



The program should set-aside ten percent for innovative technology validation. Even this program should only support companies that already offer the technology in other sectors and are just accommodating it to the farm sector. Technologies such as biogas, fuel cells, heat engines, and solar thermal utilizing concentrated solar should be a priority because of their low emission and flexibility in the rural market.

The rest of the program should focus on the existing portfolio of clean distributed energy technologies that displace diesel and reciprocating engines and lower fossil fuel use as well as traditional grid-electric power.

The \$23 million dollar program is very limited and should provide it's grants, limited to 25 percent of the total, that are leveraged with other state and federal programs. State clean air act implementation plans have grants for clean energy as do the state system benefit trust funds. To this end, an innovative grants program that is aggressively leveraged with these state programs and then leveraged with the farmer and loans will insure the best success and reach the most farmers.

page two

The remaining 75 percent of the program should be leveraged with USDA and SBA programs as well as loan programs offered by states. In many cases, the monthly loan payment for new distributed energy systems is less than the monthly cost of fuel from traditional fossil fueled systems. This immediately saves the farmer money and displaced imported energy.

Geographic diversity should be the goal over the long term, not the short term. States which offer leveraging through their environmental and energy grant and loan programs should receive first consideration. This will provide a type of market concentration that lower costs in installation and servicing. Thus the program should be focused in certain broad geographic regions on a year-by-year basis. This decision should be transparent with input from state and manufacturers to achieve the greatest cooperation.

Finally, a public call for input from states and local governments to solicit leveraging from their existing programs would have great benefit. Loans or loan guarantees need to be made more available and at longer loan terms at a minimum of 15 years to equipment guaranteed life which could go from 20 to 25 years.

Making grants, loans and loan guarantees to intermediaries such as cooperatives, native American tribes, local governments and businesses would allow multiple installations to a wide group of users and insure standardization and replicability.

page four

If you have any further questions, please do not hesitate to contact me either by phone 202-347-2214 or by e-mail at [solarsklar@aol.com](mailto:solarsklar@aol.com). Thank you.

Scott Sklar

President

**The Stella Group, Ltd.**

1616 H Street, N.W., 10<sup>th</sup> floor

Washington, D.C. 20006-4999

Phone: 202-347-2214 fax -2215

E-mail: [solarsklar@aol.com](mailto:solarsklar@aol.com)

Message beeper: [7591858@skytel.com](mailto:7591858@skytel.com)

or 202-347-2214 (via ans service)

Website: [www.thestellagroupltd.com](http://www.thestellagroupltd.com)