

## USDA AWARDS FLORIDA \$368 MILLION IN LOAN GUARANTEES FOR RURAL ELECTRIFICATION



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By: Richard M. Blau, Regulated Products Section Chair

For generations, many rural areas have lacked adequate access to electric power. Even when power is available, Americans living in rural areas spend a disproportionately high share of their income on energy bills. Rural households have a median energy burden of 4.4%, compared to the national burden of 3.3%.

Rural low-income households are even worse off, shouldering a median energy burden almost three times greater than the burden faced by their higher-income counterparts. Other rural residents hit particularly hard include the elderly, nonwhite, and renting households, those living in multifamily or manufactured homes. The problem is most glaring in the East and Southeast.

Thanks to the **Bi-Partisan Infrastructure Act (HR 3684)**, passed by the 117<sup>th</sup> Congress and signed into law by President Joe Biden on November 15, 2021, funding for rural-based initiatives has improved significantly. The new spending law appropriated \$2 billion for "Rural Utilities Services."

To move that initiative forward, the Biden Administration recently announced the awarding of **\$368 million** in insured loans and loan guarantees awarded to Florida nonprofit and cooperative associations, public bodies, and other utilities focused on extending electrification to rural areas of the state. The new federal funding will build and expand over 2,000 miles of power lines, extending electric power to over 35,000 Floridians in five key rural areas of the state.

The funding breaks down as follows:

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| <b>Central Florida Electric Cooperative</b> | \$39,000,000 | This Rural Development investment will be used to connect 2,181 consumers, and build and improve 171 miles of line. This loan includes \$3,479,006 in smart grid technologies. Central Florida Electric is headquartered in the city of Chiefland, Florida, and serving an average of 34,982 consumers through 4,371 miles of line in Alachua, Dixie, Gilchrist and Levy counties in western Florida. |
| <b>Talquin Electric Cooperative</b>         | \$39,000,000 | This Rural Development investment will be used to connect 1,720 consumers, and build and improve 144 miles of line. This loan includes \$1,545,764 in smart grid technologies. Talquin Electric is headquartered in Quincy, Florida, and serves 55,517 consumers over 4,253 miles of distribution line and 53 miles of transmission line in Gadsden, Leon, Liberty, and Wakulla counties in Florida.  |
| <b>Peace River Electric Cooperative</b>     | \$46,000,000 | This Rural Development investment will be used to   |

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|   |                      | <p>connect 10,541 consumers and build and improve 789 miles of line. This loan includes \$1,299,000 in smart grid technologies. Peace River Electric is headquartered in Wauchula, Florida and serves an average of 53,698 consumers over 4,151 miles of line in 10 counties in the east center of the State of Florida.</p>  |
| <p><b>Withlacochee River Electric Cooperative</b></p> | <p>\$225,000,000</p> | <p>This Rural Development investment will be used to connect 18,673 consumers and build and improve 580 miles of line. This loan includes various smart grid projects in the amount of \$30,547,838 including the installation of 60 miles of fiber cable and communications equipment necessary to create and operate fiber communications to connect utility owned/leased facilities. Withlacochee River Electric is headquartered in Dade City, Florida and provides service to an average of 229,911 members over 11,505 miles of line in five counties in Florida.</p> |
| <p><b>Suwanee Valley Electric Cooperative</b></p>     | <p>\$19,000,000</p>  | <p>This Rural Development investment will be used to connect 1,997 consumers and build and improve 338 miles of line. This loan includes \$6,821,184 in smart grid technologies. Suwanee Valley</p>   |

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|  |  | Electric is headquartered in Live Oak, Florida and serves an average of 27,099 consumers with over 4,675 miles of line in Columbia, Hamilton, Lafayette, and Suwannee counties in Florida. |
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This assistance supports infrastructure improvements; business development; housing; community facilities such as schools, public safety and health care; and high-speed internet access in rural, tribal and high-poverty areas.

The Electric Infrastructure Loan & Loan Guarantee Program makes insured loans and loan guarantees to nonprofit and cooperative associations, public bodies, and other utilities. Insured loans primarily finance the construction of electric distribution facilities in rural areas. The guaranteed loan program has been expanded and is now available to finance generation, transmission, and distribution facilities.

The loans and loan guarantees finance the construction of electric distribution, transmission, and generation facilities, including system improvements and replacement required to furnish and improve electric service in rural areas, demand side management, energy conservation programs, and on-grid and off-grid renewable energy systems.

For more information, visit [www.rd.usda.gov](http://www.rd.usda.gov) or contact **the GrayRobinson National Food law Team** by telephone at **866.382.5132** or via email at **[foodlaw@gray-robinson.com](mailto:foodlaw@gray-robinson.com)**.



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