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Projects Help Iowa Farmers and Rural Businesses Become More Energy Efficient

DES MOINES, Iowa, Oct. 14, 2010 – Agriculture Secretary Tom Vilsack today announced that USDA Rural Development is providing loans and grants for 433 renewable energy and energy efficiency projects in Iowa under the Rural Energy for America Program (REAP). The funding includes support for wind projects that will generate renewable energy for businesses and agricultural producers. Also selected for funding are an anaerobic digester and renewable energy projects that use biomass as a fuel source.

"These loans and grants will generate and save energy for Iowa's farmers and business for many years to come, while promoting Obama Administration efforts to transition to a renewable energy economy," Vilsack said. "Farmers have significant opportunity to reduce their energy consumption or generate income by producing renewable energy that can be used by other consumers through USDA's REAP program."

The funding totals nearly \$32 million and is expected to generate significant cost savings for recipients as they replace outdated equipment and install systems that create renewable energy or reduce energy use.

For example, Mark Anderson of rural Black Hawk County has been selected to receive a \$20,000 grant to install a 20 kilowatt wind turbine to provide energy for the farming operation. Dean A. Tjaden of Charles City has been selected for an \$8,000 grant to install a biomass furnace. The Madison County Winery LLC, located just outside St. Charles, has been selected for a \$13,651 grant to purchase and install a geothermal heating and cooling system and solar panel for the winery's warehouse. Mark Ehrhardt of Monona has been selected for two REAP grants totaling \$22,675 to install a biomass furnace to replace a propane furnace to heat a dairy barn and to install robotic milking equipment to reduce energy consumption.

Hundreds of rural businesses and farmers in Iowa have benefited from the REAP program during the past few years. One previous recipient is a farm engine and equipment repair shop in Spencer, Iowa. Shop owner Gary Hoefling moved his businesses from two locations to a new, 6,750-square-foot, energy-efficient building in fall 2008. The new building has a geothermal heating and cooling system that was paid in part by a \$27,250 energy grant from USDA Rural Development. The building also uses energy-efficient lighting and is landscaped using environmentally friendly techniques, including a rain garden, permeable pavers and a garden of native prairie grasses and wild flowers that provide coverage and insulation for the geothermal well sites. Hoefling estimates the geothermal system will pay for itself in four to five

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years because of lower heating and cooling costs, tax credits and an accelerated depreciation schedule.

REAP funding can be used for renewable energy systems, energy efficiency improvements, feasibility studies, energy audits, and renewable energy development assistance. More information on the REAP program, which was authorized under the 2008 Farm Bill, is at: http://www.rurdev.usda.gov/BCP_ReapResEei.html

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Funding of each recipient is contingent upon the recipient meeting the conditions of the grant or loan agreement. The following is a complete list of REAP recipients announced today. [Award Recipients](#)

Through its Rural Development mission area, USDA administers and manages more than 40 housing, business and community infrastructure and facility programs through a network of 6,100 employees located in the nation's capital and over 600 state and local offices. These programs are designed to improve the economic stability of rural communities, businesses, residents, farmers, and ranchers and improve the quality of life in rural America. Rural Development has an existing portfolio of more than \$142 billion in loans and loan guarantees.