.1%
Landfill Gas	12.9	0.7%	6.6	0.2%	\$19.4	0.4%
Solar Electricity	26.8	1.4%	386.7	10.8%	\$413.5	7.5%
Solar Thermal	0.8	0.0%	1.9	0.1%	\$2.7	0.0%
Small Wind	0.3	0.0%	47.7	1.3%	\$48.1	0.9%
Wind	1,693.7	87.6%	2,955.0	82.2%	\$4,648.7	84.1%
Other	0.0	0.0%	1.9	0.1%	\$1.9	0.0%
Total	\$1,932.4	100.0%	\$3,595.45	100.0%	\$5,527.83	100.0%



Source: U.S. Department of Treasury

USDA Rural Energy for America (REAP)



- **Details:**

- From Farm Bill Energy Title
- Purchase and installation of renewable energy systems or improvements in energy efficiency
- Annual funding cycle
- Nationally competitive
- Up to 25% of total project costs
- **Applicants** – Ag Producer or Rural Small Business
- **Project Area** – Under 50,000 in population and not adjacent to an urban area

USDA Rural Energy for America (REAP)



- Applicants have 2 years to use the funds after notice of grant award.
- Applicant can start project after the date of grant application submission.

Energy Efficient

- HVAC equipment
- Windows , doors, insulation
- Cooler/freezer replacements
- Boiler replacements
- Grain Dryer systems
- Irrigation systems & motor conversions

Renewable Energy

- Wind
- Solar
- Anaerobic digesters
- Geothermal
- Hydroelectric source
- Hydrogen derived from biomass
- Hydropower

Not only Grants...



- Tax Credits
- Payments in lieu of tax credit
- Assistance Programs such as BCAP
- Loans
- Partnerships!-Very important for many projects

Prosperity Ag & Energy Resources

Contact

Sarah Aubrey

6680 North Baltimore Rd.

Monrovia, IN 46157

Phone: 317-996-2777

sarah@prosperityagenergy.com

www.prosperityagenergy.com

