

Pandor Hadjy
Assistant Deputy Administrator for Business Programs
U.S. Department of Agriculture
Room 5050 South Agriculture Building
Stop 3220
14 Independence Avenue SW
Washington, DC 20250-3220

Dear Mr. Hadjy:

The Idaho Rural Council is pleased to submit these comments in response to the U.S. Department of Agriculture's (USDA's) request for public comments regarding the implementation of Section 9006 of the Farm Security and Rural Investment Act of 2002.

The Idaho Rural Council is a grassroots organization that represents small farmers and ranchers in Idaho. We work to improve the profitability of small farms and ranches and to protect and enhance the quality of life in Idaho's rural communities.

There is strong interest in renewable energy in Idaho, particularly among farmers and ranchers. Idaho has tremendous renewable energy resources. Idaho farmers and ranchers could benefit greatly from energy efficiency and conservation measures and on-farm renewable energy production. The increased profitability of farms and ranches coupled with the economic benefits renewable energy production brings to nearby communities could breathe new life into many of Idaho's depressed rural communities.

We encourage USDA to expediently issue a draft Notice of Funding Availability and seek public input regarding the overall structure and content of the Notice of Funding Availability. The longer it takes to distribute the funds for fiscal year 2003, the more difficult it will be to leverage additional financial resources for projects.

We request that the money be distributed equitably between energy efficiency and conservation measures and renewable energy projects. Farmers and ranchers can benefit from both energy efficiency and renewable energy production projects. It is important that both receive funding under Section 9006.

We ask that the funding be distributed across the country.

We suggest that the money be distributed to states and regions that are at the "cutting edge" and "behind the curve" of renewable energy technologies.

We request that a substantial portion of the funding under Section 9006 be used for small-scale, on-farm generation and energy efficiency projects, and producer and consumer owned cooperatives. We ask that USDA earmark grants and loan guarantees for small and mid-sized renewable energy/energy efficiency projects and programs. We recommend that grants be used for small-scale projects and loan guarantees for the larger-sized projects. For example, wind power projects less than 75 kilowatts of capacity could qualify for grants, with loan guarantees aimed at projects in the range of 1 to 5 megawatts of capacity.

We ask that the application process for grants, loans and loan guarantees be fair, simple, and uniform. Projects and programs should be judged on the merits, and not on the slickness of the presentation.

Finally, we would like to take this opportunity to call your attention to section 9005 of the Farm Security and Rural Investment Act of 2002 which creates an energy audit and renewable energy assessment program for farmers, ranchers and rural small businesses. This is an important program that complements and adds value to the financing incentives in Section 9006. Unfortunately, no funding was allocated for Section 9005 in fiscal year 2003. We urge USDA to include at least \$10 million for section 9005 in its fiscal year 2004 funding request to the Bush Administration.

We appreciate the opportunity to present comments regarding the direction and focus of Section 9006. Please keep us informed as this provision moves forward.

Sincerely yours,

Kristy Webb
Idaho Rural Council, President
2158 Addison Ave. E.
Twin Falls, Idaho 83301
(208) 733-1769 (208) 734-5769 fax
crw@magiclink.com

cc:
Senator Mike Crapo
Senator Larry Craig
Representative Mike Simpson
Representative Butch Otter