



USDA Rewrites Rural Energy for America Program: Grants Only After Projects Are Built, No Ground-Mount Solar or Wind on Cropland, Effective October 16; Comments Due November 2

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A USDA Rural Development final rule turns REAP into a pay-after-performance grant program for farmers, ranchers and rural small businesses, bars ground-mount solar and wind on certified cropland and parts from foreign adversary nations, and moves to one national competition. It takes effect October 16; comments are open until November 2.

The U.S. Department of Agriculture (USDA) has issued a final rule with comment period that overhauls the Rural Energy for America Program (REAP), the grant program that helps agricultural producers and rural small businesses pay for renewable energy systems and energy efficiency upgrades. The rule from USDA's Rural Business-Cooperative Service was published in the Federal Register on October 1, 2026. It takes effect October 16, 2026, and USDA is accepting comments through November 2, 2026.

The biggest change: build first, then apply

- Projects must be fully built and operating before the applicant applies.
- Applicants submit 12 months of actual energy production or savings data, plus 12 months of data from before installation.
- Awards for renewable energy systems and efficiency improvements will be based on documented output, savings, costs and performance.

- USDA says it removed bottlenecks such as the technical merit review clearance process and plans an online application portal.

What is no longer eligible

- Ground-mount solar panels and wind turbines on certified cropland, as defined by the Farm Service Agency in 7 CFR 718.2.
- Solar and wind systems that cannot show historical energy use that matches their size.
- Solar and wind systems, ground- or roof-mount, with any component made in a foreign adversary country.
- Multi-location projects and mobile systems, such as panels on a food truck.

USDA says there is an exception for projects finished before the rule was published, to help applicants transition.

Other changes

- State-level competitions would end in favor of one national scoring and selection process.
- Eligibility is limited to the highest-level owner, and the small business definition now matches the SBA's.
- Combined REAP grant and guaranteed loan funding for one project is capped at 75 percent.

USDA says it made the changes after hearing from farmers, ranchers and rural businesses that some large ground-mount solar projects were raising land prices and pushing out productive cropland. It cites its Farmers First small family farms agenda and the National Farm Security Action Plan.

How to comment

Comments go to [regulations.gov](https://www.regulations.gov) under docket RBS-26-Business-0529 (RIN 0570-AB13) by November 2, 2026. Questions: Natalie Melton, USDA Rural Development Program Management Division, (202) 690-1371. A separate Notice of Funding Opportunity will set application dates and scoring details.

Source

- Federal Register, FR Doc. 2026-20178, "Unleashing American Energy and Economic Prosperity; Rural Energy for America Program (REAP)," final rule with comment period, USDA Rural Business-Cooperative Service, October 1, 2026 ([federalregister.gov](https://www.federalregister.gov)).

Notes

- Image: Solar panels on a farm, from a USDA Rural Development photo series on REAP-funded projects, August 2024 (file photo, illustrative). Photo: USDA Rural Development via Wikimedia Commons (Public domain).
- Author: Ryan Standley / Record of Sale, LLC / Notice Nearby.
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