



Sending an Inquiry Letter to Seek Clarity on USDA's March 26 notification to REAP funding recipients—before the April 25 deadline to propose project changes

This resource is for farmers, ranchers, businesses, and organizations that received USDA Rural Development's March 26 notification* and want clarity on how and whether to propose project changes to better address President Trump's Executive Order on Declaring a National Energy Emergency.

This resource includes a sample letter.

** The USDA's March 26 notification was also sent to New Era and PACE funding recipients. This resource applies to those programs as well. For simplicity, and to coincide with our primary community of farmers and ranchers, we limited our language to REAP.*

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Disclaimer: Farm Commons is offering this resource to provide educational resources to REAP funding recipients as they make their own decisions about how to respond to the USDA's March 26 notification. This resource does not provide legal advice and is not an offer to provide legal services. No attorney-client relationship is formed by reading this document or by taking action based on it. No specific outcome is guaranteed as a result of sending an inquiry letter as described in this resource. The legal issues involved are complex, everchanging, and uncertain.

Understanding the options and ambiguity in the USDA's notification

The USDA's March 26 notification provides REAP funding recipients an "opportunity" to "voluntarily propose to change their projects within the existing project budget to better address President Trump's January 20 Executive Order Declaring a National Energy Emergency." (Executive



Order 14156). The notification provides recipients 30 days to choose one of three options:

1. **Confirm No Change:** If recipients believe their project already aligns with the Executive Order's goals, they can choose to confirm that no changes will be made. In this case, "processing on their projects will resume immediately."
2. **Propose Changes:** If recipients believe modifications are needed to better align with the Executive Order, they can voluntarily propose changes to their project. The online form provides 500 words to propose how they would make changes. The USDA will review and approve any proposed changes, provided they remain within the original grant budget.
No Response: If no response is submitted, it will be assumed that the recipient does not wish to make any changes, and "disbursements and other actions will resume after the 30 days."

The **ambiguity and confusion** surrounding this notification have left many grant recipients uncertain about what actions to take.

Specifically, the Executive Order focuses on increasing domestic energy production, refining, and securing energy infrastructure, primarily emphasizing traditional energy sources like fossil fuels and critical minerals. This has raised questions for many recipients of REAP funding, which often support renewable energy projects like solar installations and energy efficiency improvements. Are these projects truly aligned with the goals of the Executive Order? The Executive Order does not include renewable energy or solar energy in its definition of "energy." Why? Does that matter? The language of the notification does not clearly address whether renewable energy projects, which contribute to energy security by diversifying sources, will continue to be supported.

Additionally, the notification introduces a separate issue: **DEIA (Diversity, Equity, Inclusion, and Accessibility)**. The suggestion that projects may need to "remove harmful DEIA features" adds another layer of confusion. DEIA initiatives are important for ensuring equitable access to resources,



but they seem to be outside the scope of the Executive Order, which focuses on energy production and infrastructure. The inclusion of this topic in the notification only deepens the uncertainty about how these projects are being evaluated.

To add further confusion, on March 31, the USDA [announced](#) it is releasing “obligated funding under the Higher Blends Infrastructure Incentive Program (HBIIP) for 543 projects totaling \$537 million in 29 states.” There are NO conditions for the release of these funds—i.e., no need to choose whether to make changes to the project or not. HBIIP was established during the Trump Administration’s first term. The USDA’s announcement explains: “HBIIP helps expand the production of domestic biofuels by helping fueling stations install the pumps, storage containers, and other necessary infrastructure needed to offer biofuel options at the pump.” Why is HBIIP treated differently from REAP? They seem to support the same purpose around energy security. The Executive Order includes biofuels in the definition of “energy.” Is that why? We can only speculate.

Given this **ambiguity**, we want to highlight a strong additional option: **sending an inquiry letter** to your USDA Rural Development Local Energy Coordinator—[select from this list](#).

In this inquiry letter, you can make the following representations if applicable and accurate: (1) confirm that you are in compliance with the express terms and conditions of your existing funding agreement, (2) indicate that your project is consistent with the Executive Order’s goal of ensuring “a reliable, diversified, and affordable energy supply to drive our Nation’s manufacturing, transportation, agriculture, and defense industries, and to sustain the basics of modern life and military preparedness,” and (3) express your willingness to consider any proposed modifications that your Local Energy Coordinator believes are necessary to better align your project with the Executive Order.



By requesting specific guidance on how, if at all, the USDA believes your project needs to be modified, you can gain clarity before deciding whether to propose changes, confirm no change, or take further action.

Why send an Inquiry letter?

Here are a few reasons why this approach is advantageous, given the ambiguity and confusion of the USDA's notification and the implications on funding for REAP projects:

Builds a paper trail. We fully admit that a letter is likely not to get a response before the deadline, especially considering the stress on USDA staff persons right now. However, sending a letter in and of itself creates a paper trail of evidence that you:

- (1) Took good faith efforts to seek clarification as necessary to respond,
- (2) Were aware of the deadline and endeavored to meet it, and
- (3) Could not adequately respond with the limited information.

Should the USDA decide to terminate funding or change the terms of the grant agreement, this letter will provide evidence that you made an effort to stay in compliance.

If the USDA responds, you will hopefully gain written confirmation of compliance and assurances that no modifications are needed or detailed instructions for any modifications that the USDA believes are necessary. Either way, this would create a clear paper trail that can be useful if there are disputes in the future

Substantiates how your project already aligns with the Executive Order. By explaining specifically why your project is already consistent with the Executive Order and the agency priorities, you can potentially persuade the USDA's decision. The USDA may take this all into consideration, recognize the project's pre-existing alignment, and allow for the project's continuance, as originally agreed.



Once you send an “inquiry letter” you could then choose to select “no changes” on the online form by the deadline of April 25—as you’ve created a paper trail to substantiate how your project already aligns with the Executive Order.

Offers assurances of compliance. If the USDA does respond to your letter, you will hopefully gain a clear, official confirmation from the USDA about the current standing of your project and funding. This ensures there is no ambiguity about your understanding of whether you are complying with the terms of your agreement. To be clear, however, **we do not recommend taking this approach if you have any concerns about your compliance** with your agreement’s existing terms and conditions.

Offers clarity on modifications. Ideally, the USDA will respond with written assurances that no modifications are necessary. Alternatively, you may receive detailed instructions for any modifications that the USDA believes are necessary. This will minimize the guesswork and risk of unnecessary or incorrect changes to the project. It will further create a clear paper trail that can be referenced in case there are later disputes.

Provides key information for negotiations. If there is any ambiguity or confusion about what modifications the USDA believes are needed, this approach gives you **leverage to negotiate** with the USDA. If modifications are necessary, understanding exactly what needs to be changed could allow you to request limited and reasonable modifications without compromising the objectives of the project.

Is there a risk of retaliation?

Yes, in this environment, retaliation is a concern. However, this letter can be a **professional, non-confrontational, and good-faith effort** to comply with USDA policies and understand USDA’s expectations. This letter doesn’t have to be a barrier to a positive relationship with USDA.



Should you choose to take this approach, you may refer to the following **Sample Inquiry Letter** and adapt it to your specific situation.

We recommend that you sign the letter and send it by certified mail or email with the return receipt requested.

Sample REAP Inquiry Letter (assurance/clarity on amendments)

[Farm/Business Name]

[Individual's name]

[Address]

[City, State, ZIP]

[Email Address]

[Phone Number]

[Local Energy Coordinator - select from this list]

[Title]

[USDA Agency Name]

[Office Address]

[City, State, ZIP]

[Date]

Subject: Request for Written Confirmation of Compliance with REAP Grant Terms and Executive Order Alignment

Dear [Local Energy Coordinator],

I am writing in response to the USDA's March 25 letter regarding the alignment of REAP projects with President Trump's January 20 Executive Order Declaring a National Energy Emergency (Executive Order 14156).

As an initial matter, I want to confirm my understanding that [farm/business name as written on REAP grant award] is currently in compliance with all terms and conditions of our existing REAP grant agreement, [Grant Name & Number].



We also strongly believe that our project, which focuses on [insert a brief description of the project, e.g., renewable energy installation, energy efficiency improvements, etc.], is aligned with Executive Order 1456’s goals of, among other things, ensuring “a reliable, diversified, and affordable energy supply to drive our Nation’s manufacturing, transportation, agriculture, and defense industries, and to sustain the basics of modern life and military preparedness. For example, the [improvements/system resulting from the project] helps reduce electricity consumption and increase energy independence, saving money that can be reinvested in our [farm/business] and our community.

Finally, to the extent that USDA believes there are any aspects of our current project that do not align with the Executive Order or your March 25 letter, we are willing to consider any proposed modifications that USDA thinks are required to ensure consistency. We would appreciate receiving clear instructions, including the specific language to be included for any proposed modifications.

We appreciate your guidance in this matter and look forward to your timely response. As we must propose changes through the online form by April 24, we respectfully request that you provide a written response by April 20. Should any modifications be necessary, we are committed to making them in a way that continues to meet both our project goals and USDA’s current objectives and expectations.

Thank you for your attention to this request. We are confident that, with your assistance, we can ensure that our project remains fully compliant and aligned with all relevant policies.

Sincerely,

[Your Name]

[Title]

[Farm/Business Name]

[Signature]