

Congress of the United States

Washington, DC 20515

November 30, 2023

The Honorable Glenn “GT” Thompson
Chairman
House Agriculture Committee
1301 Longworth House Office Building
Washington, DC 20515

The Honorable David Scott
Ranking Member
House Agriculture Committee
1010 Longworth House Office Building
Washington, DC 20515

Dear Chair Thompson and Ranking Member Scott,

As you negotiate the 2023 Farm Bill, we write to express our strong support for using the full funding in billions of dollars provided by the Inflation Reduction Act (IRA) to aid rural communities, businesses, and utilities in their clean energy transition, as intended. The IRA represents the single largest investment in rural electrification since passage of the Rural Electrification Act in 1936 and makes enormous strides to incentivize rural and farming communities in their transition to clean energy. It is imperative we preserve and fully fund these programs, the Powering Affordable Clean Energy (PACE), Empowering Rural America (New ERA), and Rural Energy for America Program (REAP) at the USDA.

In May, USDA introduced its guidance for the \$1 billion PACE and the \$9.7 billion New ERA programs. PACE is tailored to drive private renewable energy economic development in rural and tribal communities by offering forgivable low-cost loans to projects that serve or are owned by underserved rural communities. New ERA is a grant and loan program designed to help rural electric cooperatives make large scale investments in, and own, clean energy to reduce costs for their members. Both programs have been remarkably successful in generating broad support from rural electric cooperatives, renewable energy developers, and local governments.

September 15th marked the deadline for initial applications to New ERA, and, in early October, USDA announced that it had received record demand for the program, with 750 proposals from rural electric cooperatives, worth more than \$43 billion in requests to drive nearly \$100 billion in rural clean energy investments. USDA received requests from nearly every state that hosts rural electric cooperatives, and Puerto Rico. Non-profit electric cooperatives have been vital to the quality of life in rural areas going back to the 1930s when they partnered with USDA to electrify rural America. However, as non-profits, they have fewer financial resources to support large infrastructure investments and projects. The New ERA program presents the opportunity for rural electric cooperatives and Rural Utility Service borrowers to transition their energy portfolio to more efficient, reliable, and affordable energy sources.

At the end of September, USDA closed the initial application window for the PACE program. The agency received 803 project proposals to build clean energy assets in rural communities, worth \$12 billion, clarifying the need for these types of public investments. USDA has already started asking PACE applicants for formal proposals and expects to reach out to New ERA finalists soon.

Similarly, USDA is making record levels of grant, loan, and technical assistance awards for REAP. The surge in amount of grant funds requested, for example, is unprecedented, with a 1000% increase in Fiscal Year 2023, showing an interest and need heretofore never seen in over two decades of the program’s existence.

As we continue to drive towards a bipartisan Farm Bill, we urge you to keep these USDA IRA initiatives intact. Energy, and our ability to keep it reliable and affordable, is one of the most important inputs to keep costs down for our farmers, ranchers, and rural small businesses. Thank you for your time and attention.

Sincerely,



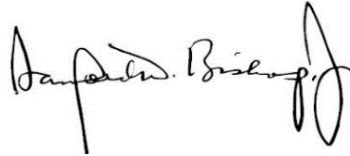
Yadira Caraveo, M.D.
Member of Congress



Gabe Vasquez
Member of Congress



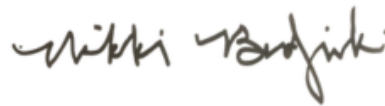
Alma S. Adams, Ph.D.
Member of Congress



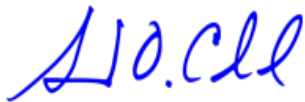
Sanford D. Bishop, Jr.
Member of Congress



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