

118TH CONGRESS
1ST SESSION

S. 2594

To amend the Farm Security and Rural Investment Act of 2002 to improve the Rural Energy for America Program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 27, 2023

Ms. SMITH (for herself and Mr. LUJÁN) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Farm Security and Rural Investment Act of 2002 to improve the Rural Energy for America Program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Energy for
5 America Program Modernization Act of 2023” or the
6 “REAP Modernization Act of 2023”.

1 **SEC. 2. RURAL ENERGY FOR AMERICA PROGRAM.**

2 (a) IN GENERAL.—Section 9007 of the Farm Secu-
 3 rity and Rural Investment Act of 2002 (7 U.S.C. 8107)
 4 is amended—

5 (1) in subsection (a)—

6 (A) by redesignating paragraphs (1) and
 7 (2) as subparagraphs (A) and (B), respectively,
 8 and indenting appropriately;

9 (B) in the matter preceding subparagraph
 10 (A) (as so redesignated), by striking “The Sec-
 11 retary” and inserting the following:

12 “(1) IN GENERAL.—The Secretary”;

13 (C) in paragraph (1) (as so designated), in
 14 the matter preceding subparagraph (A) (as so
 15 redesignated), by inserting “(referred to in this
 16 section as the ‘Program’)” after “Program”;
 17 and

18 (D) by adding at the end the following:

19 “(2) CLIMATE BENEFITS.—In carrying out the
 20 Program, the Secretary shall promote the reduction
 21 of greenhouse gas emissions as a result of carrying
 22 out projects funded by grants and other financial as-
 23 sistance under the Program.”;

24 (2) in subsection (b)—

25 (A) in paragraph (2)—

1 (i) in subparagraph (D), by striking
2 “and” at the end;

3 (ii) by redesignating subparagraph
4 (E) as subparagraph (G); and

5 (iii) by inserting after subparagraph
6 (D) the following:

7 “(E) a producer cooperative;

8 “(F) a nongovernmental organization;
9 and”;

10 (B) in paragraph (3)—

11 (i) in subparagraph (E), by striking
12 “and” at the end;

13 (ii) in subparagraph (F), by striking
14 the period at the end and inserting “;
15 and”; and

16 (iii) by adding at the end the fol-
17 lowing:

18 “(G) the potential of the proposed program
19 to reduce greenhouse gas emissions and provide
20 other climate benefits.”; and

21 (C) in paragraph (4)—

22 (i) in subparagraph (B), by redesign-
23 ating clauses (i) and (ii) as subclauses (I)
24 and (II), respectively, and indenting appro-
25 priately;

1 (ii) by redesignating subparagraphs
 2 (A) and (B) as clauses (i) and (ii), respec-
 3 tively, and indenting appropriately;

4 (iii) in the matter preceding clause (i)
 5 (as so redesignated), by striking “A recipi-
 6 ent” and inserting the following:

7 “(A) IN GENERAL.—A recipient”; and

8 (iv) by adding at the end the fol-
 9 lowing:

10 “(B) GRANT OPTIONS.—A grant awarded
 11 under paragraph (1) may be used to carry out
 12 1 or more of the activities described in subpara-
 13 graph (A).”;

14 (3) in subsection (c)—

15 (A) in paragraph (1), by adding at the end
 16 the following:

17 “(C) OTHER ELIGIBLE ENTITIES.—The
 18 Secretary may, on a limited case-by-case basis,
 19 provide financial assistance under subparagraph
 20 (A) to agricultural producer cooperatives and
 21 rural electric cooperatives that do not otherwise
 22 qualify for that financial assistance.”;

23 (B) in paragraph (2)—

24 (i) in subparagraph (F), by striking
 25 “and” at the end;

1 (ii) by redesignating subparagraph
2 (G) as subparagraph (H); and

3 (iii) by inserting after subparagraph
4 (F) the following:

5 “(G) the potential of the renewable energy
6 system to reduce greenhouse gas emissions and
7 result in other climate benefits; and”; and

8 (C) in paragraph (3)(A), by striking “25
9 percent” and inserting “50 percent”;

10 (4) by redesignating subsections (d), (e), and
11 (f) as subsections (e), (f), and (i), respectively;

12 (5) by inserting after subsection (c) the fol-
13 lowing:

14 “(d) STREAMLINED APPLICATION PROCESS.—The
15 Secretary shall develop a streamlined application process,
16 including within each tier described in subsection (c)(4),
17 under which an entity may apply for a grant under sub-
18 section (b), financial assistance under subsection (c), or
19 a bundled application for a project with components eligi-
20 ble under clauses (i) and (ii) of subsection (c)(1)(A).”;

21 (6) in subsection (e) (as so redesignated)—

22 (A) in the subsection heading, by striking
23 “OUTREACH” and inserting “OUTREACH,
24 TECHNICAL ASSISTANCE, AND EDUCATION”;

1 (B) by striking “that adequate” and in-
 2 serting the following: “that—

3 “(1) adequate”;

4 (C) in paragraph (1) (as so designated), by
 5 striking the period at the end and inserting a
 6 semicolon; and

7 (D) by adding at the end the following:

8 “(2) technical assistance is provided to entities
 9 seeking to apply for a grant or financial assistance
 10 under the Program; and

11 “(3) outreach, technical assistance, and edu-
 12 cation is provided to recipients of grants and other
 13 financial assistance under the Program relating to
 14 integrating renewable energy projects on land shared
 15 with crops or livestock.”;

16 (7) in subsection (f) (as so redesignated), in
 17 paragraph (1), by striking “\$20,000” and inserting
 18 “\$50,000”;

19 (8) by inserting after subsection (f) (as so re-
 20 designated) the following:

21 “(g) STUDY.—

22 “(1) DEFINITION OF DUAL-USE ENERGY SYS-
 23 TEM.—In this subsection, the term ‘dual-use energy
 24 system’ means a system under which renewable en-
 25 ergy production and agricultural production, includ-

1 ing crop or animal production, occur together on the
2 same piece of land.

3 “(2) STUDY.—The Secretary shall carry out a
4 study on dual-use energy systems.

5 “(3) REPORT.—Not later than 2 years after the
6 date of enactment of the REAP Modernization Act
7 of 2023, the Secretary shall submit to Congress, and
8 make publicly available online, a report on the re-
9 sults of the study carried out under paragraph (2),
10 which shall include a recommendation as to whether
11 the scope of grants and other financial assistance
12 under the Program should be expanded to cover
13 projects that generate more energy without signifi-
14 cantly impacting farm operations or leading to the
15 conversion of existing farm land.

16 “(h) ENERGY GENERATED.—In the case of a project
17 funded by a grant or other financial assistance provided
18 under the Program that takes place on a property on
19 which a residence is closely associated with and shares an
20 energy metering device with an agricultural operation or
21 rural small business to be served by the project, there shall
22 not be any requirement imposed relating to the quantity
23 of energy generated by the project that must be used by
24 the agricultural operation or rural small business.”; and

1 (9) in subsection (i) (as so redesignated), by
2 adding at the end the following:

3 “(4) OUTREACH, TECHNICAL ASSISTANCE, AND
4 EDUCATION.—Of the funds made available to carry
5 out this section for a fiscal year, the Secretary shall
6 use not more than 8 percent to carry out subsection
7 (e).

8 “(5) RESERVE FUND.—

9 “(A) IN GENERAL.—There is established a
10 reserve fund (referred to in this paragraph as
11 the ‘reserve fund’), into which, each fiscal year,
12 not less than 15 percent of the funds made
13 available under paragraphs (1) and (3) to carry
14 out this section for that fiscal year shall be
15 transferred.

16 “(B) USE OF RESERVE FUND.—After all
17 other funds for the Program are obligated for
18 a fiscal year, the Secretary may use amounts in
19 the reserve fund to provide grants and other fi-
20 nancial assistance under the Program for
21 projects using underutilized renewable energy
22 technologies.

23 “(C) UNUSED FUNDS.—If there are re-
24 maining funds in the reserve fund at the end of
25 a fiscal year, the Secretary shall use those re-

1 maining funds to provide grants and other fi-
2 nancial assistance under the Program without
3 regard to whether the grants or financial assist-
4 ance relate to underutilized renewable energy
5 technologies.”.

6 (b) CONFORMING AMENDMENTS.—Section 9007 of
7 the Farm Security and Rural Investment Act of 2002 (7
8 U.S.C. 8107) is amended by striking “subsection (f)” each
9 place it appears and inserting “subsection (i)”.

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