

7-16-05	Renewable Energy	Energy Efficiency
<b>Grain Dryer Questions and Answers</b> <b>You need to have a <span style="color: red;">base line for energy costs</span> (an existing grain drying system on the farm) to show how much energy savings the <span style="color: red;">replacement</span> grain drying system will yield.</b>		
1. A grain drying bin with a more energy efficient drying system. The grain drying bin dries the grain and then sends it to a storage bin.		Yes If the <u>primary purpose</u> of the bin is to dry grain, it is eligible, and if it is a <u>replacement</u> of an existing inefficient system.
2. A grain <u>storage</u> bin – no drying system – would only receive grain already dried.		No If the primary purpose of the bin is to store grain, it is <b>not</b> eligible.
3. Grain Dryers	No, unless solar	Yes, if it is a <u>replacement</u> and can demonstrate energy savings over an existing unit.  A grain dryer should be considered equipment (like a boiler, a compressor, or a kiln), and as such is not a facility. The grain storage, <u>unless an integral part of the dryer</u> (holds the wet grain as it dries), is not an eligible cost.  New units (for on-farm and not for a small business -such as a local elevator), need to show energy savings over the existing alternatives beyond savings from removing the need for transporting the wet (and dry) grain – and - must be a replacement of an existing grain drying system on the farm.
4. A farmer wants to <u>convert an existing grain storage bin into a grain drying bin</u> by installing grain drying equipment. It is an <u>addition</u> to the farming operation (grain drying equipment) that had not been there previously.		No The purpose of the energy efficiency improvement program is for <u>replacement</u> of inefficient equipment.
5. A farmer wants to <u>convert an existing grain storage bin into a grain drying bin</u> by installing grain drying equipment <u>to replace an existing</u> inefficient grain drying system in the farming operation.		Yes The installation and purchase of the grain drying equipment is an eligible cost.

5-27-05	Renewable Energy	Energy Efficiency
<p>6. A farmer wants to <u>convert an existing grain storage bin into a grain drying bin</u> by installing a perforated floor and fans for <u>air drying</u> (instead of LP drying). Can we finance the floor and fans?</p> <p><b>This is the technology described by Bruce Halland, of Custom Marketing Company in Fargo ND in an E-mail sent by kip.pendleton @agristar.com</b></p>		<p>Yes</p> <p>It is an eligible technology.</p> <p><b>Also to be eligible</b>, the new grain drying system would <b>need to be a replacement</b> for an existing grain drying system on the farm, so there is an existing baseline of energy costs to compare to proposed energy costs.</p> <p>The purchase and installation cost of the grain drying system is an eligible cost to finance.</p>
<p>7. The request is to build a <u>new</u> grain drying bin with aeration (the perforated floor and fans). Once again, it would delete or reduce the cost of LP drying. Can we finance the <u>new</u> aerated grain drying bin?</p> <p><b>This is the technology described by Bruce Halland, of Custom Marketing Company in Fargo ND in an E-mail sent by kip.pendleton @agristar.com</b></p>		<p>. Yes</p> <p>It is an eligible technology.</p> <p><b>Also to be eligible</b>, the new grain drying system would <b>need to be a replacement</b> for an existing grain drying system on the farm, so there is an existing baseline of energy costs to compare to proposed energy costs.</p> <p>The purchase and installation cost of the grain drying system, <b>not the bin</b>, is an eligible cost to finance. Costs need to be clearly defined to separate the bin costs from the grain drying system costs.</p>
<p>8. We have a producer who wants to install a grain dryer that burns corn for heat. Is this an eligible renewable energy project?</p>	<p>Yes</p>	
<p>9. If the project is over \$50,000 an energy audit is to be completed. Can the grain dryer supplier complete the energy audit with a third independent qualified party certifying the results? Could the third party be the local county extension agent or other third party?</p>	<p>The grain dryer supplier should be able to conduct the energy audit if it is verified by a qualified independent entity. As to who can conduct that verification, it can be anyone with demonstrated qualifications to conduct an audit. We can't make a determination as to the local county extension agent, but to use them, the application would need to show their qualifications/expertise related to energy audits.</p>	
<p>10. Energy efficiency projects with total eligible project costs in excess of \$50,000 must be engineered by a qualified entity. In this situation, the supplier can obtain engineer certified prints of the grain dryer, however when a more efficient piece of equipment is replacing a less efficient piece, who is to design and engineer the replacement of the piece of equipment within the grain drying system? Does this need to be engineered or is the engineering of the grain dryer itself sufficient to meet this requirement? Does the system and the grain dryer need to have a P.E. stamp?</p>	<p>An engineer really should make an assessment on the entire system, not just the equipment. This is to verify the dryer is sized properly, etc. Misusing or mis-sizing equipment could wipe out the proposed energy savings. However, this assessment can come from the grain dryer's engineers and does not need to come from an independent source.</p>	