USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

Leading the Charge: How USDA Rural Development Supports Electric Vehicle Infrastructure

USDA Rural Development is in a unique position to make climate-smart investments in rural infrastructure to help America build back better and stronger. Our actions play an important role in meeting the Biden-Harris Administration's climate goals – not just in agriculture and forestry, but across the whole economy.

When it comes to greenhouse gasses, transportation is the highest-emitting sector in this country. A multifaceted strategy – one that includes alternative fuels such as sustainable, drop-in biofuels and electricity – is crucial to addressing this imbalance. As part of its ongoing "All Hands" approach, the U.S. Department of Agriculture is committed to ensuring the success of President Biden's plan to install a half-million electric vehicle (EV) chargers across the U.S. over the next decade.

Charging infrastructure improvements must include parity of access in American's urban and rural landscapes. We must also address "range anxiety" – the understandable concern that rural-based electric vehicle drivers won't be able to find a reliable charging station before they run out of power.

That's why Agriculture Secretary Tom Vilsack has directed USDA Rural Development to identify and – wherever possible, expand – supportive funding streams. Rapid EV access isn't just an issue "for folks passing through." It's a non-negotiable modernization for forward-thinking farmers, ranchers, rural business owners, and residents who understand that a sustainable, profitable future centers on renewable energy technology.

According to the Union of Concerned Scientists, drivers living in small towns and rural areas stand to benefit the most from buying or converting to electric vehicles. They tend to have longer work commute times and drive farther to reach medical and other appointments, spending more on gasoline and generating higher carbon emissions per capita. Using 2017 National Highway Traffic survey data, USC estimates rural drivers can save up to twice as much as their urban neighbors by switching to electric; about $870 each year among the most rural counties studied in a 12-state region. But – without easy, reliable access to EV charging stations, rural drivers will remain reluctant to adopt electric vehicle technology.

RD's Community Programs, Rural Business and Cooperative Service, and Rural Utilities Service programs all offer funding support for EV charging infrastructure. See the next page for a snapshot of how that looks today.

Community Programs*

Essential community infrastructure is key to ensuring rural areas enjoy the same basic quality of life and services available to those in urban areas. As policies and incentives to invest in EV technology accelerate, RD Community Programs can play a proactive role in supporting charging infrastructure and electric vehicle adoption in rural America.

Program	Uses
Community Facilities Direct Loans and Grants (available at this link: https://go.usa.gov/xtG6s) **Community Facilities Guaranteed Loans** (available at this link: https://go.usa.gov/xtG6F)	EVs purchased for essential community services by public bodies, nonprofits, and federally-recognized Tribes
	Municipal EV charging stations for vehicle fleets and for use in rural municipal parking lots
	EV charging stations for use at rural community facilities including hospitals, medical clinics, schools, colleges, libraries, and town halls, among others

*We are consulting with USDA's Office of General Counsel to determine regulatory and statutory boundaries in using Community Facilities loan, loan guarantee, and grant program funds to support EV charging stations for commercial or retail entities, and to determine the legality of funding EV charging stations on public property near interstate highway systems ("alternative fuel corridors").

Rural Business-Cooperative Service

RBCS offers programs to help start and grow rural businesses, including those in the biobased economy.

Program	Uses
Rural Energy for America Program* (REAP) Renewable Energy Systems & Energy Efficiency Improvement Guaranteed Loans and Grants (available at this link: https://go.usa.gov/xtGM4)	Fund renewable energy systems, including EV equipment for a REAP recipient's own business use (for example, to charge a fleet of electric vehicles).
Business & Industry Guaranteed Loans (available at this link: https://go.usa.gov/xtGMZ)	Help a business or community finance EV charging station equipment. Applies to retail and public use.
Intermediary Relending Program (available at this link: https://go.usa.gov/xtGMK)	Help a business or community finance EV charging station equipment. Applies to retail and public use.
Rural Business Development Grants (available at this link: https://go.usa.gov/xtGM8)	Help a business or community finance EV charging station equipment. Applies to retail and public use.
Rural Economic Development Loans and Grants (available at this link: https://go.usa.gov/xtGM9)	Help a business or community finance EV charging station equipment. Applies to retail and public use.

*At present, REAP funds are statutorily forbidden from being used to finance equipment to dispense energy at the retail level (for instance, at a public-use filling station).

Rural Utilities Service

RUS provides funding for foundational infrastructure such as water and waste treatment, electric power, and telecommunications services. Together, these programs help expand economic opportunity and improve the quality of life for America's rural residents.

Program	Uses
Electric Programs (available at this link: https://go.usa.gov/xtGtv)	Can help finance charging stations owned by utilities
Rural Energy Savings Program (RESP) (available at this link: https://go.usa.gov/xtGtG)	Can be used by utilities to finance consumer-owned EV charging stations, which the borrower then repays using an on-bill financing system. **Note:** The utility – not the consumer – applies for RESP funding.
Electric Infrastructure Loans and Loan Guarantees (available at this link: https://go.usa.gov/xtGtH)	Financing for electric vehicles owned and used by a utility to deliver electric service (examples include emergency, crew, and service vehicles, among others)

To learn more, contact your state-based RD energy coordinator. A list is available at this link: https://go.usa.gov/xtAzb (PDF).

June 2022