

# Inflation Reduction Act Funding Opportunities

Last August, President Joe Biden signed the Inflation Reduction Act (IRA) into law (information is available at this link: <https://tinyurl.com/jb6enpbf>). The IRA will help reduce energy costs for families and create thousands of well-paying jobs across rural America.

The IRA represents the largest investment in rural electrification since the passage of the Rural Electrification Act in 1936. USDA Rural Development's Rural Utilities Service (RUS) and Rural Business-Cooperative Service (RBCS) will oversee and implement this investment. Certain sections of the IRA establish new loan and grant products, creating unprecedented incentives to expand clean energy, transform rural power production, generate jobs, and spur economic growth. You can learn more about Inflation Reduction Act funding for USDA Rural Development at this link: <https://tinyurl.com/548c8tb7>.

The IRA provides funding to help eligible applicants purchase renewable energy and zero-emissions energy systems, and make energy efficiency improvements to reduce greenhouse gases. New programs include:

- **Section 22001 | Affordable Clean Energy (ACE) Program:** Features \$1 billion in funding for partially forgivable loans for utility-scale clean energy projects, including wind, solar, hydropower, biomass, geothermal, and energy storage. ACE is designed to increase clean energy adoption in rural America and make it more affordable for consumers. Eligible entities include electric service providers such as municipal utilities, cooperatives, private-sector developers, and investor-owned or Tribal utilities.
- **Section 22002 | Rural Energy for America Program (REAP):** Provides up to \$2.025 billion in RBCS funding, with \$303 million set aside for underutilized technologies and technical assistance. More than \$300 million has already been announced, with more to come. Most grants can cover up to 50 percent of total project costs. REAP funds support renewable energy and energy efficiency projects for tens of thousands of rural small businesses and farms.
- **Section 22004 | Empowering Rural America (New ERA) Program:** Up to \$9.7 billion in new funding is available for electric cooperatives to reduce greenhouse gas emissions by purchasing or deploying renewable energy, zero-emission systems, and carbon capture technology. Funding also can be used to make generation and transmission energy efficiency improvements. New ERA funding is designed to support long-term resiliency, reliability, and affordability. Applicants can request loans, grants, loan modifications, and other financial assistance.