

# USDA/Rural Development

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NEWS RELEASE

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## **USDA ANNOUNCES OVER \$21 MILLION TO SUPPORT RURAL RENEWABLE ENERGY AND ENERGY EFFICIENCY EFFORTS**

DES MOINES, Iowa, August 25, 2003---The U.S. Department of Agriculture announced the selection of 113 applications for renewable energy systems and energy efficiency improvement grants in 24 states totaling \$21,207,233, including over \$1.2 million for nine recipients from Iowa.

The grant program is part of the Bush Administration's overall effort to increase America's energy independence through the development of renewable energy resources as well as improving efficiency of existing systems.

"America's rural businesses, farmers and ranchers are key to the development of renewable energy for our country," Under Secretary for Rural Development Thomas C. Dorr said during a press conference here with Senator Charles Grassley. "The capital investments being made through these grants will support the conversion of our natural resources and residuals of farming operations into new sources of energy and help meet the energy goals outlined by President Bush in 2001."

The 2002 Farm Bill authorized the Renewable Energy Systems and Energy Efficiency Improvements program. Applicants for the funding include agricultural producers or rural small businesses, U.S. citizens or legal residents that have demonstrated financial need. Rural Development grant funds can be used to pay up to 25 percent of the eligible project costs. Eligible projects include those that derive energy from a wind, solar, biomass, or geothermal source, or hydrogen derived from biomass or water using wind, solar, or geothermal energy sources.

Funding to assist with the development of renewable energy systems included: 35 applications totaling \$7.4 million to support wind power, 30 applications totaling \$7 million for anaerobic digesters, 6 applications totaling \$1.1 million for solar and 16 applications totaling \$3.9 million for ethanol plants/anaerobic digesters, direct combustion and fuel pellet systems. Awards were made on a competitive basis for the purchase of renewable energy systems and to make energy improvements.

In addition to Iowa, Nebraska received \$177,654 in energy grants. Three neighboring states to Nebraska received energy grants: Missouri, South Dakota and Kansas and with grants of \$124,499, \$62,500 and \$29,075 respectively. A list of selected applicants can be found at the USDA Rural Development web site at: [www.rurdev.usda.gov](http://www.rurdev.usda.gov).

"The nearly \$178,000 in energy grants will assist with 6 energy projects in the state," stated Nebraska State Director Jim Barr of USDA Rural Development. "These dollars are great news to Nebraska as the grants will help these farmers and rural businesses in areas of new energy generation and reduction of current energy costs and consumption. Greater productivity, energy savings, profitability, job security, and the continued delivery of services and products are all goals that this program is intended to facilitate."

Nebraska recipients include:

- Vantage Pointe Homes, a small business located in rural Rokeby will utilize \$30,907 to assist with installing radiant infrared tube heaters in the floor and adding insulation to the walls and ceiling of their production plant saving 962,895 BTUH yearly. Outcome is increased productivity and less energy costs.
- Daniel W. Kluthe, a farmer in Dodge will use \$80,000 to construct and install a Methane Anaerobic digester system generating 430,653 kwh per annum. The system will provide environmentally sound manure handling management while creating significant amounts of new energy.
- Gothenburg Feed Products Company, a small business located in rural Gothenburg was awarded \$35,200 to replace an existing natural gas alfalfa dehydration burner with a new solid fuel burner that will utilize 100 percent renewable waste wood, wood chips, and sawdust saving 29100MM BTUs and generating 29100MM BTUs. This will improve the rural business' profitability, prosperity and continue the providing of critical services, products and employment to the area.
- David John Tobias, a small business in rural Pilger will use \$10,000 to assist in the construction of a 10 KW on farm wind turbine generating 12105 kwh per annum. The turbine will generate a substantial portion of the small farming business' electrical needs.
- The Tarnished Halo, a small business in rural Bridgeport received \$11,547 to install a heat pump, insulation and windows in the floral & gift business allowing for improved energy efficiency savings of approximately 245.7 MM BTUs per year. Improvements will provide a comfortable working and shopping environment helping to increase sales and to boost profit margins due to lower energy costs and more efficient use of space.
- Northeast Nebraska News Company, a small business in rural Hartington will utilize \$10,000 to replace the existing central air furnace and air-condition systems with high-efficiency heat pump systems at their Osmond and Randolph locations. Additionally, the natural gas water heater at the Osmond location will be replaced with an electric water heater. 369,672,532 BTUs per year will be saved allowing the company to decrease heating and cooling costs in order to maintain a profitable organization and to continue to employ its current staff.

USDA Rural Development's mission is to deliver programs in a way that will support increasing economic opportunity and improve the quality of life of rural residents. As a venture capital entity, Rural Development provides equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure. Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA's web site at [www.rurdev.usda.gov](http://www.rurdev.usda.gov).

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