

# **Affordable Rural Cooperative (ARC) Energy Program Letter of Interest (LOI) Guide**

Rural Utilities Service  
Electric Program  
September 14, 2026

# Executive Summary

The Rural Utilities Service (RUS or the Agency), a Rural Development (RD) agency of the United States Department of Agriculture (USDA), is soliciting Letters of Interest (LOI) for applications under the Affordable Rural Cooperative (ARC) Program. In addition, the Agency is announcing the eligibility requirements, application process and deadlines, and the criteria that will be used by RUS to assess ARC Applications. The ARC Program is making approximately \$175 million in appropriated budget authority for the cost of loan and grant funds available under the Inflation Reduction Act (IRA) of 2022. In keeping with the statutory authority for the program, RUS will utilize the ARC funds to assist Eligible Entities to achieve future net reductions consistent with [Section 22004 of the IRA](#) through the deployment of advanced, efficient transmission infrastructure and nuclear power supply. Available funds will be allocated for each purpose while advancing the long-term resiliency, reliability, and affordability of rural electric systems. All Eligible Entities are responsible for any expenses incurred in developing their LOIs and ARC Applications.

This Guide describes the ARC Program requirements and provides Applicants with the guidance and instructions necessary to prepare and submit a Letter of Interest (LOI) via Grants.gov. RUS will expand this guide in the future to include additional details on the submission of Applications and the post-Application process requirements under ARC.

This Guide is specific only to ARC and is only provided as guidance. The NOFO is the formal guidance for the ARC Program and any information contained within the NOFO and Section 22004 of the Inflation Reduction Act of 2022, take precedence over this Guide. Additional information on the ARC program may be found on the ARC Website at <https://www.rd.usda.gov/programs-services/electric-programs/affordable-rural-cooperative-program>.

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**Please Note:** The formatting of this document does not take into consideration accessibility concerns if the document were to be printed and viewed in a hard copy format.

# Section I: Pre-Submission Preparation

## A. Types of Assistance under ARC

RUS will offer the following types of financial assistance:

- **Loan:** The interest rate for a loan only award will be the Treasury rate minus one-eighth of one percent. Principal will be deferred for a period of two years from the date of the promissory note. Treasury interest rates are set at the time funds are drawn. These rates are set periodically and can be found at this link: <https://tinyurl.com/u5uu742h>.
- **Grant:** An Applicant may request an Award to finance any Project or combination of Projects in its application with a 100 percent grant. A 100 percent grant Award may finance no more than 25 percent of the total Eligible Award Costs. Grants, both as a part of a loan and grant combination Award or as a 100 percent grant Award, will be considered based on the estimated score and rank of the application stemming from the Applicant's proposed Portfolio of Actions as measured by the criteria outlined in Section 5.1 of the NOFO. The grant portion of an Award will be subject to terms and conditions necessary to protect the Government's interest while also ensuring accomplishment of the grant purposes, all as determined by the RUS Administrator.
- **Loan and Grant Combinations:** An Applicant may request to finance any Project or Projects in its application with a grant or grant/loan combination where the grant amount equals no more than 25 percent of the Eligible Award Costs. The interest rate and amortization for the loan component of the Award will be set as described in Section 2.0 of the NOFO. Applicants may propose substituting cash for the loan component, or any portion of the loan component, at the time of application. All awards are subject to the individual budgetary constraints described in the NOFO.

The amount of appropriated funds consumed by any individual funded ARC Application will depend on the amount of grant used, which scores on a dollar-for-dollar basis, and the amount of loans, which scores at a subsidy rate related to the difference between the interest rate offered on the loan and prevailing treasury rates, portfolio risk, and other factors at the time of obligation. RUS will make this calculation before making an Award to ensure compliance with the statutory limitations described in Section 2.0 of the NOFO. The Agency further reserves the right to take into account when making Awards the cost effectiveness of the proposed Projects relative to the appropriated funds consumed and/or benefits to consumers in Rural Areas.

## B. References for additional information

- All ARC eligibility, definitions, application requirements and scoring criteria may be found in the ARC NOFO as posted in the ARC Website at <https://www.rd.usda.gov/programs-services/electric-programs/affordable-rural-cooperative-program>.
- This document aims to provide additional clarifying information about the process and is intended to augment the information shared in the NOFO and FAQs. Access to previously posted questions and answers can be found at <https://www.rd.usda.gov/programs-services/electric-programs/affordable-rural-cooperative-program>.

- Information and additional resources on ARC Funding is located at the following website: ARC Website at <https://www.rd.usda.gov/programs-services/electric-programs/affordable-rural-cooperative-program>. If you require alternative means of communication for program information (e.g., Braille, large print, audiotape) please contact the 711 Relay Service.
- Questions regarding ARC can be emailed to: [SM.RD.RUS.ARC-Questions@usda.gov](mailto:SM.RD.RUS.ARC-Questions@usda.gov). Due to the high volume of questions, we may not be able to respond to all inquiries. Due to the competitive nature of this award, RUS staff are unable to provide strategic guidance but are available for technical assistance. Applicants are encouraged to attend the webinars and office hours that RUS is hosting on ARC.
- Questions regarding the Grants.gov registration or portal should be directed to [Grants.gov Online Help](#)

## C.Submission Requirements and Limitations

A potential Applicant should also be aware of submission requirements and limitations such as those listed below:

- An entity may only submit one LOI, which must be prepared and submitted using Grants.gov.
- Each Applicant may only submit one Application, upon receiving an RUS Invitation to Proceed, and each ARC Applicant may only receive one Award.
- An Invitation to Proceed or RUS's approval of an ARC Application does not constitute approval of any agreement or document outlined in the NOFO, this Guide, or the applicable loan agreement.
- An Applicant must, after submitting an LOI or loan Application, promptly notify RUS of any changes in its circumstances that materially affect the information contained in the LOI or loan Application.

Scoring for Category I or Category II are based upon the total amounts of MWh generated or saved. In the case of Eligible Energy awards with transmission components, the total amounts of MWh generated and saved will be combined into a total score. Ranking will also take into account the statutory requirements of long-term affordability, reliability, and resiliency.

Applicants will submit estimates of the cost, energy supplied by the project(s), and system losses reductions attributable to the proposed project(s) through the New Clean Power Tool provided by RUS. Alternative projections and modeling methods may be considered and accepted at the discretion of RUS.

Nuclear power supply projects (including power supply projects with transmission elements) and transmission efficiency projects will complete and be scored separately in their own categories.

## D. Submission Dates and Times

LOIs can be submitted using Grants.gov beginning at 11:59 a.m. Eastern Time (ET) on October 19, 2026. The online window to submit LOIs will remain open until 11:59 a.m. ET November 20, 2026. RUS will begin evaluating and scoring LOIs as they are received. Invitations to Proceed with an Application will be sent to top-ranking LOIs after the November 20, 2026, deadline. A successful application must meet all program requirements. Scoring and ranking will be re-evaluated prior to funding. RUS reserves the right to ask ARC Applicants for clarifying information on, or additional information related to, the LOI after it has been submitted on Grants.gov.

## E. Prerequisites to Submitting an LOI

It is vital that each Applicant understands and appropriately addresses the following items prior to submitting an LOI via Grants.gov:

**Registered Account via Grants.gov:** You only need to register once in order to apply for Federal funding opportunities on Grants.gov. But if you are applying for the first time, this is a key step in the process. A training video that guides users through the registration process is available ([Intro to Grants.gov - How to Register with Grants.gov \(Updated\) - YouTube](#)).

**Federal Tax Identification Number:** An Applicant must provide their Federal Tax Identification number as part of Standard Form 424 during the LOI submission.

**System for Award Management and Unique Entity Identifier:** At the time of Application, each ARC Applicant must have an active registration in the System for Award Management (SAM) before submitting its Application in accordance with 2 CFR part 25. In order to register in SAM, entities will be required to obtain a Unique Entity Identifier (UEI). Instructions for obtaining the UEI are available at <https://sam.gov/content/entity-registration>.

ARC Applicants must maintain an active SAM registration, with current, accurate, and complete information, at all times while it has an active Federal award or an Application under consideration by a Federal awarding agency.

ARC Applicants must ensure they complete the Financial Assistance General Certifications and Representations in SAM.

ARC Applicants must provide a valid UEI in their Application, unless determined exempt under [2 CFR 25.110](#).

The Agency will not make an Award until the ARC Applicant has complied with all SAM requirements. If an ARC Applicant has not fully complied with the requirements by the time the Agency is ready to make an Award, the Agency may determine that the ARC Applicant is not qualified to receive a Federal Award and use that determination as a basis for making an Award to another ARC Applicant.

# Section II: LOI Requirements and additional information

## A. LOI requirements

Section 4.2(c) of the NOFO details the submission requirements for an LOI. The following LOI requirements will need to be submitted in Grants.gov.

- a. Standard Form 424. The LOI Submitter will complete this document in Grants.gov.
- b. Signed LOI narrative. A sample LOI is available on the ARC website at <https://www.rd.usda.gov/programs-services/electric-programs/affordable-rural-cooperative-program>. A copy of the signed narrative must be uploaded into Section 15 of the SF 424 on Grants.gov.
  - i. The description of the Portfolio of Actions (POAs) shall not exceed 1,500 words, and it must include a summary of the technical aspects of the various actions that that will allow RUS to measure the Section 22004 Reductions resulting from the POAs.
- c. Shapefile(s) for Service Area(s) and Project(s) location(s). Please see section B in this Section II for additional information on the submission of Shapefile(s).
- d. Completed RUS New Clean Power (NCP) Tool document or comparable data for the measure the Section 22004 Reductions resulting from the Portfolio of Actions. Please see Section C below for additional information on Section 22004 Reductions documentation. The Section 22004 Reductions document must be uploaded into Section 15 of the SF 424 on Grants.gov.
- e. Financial documents. The following applicable financial documents must be uploaded into Section 15 of the SF 424 on Grants.gov.
  - i. An Applicant must submit a copy of its audited balance sheet and income statements for the last three years.
  - ii. If applicable, the Eligible Entity must provide the balance sheet and income statements for the last three years of the entity or entities providing equity or security for the Award together with an explanation of the legal relationship among the legal entities.
  - iii. If the Eligible Entity is a wholly or jointly owned subsidiary of an electric cooperative, the Eligible Entity must provide a balance sheet and income statement of each of its members.

## B. Instructions and Specifications for Submitting Shapefile(s)

Applicants must submit a service area Shapefile for each project with the following specifications:

1. All map areas must be closed, non-overlapping polygons with a single, unique identifier.
2. The Shapefile must have an assigned projection with an accompanying .prj file.
3. The Shapefile must use an unprojected (geographic) WGS84 geographic coordinate system.
4. The Shapefile must be submitted as a \*.zip file. This can be done with a WinZip or in

Windows by selecting the files associated with a Shapefile, right-clicking the files, then clicking “Send” to Compressed (zipped) fold. The \*.zip file must contain only one Shapefile.

5. The saved file(s) should be renamed to the Applicant’s name and project name and include “service area” in the file name(*e.g.*, bobselectric\_project 1\_service\_area.zip)

Applicants must submit a project location Shapefile for each project with the following specifications:

1. All map areas can be nonoverlapping point, polygon or line features, with a single unique identifier
2. The Shapefile must have an assigned projection with an accompanying .prj file.
3. The Shapefile must use an unprojected (geographic) WGS84 geographic coordinate system.
4. The Shapefile must be submitted as a \*.zip file. This can be done with a WinZip or in Windows by selecting the files associated with a Shapefile, right-clicking the files, then clicking “Send” to Compressed (zipped) fold. The \*.zip file must contain only one Shapefile.
5. The saved file(s) should be renamed to the Applicant’s name and project name and include “project location” in the file name (*e.g.*, bobselectric\_project 1\_project\_location.zip)

If the applicant does not have the tools to create their own Shapefile, they can use the RUS geospatial mapping tool to draw the service areas associated with each ARC project and then upload Shapefile(s) to Grants.gov as part of an LOI submission. Applicants can go to <https://experience.arcgis.com/experience/9d7f07e0ba0e48e7a047faf28dade6a8> and draw a separate Shapefile of the service area for each proposed project to be included in a single ARC application. The saved file(s) must be renamed to the Applicant’s name and project name (*e.g.*, bobselectric\_project 1\_service\_area.zip). **The Shapefile(s) should then be uploaded to Grants.gov as an attachment in Section 15 of the SF 424 during the filing process.**

The Service Area Shapefile(s) must show the location of the service area for each Project.

Applicants can also use the RUS geospatial mapping tool to draw the project locations for each project if they do not have the tools to create their own Shapefile. The saved file(s) must be renamed to the Applicant’s name and project name and include “project location” in the file name (*e.g.*, bobselectric\_project 1\_project\_location.zip)

Service Area Shapefile(s) will be used to help determine the rurality of the areas being served by the proposed project(s) financed with ARC loan funds and verify that such areas meet Eligible Service Area requirements provided under ARC.

The applicable service area must demonstrate that the Project will provide affordable, clean energy to rural residents as outlined in Section 3.1(c) of the NOFO that published on September 14, 2026

Link to Shapefile Drawing Application:

<https://experience.arcgis.com/experience/9d7f07e0ba0e48e7a047faf28dade6a8>

Any Applicant who experiences difficulties using the RUS geospatial mapping tool or has other questions related to Shapefile(s), please send an email to [SM.RD.RUS.ARC-Questions@usda.gov](mailto:SM.RD.RUS.ARC-Questions@usda.gov) and indicate “Shapefile” in the subject line.

## C. Proposed Section 22004 Reductions

The Eligible Entity must provide the proposed amount of emissions reductions that will result from the implementation of its proposed Project(s). This will be completed by using the NCP or submission of comparable data. A template of the NCP Tool is available on the ARC website located at: <https://www.rd.usda.gov/programs-services/electric-programs/affordable-rural-cooperative-arc-program>.

The submission of comparable data by Eligible Entities may impact the Agency’s timeline for review of the Application. Eligible Entities that choose to use other methods will need to demonstrate that their method provides comparable information for the Agency to adequately estimate the Section 22004 reductions stemming from its proposed Portfolio of Actions. The Applicant must include a narrative explaining how this program is enabling your cooperative to invest in additional measures that would not otherwise have been taken.

### Using the New Clean Power (NCP) Tool:

The “Welcome” tab of the NCP tool provides guidance on how to use the tool. The purpose of the NCP Tool workbook is to provide clarity on the metrics to be assessed under the ARC program and expectations for the modeling of data. This will allow for a direct comparison of LOIs on an equal or “apples-to-apples” basis. The completed NCP Tool file or comparable data must be attached in Section 15 of the SF 424 in Grants.gov.

You may also provide the data that is required within the NCP Tool by another method. The Eligible Entity’s use of other methods, however, may impact RUS’s timeline for review of the LOI. An Applicant that elects to use methods other than the NCP Tool must demonstrate that its chosen method provides comparable information to the NCP Tool that will allow RUS to score the LOI. Federal reports are the preferred source of information for methodologies, but alternative scientific sources will be considered. Generic test cases for the NCP Tool are available at: <https://www.rd.usda.gov/programs-services/electric-programs/affordable-rural-cooperative-arc-program>.

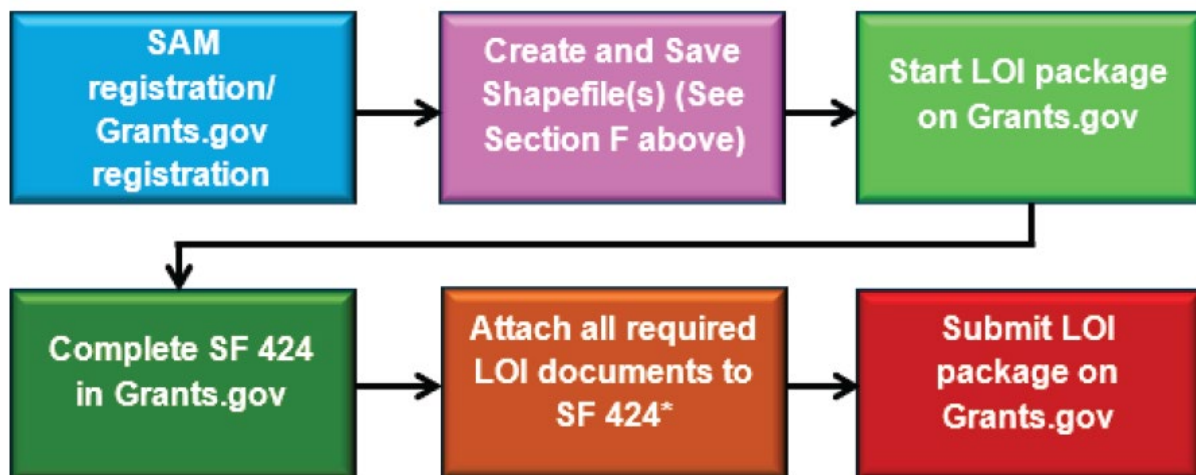
## Section III: Submission Process through Grants.gov

RUS will accept electronic submissions of ARC LOIs through Grants.gov. RUS will not accept paper, facsimile, or email transmission.

An ARC LOI submission via Grants.gov shall include the following information outlined below as well as:

1. Uploading a pdf of the LOI;
2. Uploading the Shapefile for each Project included in the LOI;
3. Uploading the Applicant's completed NCP Tool or comparable information reduction documentation; and
4. Uploading supporting documents, including a copy of the LOI submitter's balance sheet and income statements for the shorter of the last three years or the years the LOI submitter has been in operation. The LOI submitter must also provide the balance sheet and income statements for the last three years of any entity or entities providing equity or security for the loan, with an explanation of the legal relationship to the LOI submitter.

The process is illustrated in the following flow chart:



## **SAM.gov**

The System for Award Management (SAM.gov) is a government-wide registry for organizations doing business with the Federal government. SAM.gov centralizes information about grant recipients and provides a central location for grant recipients to change organizational information. Grants.gov uses SAM.gov to establish organizational authority for its users and to provide unique entity identification numbers. SAM registration must be renewed annually.

First, you must register with SAM.gov to obtain a Unique Entity Identifier (UEI). The UEI is a 12-character alphanumeric identifier assigned to all entities (public and private companies, individuals, institutions, or organizations) to do business with the Federal government. Organizations will also need to designate an E-Business Point of Contact (EBiz POC). It can take 7-10 business days to fully complete the registration process required for most funding opportunities. There is no fee for registering with SAM.gov.

## **Grants.gov**

After obtaining the UEI from SAM.gov, please go to Grants.gov to register. There is no fee for registering with Grants.gov. Applicants should reference the Grants.gov Online help at [Grants.gov Online Help](#) assistance with registration.

Read the Help article, [Manage Roles for Applicant](#) instructions on managing roles. Visit [Learn Grants](#) to find information about every phase of the grant management process, from applying and reporting to the award closeout.

To begin, complete, and submit your Application:

- 1) Navigate to <https://www.grants.gov/applicants/grant-applications/how-to-apply-for-grants>
- 2) Click “Search for Opportunity Package”;
- 3) In the “Funding Opportunity Number” field, enter “RUS-ARC-2026”;
- 4) Click “Search”;
- 5) Click “Apply”;
- 6) Enter your email address (if you would like to receive updates from Grants.gov regarding this grant opportunity) or check the box that indicates you do not wish to provide it, then click “Submit”;
- 7) Choose to apply using Workspace by clicking “Login to Apply Now”; and
- 8) Follow the instructions provided on the Grants.gov website and on each webpage to complete and submit your LOI.

For the submission of an LOI on Grants.gov, please complete the required fields in the SF 424 and attach all remaining LOI requirements. To attach the remaining documents to the SF 424, please go to Section 15 of the SF 424 and click “Add Attachments.” All LOI requirements detailed in Section E of this Guide must

be provided, including but not limited to, a pdf of the “LOI for Submission,” Shapefile(s), and financial documents.

**Grants.gov Support**

Grants.gov support resources are available to help you successfully find and apply for grants. Grants.gov [Applicant Support](#) is available 24/7 ([except Federal holidays](#)). Be sure to include [supporting details](#) when you call or email. Additional information on the Grants.gov Support Center, including Frequently Asked Questions, can be found on the following website: <https://www.grants.gov/support.html>.

# Section IV: Attachments & Post-Submission Process

## A. Review and Selection Process

RUS will acknowledge the receipt of LOIs and ARC Applications via an email to the Applicant. After receipt of LOIs and ARC Applications, RUS will take the following actions:

- (a) Incomplete LOIs and applications or ineligible applications as of the deadline for submission will not be considered further, and the Applicant will be notified in writing.
- (b) Letters of Interest and ARC Applications will be reviewed for completeness and ranked based on the scoring criteria in the NOFO including Section [5.2](#), Section [2.0](#), and the eligibility factors in Section 3.1. All proposed projects must be completed within the Performance Period.

Invitations to Proceed will only be sent to those LOI submitters who have demonstrated to the satisfaction of the Administrator financial and technical feasibility and the ability to provide reasonably adequate security for the loan or grant Award.

- (c) Applicants with complete applications will be placed into one of two categories.
  - (1) Category I: Eligible Energy.
  - (2) Category II: Transmission Energy Efficiency Improvements.
- (d) Applicants will then compete for Awards within their category and based on the scoring and ranking of their Portfolio of Actions as described in Section 2.0, and the eligibility factors in Section 3.1 of the NOFO. RUS expects to utilize approximately 50 percent of the funds made available under the NOFO for Category I and approximately 50 percent of the funds made available for Category II.
- (e) RUS will not approve a specific request for financial assistance if RUS determines that the requested financial assistance imposes an undue risk to RUS' loan portfolio in general.
- (f) For the purposes of this NOFO, the Agency will apply the SUTA provisions of Section 306F of the RE Act as it would to a program contained in Section 306F(a)(1).
- (g) The Administrator may take geographic diversity into account when making awards.

## B. Criteria for Evaluating LOIs

RUS will review each ARC Application based upon:

The Agency will review and evaluate the LOIs pursuant to the criteria described in Sections [3.1](#), [4.2](#), and [5](#) of the NOFO. LOI submitters with high-ranking scores will receive an invitation to proceed and the agency will provide information about the method of application submission at that time. Letters of Interest must include data as calculated in the NCP Tool or comparable information for their proposed Project(s) when compared to a future state without such investments.

At the LOI stage, applicants will submit a NCP Tool calculation. The Eligible Entity may also provide the data that is required within the NCP Tool by another method. The Eligible Entity's use of other methods, however, may impact the Agency's timeline for review of the LOI. An Eligible Entity that elects to use methods other than the NCP Tool must demonstrate that its chosen method provides comparable information as the NCP Tool that will allow the Agency to score the Portfolio of Actions under the criteria listed in Sections [2.0\(g\)](#), [3.1](#), and [5.2](#) of the NOFO.

## Section V: Invitation to Proceed

Only those Applicants with LOIs selected to receive an Invitation to Proceed will be offered the opportunity to submit an ARC Application. The Invitation to Proceed is a written notification issued by RUS to the Applicant acknowledging that the LOI was received and reviewed, and that RUS is inviting the Applicant to submit an Application. The Invitation to Proceed will also contain instructions on how to submit a completed loan Application package. The Invitation may also include a request for additional information to be submitted in the Application. The Application must be materially complete in form and substance satisfactory to RUS and be submitted within the specified time. Note that the Invitation to Proceed may require that the Applicant provide additional certifications, where they are applicable, which are not required or included as part of the LOI submittal process. The Invitation to Proceed may invite the Applicant to apply for funding on terms that are different from what the Applicant requested in its LOI.

In lieu of receiving an Invitation to Proceed, an Applicant may receive a letter requesting the submittal of additional information or documents to explain or clarify information previously included in the LOI. Alternatively, an Applicant that is determined not to be eligible to receive an ARC award or that score below the funding threshold may receive a notification that its LOI has been rejected.

An Applicant that is invited by RUS to proceed with the loan Application will have 90 days, or a time agreed to with the Agency, to complete and submit a loan Application beginning from the date the Invitation to Proceed is emailed to the Applicant. If the deadline to submit the Application falls on Saturday, Sunday, or a Federal holiday, the Application is due the next business day. The Administrator may grant an extension of time to complete the documentation required for an Application if, in the Administrator's sole judgment, extraordinary circumstances prevented the ARC Applicant from completing the Application within the timeframe stipulated in the NOFO as amended. In extending an Invitation to Proceed, RUS reserves the right to meet overall RUS program objectives and, therefore, may notify the Applicant that the amount of financing to be Awarded is for a reduced scope or below the level sought by the Applicant.