

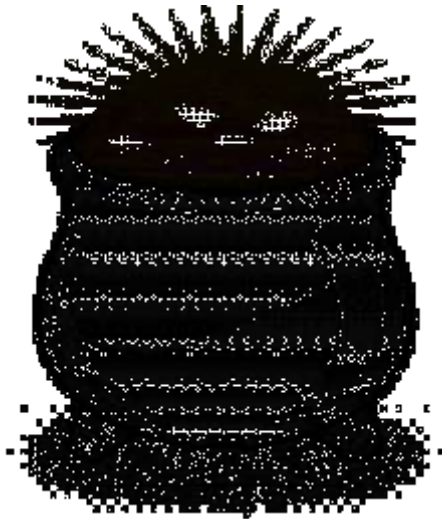
Energy Opportunities

Van H. Ayers

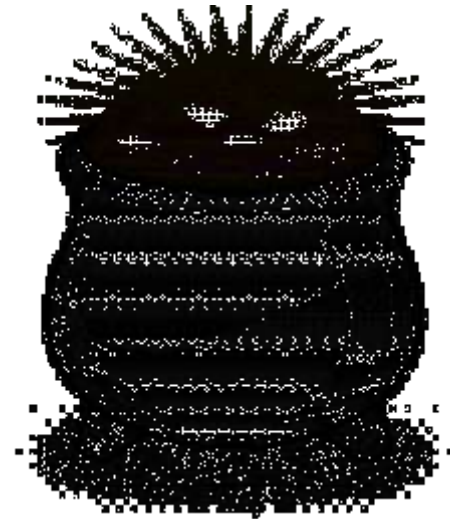
Agriculture and Rural Development Specialist

What Type of Funds?

State



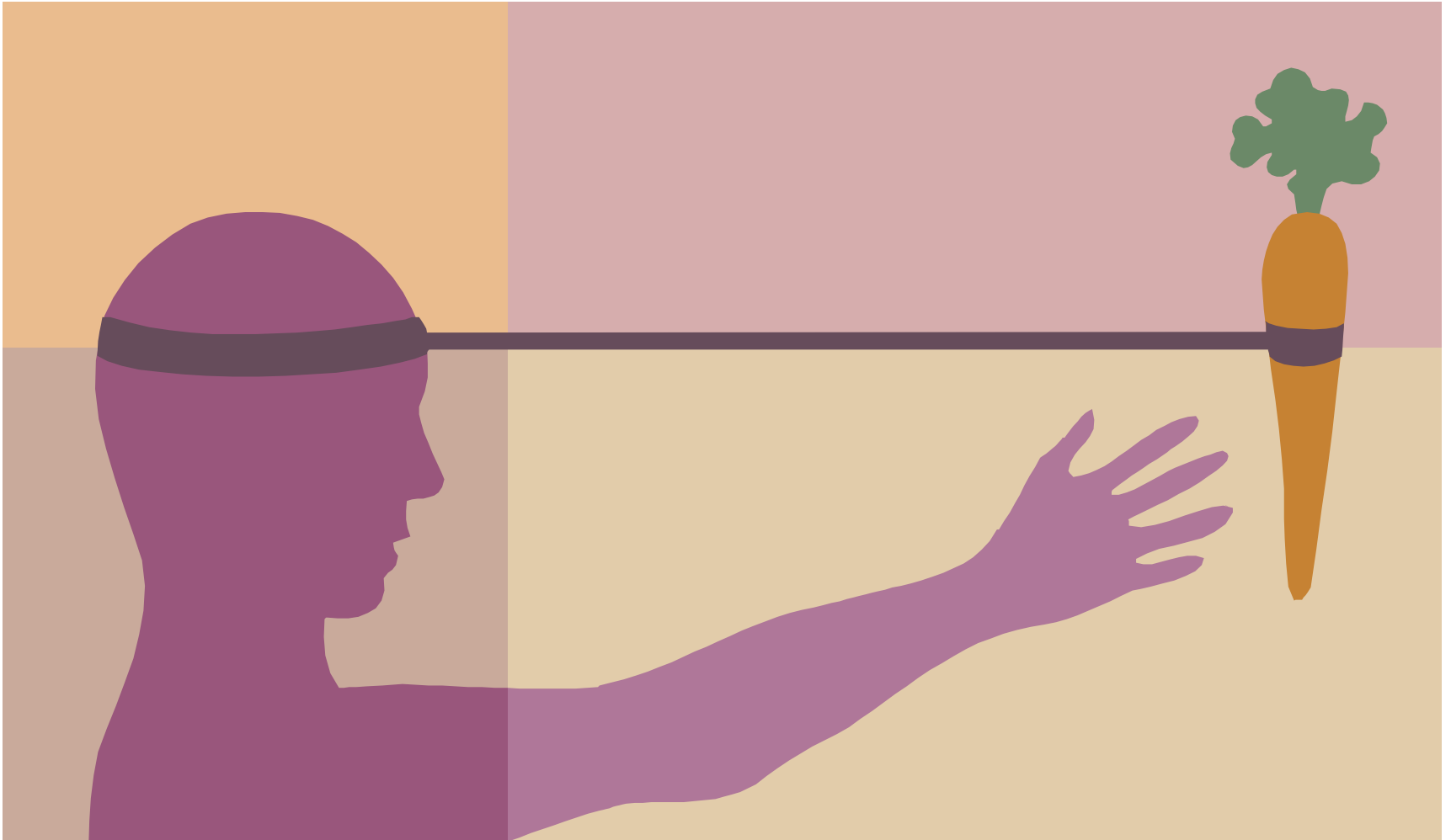
Federal



Definitions

- Loans – You pay back
- Grants – You do not pay back
- Cost Share – Pay a portion of the cost
 - Everyone wants a grant

Typically, funds are for the “greater good”



There are requirements for any federal or state funds



Federal

Tax money returned to you from Washington

USDA-RD

- RBEG – Rural Business Economic Grant
 - Made to facilitate small businesses and enterprises
 - Funds do not go directly to business
- RBOG – Rural Business Opportunity Grant
 - Promote sustainable economic development for communities in need
 - Training, planning, technical assistance
 - Does not go to business
- The State, Rural Development, Director's discretionary funds

USDA-RD

REAP – Rural Energy for America Program 9007 grant

- Pays for 25% of the capitalization cost of a renewable energy or renewable energy improvements.
 - For a business or enterprise
 - Business has to be in a rural area
- Examples
 - Energy efficient remodeling of poultry houses
 - Energy efficient replacement of grain drying systems
 - Wood burning for business (renewable)
 - Photovoltaic system for local tavern in rural area
 - Funds for a biodiesel plant

REAP

- My involvement
 - Wood heat for poultry houses
 - Biodiesel facility
 - Energy efficiency for poultry houses
- Proposals were due in June for 2009
- Proposals for 2010 can be taken anytime
- FUNDING IS HIGHER; each state has an allocation
- Competition is within the state

USDA-RD

- VAPG, Value Added Producers Grant
 - For value added agriculture projects
 - Typically to producer groups, co-op can go to individuals
 - Feasibility studies, marketing plans, business plans; also working capital grants
 - Planning grants- \$100K max
 - Similar to MO Value Added Grant
 - Due November 2009
 - My involvement
 - Newly funded Stoddard County Oilseed Crushing Project
 - Puerto Rico Rice Project
 - New grant – Sweet Sorghum Ethanol

SBIR

- SBIR
 - Typically for development of innovative enterprises
 - Research grants.
 - There are three phases to the grants, with the final phase - bringing the innovation to market.

BCAP- Biomass Crop Assistance Program

- USDA- FSA (Farm Service Agency)
- Provided for matching CHST payments to Eligible Material Owners up to \$45 per dry ton of eligible material sold to an approved BCAP facility
- Show Me Energy – Centerview; Wickliffe Paper Company – Wickliffe, KY
- The Proposed Final Rule was published on February 3, 2010 which effectively shut down the BCAP program until the Final Rule is published

Contact for USDA

- www.usda.gov
 - For CSREES programs – you need to watch for programs
- Contact your local USDA-RD office
- Contact your local USDA-NRCS office
- Contact your local USDA-FSA office

Federal Tax Credits

- Business Tax Credit
- Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Wind, Biomass, Geothermal Electric, Fuel Cells, Geothermal Heat Pumps, CHP/ Cogeneration, Solar Hybrid Lighting, Microturbines
- **30% for solar, fuel cells and small wind**
- 10% for geothermal, microturbines and CHP
- Small wind after 12/31/08 – no limit to capitalization cost
- Solar – no limit
- **The American Recovery and Reinvestment Act allows a 30% grant instead of the investment tax credit.**

State

Tax money returned to you from Jefferson City

MASBDA

- Missouri Value Added Grant Program
 - Proposals Due January 29, 2010
 - Applications will be considered for expenses related to the creation, development and operation of a value-added agricultural business including:
 - Feasibility studies,
 - Marketing studies,
 - Legal assistance,
 - Marketing plans,
 - Business plans,
 - Prospectus development for cooperatives, and
 - Operational consulting

MASBDA

- New Generation Cooperative Tax Incentive
 - 50% state tax credit for producer investment in value added enterprise (LLC or cooperative)
 - Maximum investment - \$30,000, and will receive a \$15,000 credit

Energize Missouri Agriculture – BRAND NEW!

- \$3 million energy cost share program
- For farm owners, operators, renters
 - Will pay 75% of the cost of a project; \$5000 maximum grant amount
- Eligible projects
 - Solar powered systems
 - Water pumps, fencers
 - GPS guidance systems
 - Irrigation improvements
 - Dairy facility improvements
 - Swine facility improvements
 - Poultry facility improvements
 - High volume, low speed HVLS cooling fans

Energize Missouri cont.

- Swine facility improvements
- Poultry facility improvements
 - High volume, low speed HVLS cooling
- Conservation tillage equipment
- High efficiency electric motors
- Biomass furnaces, boilers for other than poultry houses
- Other – You Can apply

Proposition C

- Require investor-owned electric utilities to generate or purchase electricity from renewable energy sources such as solar, wind, biomass and hydropower with the renewable energy sources equaling at least 2% of retail sales by 2011 increasing incrementally to at least 15% by 2021. Including at least 2% from solar energy; and restricting to no more than 1% any rate increase to consumers for this renewable energy.

Proposition C

- Ameren has a program:
 - Beginning Jan. 1, 2010, in Missouri, the company is offering a rebate of \$2 per watt up to 25 kilowatts or a maximum of \$50,000 for qualified new installations (post 1/1/2010) of solar electric systems on residential and commercial properties.
- Other implication – direct firing of biomass.

Final Comments

- My rankings of difficulty:
- Difficult
 - SBIR
 - REAP
 - VAPG
- Less Difficult
 - MASBDA
 - RBEG, RBOG
- Least Difficult
 - Tax Credits
 - Energize Missouri