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USDA Helps Businesses Upgrade Energy Systems

By Terry Brunner, State Director, USDA Rural Development Agency

An energy-efficient water pump just went online at the San Miguel County ranch of Robert Quintana, and solar panels now power the Lifestyle Medicine office building in the county seat of Las Vegas, N.M. Both projects received partial funding from the Rural Energy for America Program (REAP) — a rural development program of the U.S. Department of Agriculture that offsets the cost of replacing outdated or inefficient energy technology in eligible rural businesses.

The Quintana ranch's new electric pump powers a circle irrigation system that provides water to 193 acres of farmland; REAP contributed a \$5,439 grant toward the \$21,000 system that replaced the old diesel pump setup. Fourteen solar panels were installed on the roof at Lifestyle Medicine in downtown Las Vegas, and they produce enough electricity to reduce the facility's energy costs. Owner Dr. Bradley Kanode received a \$4,854 grant to help install the \$19,000 solar-power system.

New Mexico's two U.S. senators, Tom Udall and Jeff Bingaman, participated in a Jan. 3 tour and dedication of the project sites. Tour coordinators applauded Quintana and Kanode for installing the energy-saving technology and helping their businesses grow while showing others how they can save money by reducing energy costs. Bingaman chairs the Senate's Energy and Natural Resources Committee.

Through REAP, USDA's Rural Development agency grants money and guarantees loans that pay up to 25 percent of the cost of installing an alternative energy system for small businesses, ranchers and farmers in areas where fewer than 50,000 people live. Given New Mexico's predominantly rural nature, this means that eligible businesses in most cities — aside from Albuquerque, Rio Rancho, Las Cruces and Santa Fe — qualify for the program. Grants are limited to \$500,000 for renewable energy systems and \$250,000 for energy efficiency improvements.

The federal program is designed to assist farmers, ranchers and rural small-business owners who can demonstrate financial need. All agricultural producers, including farmers and ranchers who generate 50 percent or more of their gross income from agricultural operations, can apply. The project must be technically feasible and must be placed on property owned by the applicant.

Most rural projects that reduce energy use and result in savings for an agricultural producer or small business are considered energy efficiency projects. These include retrofitting lighting or

insulation and updating inefficient and outdated heaters or air conditioning units. Eligible renewable energy projects include those that produce any form of energy — heat, electricity or fuel — from wind, solar, biomass, geothermal, hydropower and hydrogen-based sources.

Rural small business owners or agricultural producers who would like to seek financial support for such a project through REAP can call any local USDA Rural Development field office or the state office in Albuquerque (505-761-4953), or they can visit USDA Rural Development’s website at <http://www.rurdev.usda.gov>. USDA Rural Development’s mission is to increase economic opportunity and improve rural Americans’ quality of life. The agency promotes growth in homeownership, finances business development and supports the creation of critical community and technology infrastructure.

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