CASE STUDY: Rural Energy Loan Guarantee & Grant Combination

Lender: Farm Credit East
Products: Energy Guarantee / Energy Grant
Guarantee: 85% $499,662 loan
Grant: $499,663 grant
Other: $999,325 non-guaranteed lender loan
Collateral: Shared 1st Priority
Purpose: Construct biomass heating plant

Pleasant View Gardens: Construct 400 kW biomass boiler displacing dependence on nearly 242,000 gallons of #2 oil. System will consume some 4,206 tons of locally sourced biomass benefitting the Northern Forest economy. When constructed, the system had an estimated payback of 2.6 years.
Pleasant View Gardens: Energy Project Highlights

• Cross-sell a cost savings opportunity to existing clients.
• Leveraging loan guarantee with grant funds reduces borrower cash in – preserves business working capital.
• Guarantee mitigates collateral risk affording extended loan terms coincident with system useful life.
• Mitigates unpredictable and cyclical risk for a major business expense – fuel oil.
• Energy co-gen facility mitigates impacts to power grid.
• Supports local – regional energy economic strategies.