



# News Release

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## **Biden-Harris Administration Makes Historic, \$11 Billion Investment to Advance Clean Energy Across Rural America Through Investing in America Agenda**

*Two new programs made possible by the Inflation Reduction Act will support clean and affordable energy, new jobs and healthier communities*

**WASHINGTON, May 16, 2023** – The Biden-Harris Administration today announced the availability of nearly \$11 billion in grants and loan opportunities that will help rural energy and utility providers bring affordable, reliable clean energy to their communities across the country. This represents the single largest investment in rural electrification since President Franklin D. Roosevelt signed the Rural Electrification Act into law in 1936.

“The Biden-Harris Administration’s commitment to cleaner energy provides rural communities with an affordable and reliable power grid, while supporting thousands of new jobs and helping lower energy costs in the future,” Agriculture Secretary Tom Vilsack said. “These investments will also combat climate change and significantly reduce air and water pollution that put children’s health at risk. The U.S. Department of Agriculture stands ready to partner with municipalities, tribal entities, entrepreneurs, rural electric cooperatives and other utilities to see this transformative investment come to life and create new economic growth and healthier communities.”

Funding is available through two programs under President Biden’s Inflation Reduction Act, which makes the nation’s largest-ever investment in combatting the climate crisis. Specifically, the U.S. Department of Agriculture (USDA) will be opening a Letter of Interest process for the Empowering Rural America (“New ERA”) program, which makes \$9.7 billion available to eligible rural electric cooperatives to deploy renewable energy systems, zero-emission and carbon capture systems. In addition to New ERA, USDA will also be opening a Letter of Interest process for the Powering Affordable Clean Energy (PACE) program, which makes \$1 billion available in partially forgivable loans to renewable-energy developers and electric service providers, including municipals, cooperatives, and investor-owned and Tribal utilities to help finance large-scale solar, wind, geothermal, biomass, hydropower projects and energy storage in support of renewable energy systems.

“This new funding from the Inflation Reduction Act shows that President Biden, and our entire administration, is serious about investing in rural America,” said John Podesta, Senior Advisor to the President for Clean Energy Innovation and Implementation. “This announcement embodies what the Investing in America Agenda is all about—building a clean energy economy that works for everyone.”

Together, these two programs represent the single largest investment in rural electrification since President Franklin Delano Roosevelt signed the Rural Electrification Act into law in 1936. This announcement is part of President Biden's Investing in America agenda to grow the American economy from the bottom up and the middle out by rebuilding our nation's infrastructure, driving more than \$435 billion in private-sector manufacturing investments, creating good-paying jobs, and building a clean-energy economy to tackle the climate crisis and make our communities more resilient.

"All across America, rural cooperatives lift up our rural communities. President Biden's investment agenda positions his Agriculture Department as the ultimate partner in this work – financing not just upgrades to clean and affordable power, but also economic empowerment and uplift," said Ali Zaidi, Assistant to the President and National Climate Advisor. "For so many of our rural communities, this is simply a gamechanger. It's a big deal."

More information on the **New ERA program** is available at <https://www.rd.usda.gov/programs-services/electric-programs/empowering-rural-america-new-era-program>. Rural electric cooperatives, including current and previous USDA borrowers, are eligible for funding. To apply, eligible entities must submit a Letter of Interest between July 31 and Aug. 31, 2023.

More information on the **PACE program** is available at <https://www.rd.usda.gov/programs-services/electric-programs/powering-affordable-clean-energy-pace-program>. Loans through this program may be forgiven by 40% of the loan amount, and the maximum loan amount is \$100 million. Applicants in Puerto Rico, the Federated States of Micronesia, the Republic of the Marshall Islands, the Republic of Palau, and Tribal communities are eligible for up to 60% loan forgiveness. For this program, USDA will begin accepting Letters of Interest starting on June 30, 2023, on a rolling basis until Sept. 29, 2023.

The goal of the PACE program is to make clean energy affordable for vulnerable, disadvantaged, Tribal and energy communities to heat their homes, run their businesses and power their cars, schools, hospitals and more. USDA may be able to leverage nearly \$3 billion in projects through this program. This is in line with President Biden's [Justice40 Initiative](#), which aims to ensure that 40% of the overall benefits of certain federal investments reach disadvantaged communities that are marginalized and overburdened by pollution.

### **Background: Inflation Reduction Act**

The Biden-Harris Administration championed the Inflation Reduction Act to help provide new funding and unprecedented incentives to expand clean energy, transform rural power production, create jobs and spur economic growth.

The Inflation Reduction Act provides several funding opportunities to USDA Rural Development to help eligible organizations invest in renewable energy infrastructure and zero-emission systems and make energy-efficiency improvements that will significantly reduce greenhouse gas emissions.

For example, the Inflation Reduction Act provides up to \$2 billion for the [Rural Energy for America Program](#) (REAP), with \$303 million set aside for underutilized technologies

and technical assistance. USDA anticipates funds will support renewable energy and energy-efficiency projects for more than 41,500 farms and small businesses.

The Inflation Reduction Act also provides up to \$500 million in grants for [infrastructure improvements to blend, store or distribute biofuels](#) to give consumers more fueling options. This includes installing, retrofitting or upgrading dispensers for ethanol at retail fueling stations, as well as home heating oil distribution centers.

For more information on the Inflation Reduction Act, visit:  
<https://www.rd.usda.gov/inflation-reduction-act>.

USDA touches the lives of all Americans each day in so many positive ways. Under the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate-smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit [www.usda.gov](http://www.usda.gov).

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