

118TH CONGRESS  
1ST SESSION

# S. 3378

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

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 30, 2023

Mr. WELCH introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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## 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 Equity  
5 Act of 2023”.

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

7 Section 9007 of the Farm Security and Rural Invest-  
8 ment Act of 2002 (7 U.S.C. 8107) is amended—

9 (1) in subsection (b)—

1 (A) in the subsection heading, by striking  
2 “ENERGY AUDITS AND RENEWABLE ENERGY”  
3 and inserting “PROJECT”;

4 (B) in paragraph (1)—

5 (i) in subparagraph (A), by inserting  
6 “, including for purposes of reducing the  
7 carbon footprint of the agricultural pro-  
8 ducer and rural small business” before the  
9 semicolon; and

10 (ii) in subparagraph (B), by inserting  
11 “, including for purposes of reducing the  
12 carbon footprint of the agricultural pro-  
13 ducer and rural small business” before the  
14 period at the end;

15 (C) in paragraph (4)—

16 (i) in subparagraph (B), by redesignating  
17 clauses (i) and (ii) as subclauses (I)  
18 and (II), respectively, and indenting appro-  
19 priately;

20 (ii) by redesignating subparagraphs  
21 (A) and (B) as clauses (i) and (ii), respec-  
22 tively, and indenting appropriately;

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

1 “(A) IN GENERAL.—A recipient”; and

2 (iv) by adding at the end the fol-  
3 lowing:

4 “(B) MULTIPLE ACTIVITIES.—A recipient  
5 of a grant under paragraph (1) may use the  
6 grant to carry out 1 or more activities described  
7 in subparagraph (A).”; and

8 (D) in paragraph (6)—

9 (i) by striking “A recipient” and in-  
10 sserting the following:

11 “(A) IN GENERAL.—A recipient”; and

12 (ii) by adding at the end the fol-  
13 lowing:

14 “(B) UNDERSERVED PRODUCERS AND  
15 BUSINESSES.—If the agricultural producer or  
16 rural small business under subparagraph (A) is  
17 an underserved agricultural producer or rural  
18 small business, the amount paid by that under-  
19 served agricultural producer or rural small busi-  
20 ness pursuant to that subparagraph shall be at  
21 least 10 percent of the cost of the energy  
22 audit.”;

23 (2) in subsection (c)—

24 (A) in paragraph (3)—

25 (i) in subparagraph (A)—

1 (I) by striking “The amount of a  
2 grant under this subsection shall not  
3 exceed 25 percent” and inserting the  
4 following:

5 “(i) IN GENERAL.—Except as pro-  
6 vided in clause (ii), the amount of a grant  
7 under this subsection shall not exceed 50  
8 percent”; and

9 (II) by adding at the end the fol-  
10 lowing:

11 “(ii) UNDERSERVED PRODUCERS.—  
12 The amount of a grant provided under this  
13 subsection to an agricultural producer who  
14 is a beginning farmer or rancher, a veteran  
15 farmer or rancher (as those terms are de-  
16 fined in section 2501(a) of the Food, Agri-  
17 culture, Conservation and Trade Act of  
18 1990 (7 U.S.C. 2279(a))), or an under-  
19 served farmer or rancher shall not exceed  
20 75 percent of the cost of the activity fund-  
21 ed by the grant.”;

22 (ii) by redesignating subparagraphs  
23 (C) and (D) as subparagraphs (D) and  
24 (E), respectively;

1 (iii) by inserting after subparagraph  
2 (B) the following:

3 “(C) MAXIMUM PERCENTAGE OF LOAN  
4 GUARANTEE.—The portion of a loan that the  
5 Secretary may guarantee under this subsection  
6 shall be—

7 “(i) in the case of a loan in an  
8 amount that is less than \$1,000,000, 90  
9 percent of the principal amount of the  
10 loan; and

11 “(ii) in the case of a loan in an  
12 amount that is not less than \$1,000,000,  
13 80 percent of the principal amount of the  
14 loan.”; and

15 (iv) in subparagraph (E) (as so reded-  
16 icated), by striking “subsection (f)” and  
17 inserting “subsection (g)”;

18 (B) in paragraph (4)—

19 (i) in subparagraph (A), by striking  
20 “3-tiered” and inserting “2-tiered”;

21 (ii) in subparagraph (B), by striking  
22 “\$80,000” and inserting “\$150,000”;

23 (iii) by striking subparagraph (C);

1 (iv) by redesignating subparagraphs  
2 (D) and (E) as subparagraphs (C) and  
3 (D), respectively;

4 (v) in subparagraph (C) (as so redesi-  
5 gnated), in the subparagraph heading, by  
6 striking “3” and inserting “2”; and

7 (vi) in subparagraph (D) (as so redesi-  
8 gnated)—

9 (I) by striking “The Secretary”  
10 and inserting the following:

11 “(i) IN GENERAL.—The Secretary”;

12 (II) in clause (i) (as so desi-  
13 gnated), by striking “tier I projects  
14 and more comprehensive for each sub-  
15 sequent tier” and inserting “tier 1  
16 projects and more comprehensive for  
17 tier 2 projects”; and

18 (III) by adding at the end the  
19 following:

20 “(ii) SCORING.—The Secretary shall  
21 establish a scoring mechanism for tier 1  
22 project applications that is designed to in-  
23 crease program utilization by small- and  
24 medium-sized farmers.”;

1           (3) by redesignating subsections (d), (e), and  
2           (f) as subsections (e), (f), and (g), respectively;

3           (4) by inserting after subsection (c) the fol-  
4           lowing:

5           “(d) REGIONAL DEMONSTRATION PROJECTS.—

6           “(1) IN GENERAL.—The Secretary shall carry  
7           out regional demonstration projects that incentivize  
8           agricultural producers to reduce their carbon foot-  
9           print or overall carbon equivalent emissions to the  
10          maximum extent practicable through the use of en-  
11          ergy efficiency improvements and renewable energy  
12          systems.

13          “(2) PUBLICIZATION.—The Secretary shall  
14          publicize the results of the regional demonstration  
15          projects carried out under paragraph (1).”;

16          (5) in subsection (e) (as so redesignated)—

17                 (A) by striking “The Secretary shall” and  
18                 inserting “Using funds made available under  
19                 subsection (g)(4), the Secretary shall”; and

20                 (B) by inserting “or provided, as applica-  
21                 ble,” after “conducted”;

22          (6) in subsection (f) (as so redesignated)—

23                 (A) by striking “subsection (f)” each place  
24                 it appears and inserting “subsection (g)”; and

25                 (B) in paragraph (1)—

1 (i) by striking “20 percent” and in-  
2 serting “25 percent”; and

3 (ii) by striking “\$20,000” and insert-  
4 ing “\$75,000”; and

5 (7) in subsection (g) (as so redesignated)—

6 (A) in paragraph (1), by striking subpara-  
7 graphs (A) through (E) and inserting the fol-  
8 lowing:

9 “(A) \$50,000,000 for each of fiscal years  
10 2014 through 2023;

11 “(B) \$100,000,000 for fiscal year 2024;

12 “(C) \$150,000,000 for fiscal year 2025;

13 “(D) \$200,000,000 for fiscal year 2026;

14 “(E) \$250,000,000 for fiscal year 2027;

15 and

16 “(F) \$300,000,000 for fiscal year 2028  
17 and each fiscal year thereafter.”;

18 (B) by striking paragraph (2) and insert-  
19 ing the following:

20 “(2) PROJECT DEVELOPMENT ASSISTANCE  
21 FUNDING.—Of the funds made available for each fis-  
22 cal year under paragraph (1) or any other funds  
23 made available to carry out this section, not less  
24 than 5 percent shall be made available to carry out  
25 subsection (b).”; and



1 (C) by adding at the end the following:

2 “(4) ADMINISTRATIVE EXPENSES.—Of the  
3 funds made available to carry out this section for a  
4 fiscal year, the Secretary shall use not more than 8  
5 percent for administrative expenses.

6 “(5) RESERVATION OF FUNDS.—Of the funds  
7 made available to carry out this section for a fiscal  
8 year, the Secretary may reserve—

9 “(A) not more than 15 percent for award-  
10 ing grants under subsection (c) that support  
11 the adoption of underutilized but proven com-  
12 mercial technologies; and

13 “(B) not more than 5 percent to carry out  
14 subsection (d).”

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