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June 4, 2012

Energy Efficient Lighting Slashes Costs for Deming Manufacturer

By Terry Brunner, State Director, U.S. Department of Agriculture Rural Development Agency

A new energy-efficient system installed at Compass Components Incorporated (CCI) is expected to save the Deming company more than 50 percent on its lighting bill. A \$48,000 grant from the U.S. Department of Agriculture's Rural Energy for America (REAP) made the upgrade possible in late 2011.

Lighting is critical at the company's high-ceiling plant, where electrical components and wiring harness assemblies for buses are manufactured. CCI replaced the plant's 630 fluorescent tube lights and fixtures with 48 T-8 Hi-Bay lights. In doing so, it removed and safely disposed of old ballasts containing liquid polychlorinated biphenyls (PCBs); these highly toxic materials haven't been produced in the United States since 1979 due to their classification as persistent organic pollutants.

CCI, a 33-year-old, privately owned company based in California, acquired the property from Sparton Electronic in 2007 and retained more than a dozen Sparton employees. CCI upgraded the plant and equipment to accommodate production of electrical components used in the transportation, semiconductor, solar-power and medical industries. The company employs more than 70 people in New Mexico and plans to continue investing in equipment and training to support new technologies at the Deming site.

The USDA Rural Development agency approved CCI's application for a REAP grant in part because the upgrades improved energy efficiency and because Deming — like most of New Mexico — has a population of fewer than 50,000 people. Through REAP, USDA's Rural Development agency grants up to 25 percent of the cost of installing an alternative energy system at a small rural business, ranch or farm that meets this population benchmark.

Grants are limited to \$500,000 for renewable energy systems and \$250,000 for energy efficiency improvements. The program also guarantees loans for up to 75 percent of the total project cost, up to \$25 million.

The federal program is designed to assist rural enterprises whose owners can demonstrate financial need. All agricultural producers who generate 50 percent or more of their gross income

from agricultural operations are eligible to apply. The project must be technically feasible and must be on property the applicant owns.

Most rural projects that cut energy use and save money for the agricultural producer or small business are considered energy efficiency projects, whether it involves retrofitting lighting and insulation or updating inefficient and outdated heaters or air conditioning units. Renewable energy projects can produce any form of energy — heat, electricity or fuel — from wind, solar, biomass, geothermal, hydropower or hydrogen-based sources.

Small rural business owners or agricultural producers can call any local USDA Rural Development field office or the state office in Albuquerque (505-761-4953) for more information about the program or to see if they qualify. 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 the quality of life for people living in rural areas. The agency promotes homeownership, finances business development and supports the creation of critical technology and other infrastructure.

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