

the
**MINNESOTA
PROJECT**

ADVANCING SUSTAINABILITY FOR COMMUNITIES
ACROSS MINNESOTA

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Energy Efficient Farms: Funding Programs

Depending on the size of the project, costs for making energy efficiency improvements can quickly add up. While these investments will often pay themselves back within a couple of years, the upfront costs can sometimes be substantial. Luckily, a good number of programs have developed that can help share the costs of making efficiency improvements to your operation. On a federal, state, and local level a good number of grant, rebate, and loan programs have developed for forward thinking farmers interested in making their farm more efficient. As a result, the right amount of planning and communication can lead to a more efficient farm at a fraction of the upfront cost.

Local Utility Incentives

Electric and natural gas utilities in Minnesota have a state mandate to reduce their energy sales in their territories 1.5% each year through energy efficiency programs. These programs usually take shape in the form of rebates or incentives on certain pieces of equipment that will reduce the energy use of operations on the farm. Incentives could include rebates on anything from lighting, to plate coolers, to insulation, variable speed drives, to irrigation improvements, and everything in between that improves your farm's energy efficiency.

Each utility offers different programs, so you'll need to contact your local utility for information on rebates in your area. The main thing to remember for these incentives is to contact the utility before moving forward on any plans or equipment purchases. Efficiency incentives need to be approved before the equipment is purchased. Get in touch with your utility as early as possible to ensure a smooth project from start to finish.

USDA Rural Energy for America Program

The Rural Energy for America, or REAP, program is offered through the USDA and provides grants and loan guarantees up to \$500,000 on qualifying renewable energy or energy efficiency projects. Both ag producers **and** rural small businesses are eligible for this financial program. Applications are accepted throughout the year, and funding decisions are made once per year.

For more information contact your local USDA Rural Development office. To find your local office, visit:
<http://www.rurdev.usda.gov/mn/offices.htm>

USDA-NRCS EQIP Program

Many farmers are familiar with the EQIP program as a way to deal with nutrient management or waste management issues. However, starting in 2011 EQIP also included a conservation practice aimed at improving farmers' energy management issues. EQIP now provides funding to complete an energy audit on your farm and state NRCS offices will soon be implementing additional practices to help share the costs of implementing energy efficiency improvements recommended by qualified energy audits.

For more information on this program, contact your local USDA-NRCS service center. To find your local service center, visit:
<http://offices.sc.egov.usda.gov/locator/app?agency=nrsc&state=mn>

For more information, or questions about how to proceed with efficiency improvements on your farm contact your local utility.

For more help, contact:

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Additional Resources

www.dsireusa.org

This website maintains a list of renewable energy and energy efficiency financial incentive programs and also includes a number of programs that could help farmers make improvements through less conventional, non-farm programs.

For farmers enrolled in the **Conservation Stewardship, or "CSP" program**, a number of conservation practices within that program can also provide payments to farmers for making efficiency improvements to their operation. Your local NRCS service center can help get you signed up for those practices.

The Minnesota Department of Agriculture has a number of low interest loan programs designed to help farmers make capitol intensive efficiency improvements. Their programs can be accessed at:
<http://www.mda.state.mn.us/grants/loans.aspx>.