

Resolution Supporting Section 9006 of the Farm Bill, the Renewable Energy Systems and Energy Efficiency Improvements Program

WHEREAS, Clean renewable energy and energy efficiency investments help to achieve our nation's energy security and independence, improve environmental quality, promote rural economic development, provide a new income stream for farmers and ranchers, mitigate climate change, and enhance electric grid reliability; *and*

WHEREAS, Our country's agricultural sector has significant clean energy development opportunities in wind power, biomass and biofuel energy, solar power, and energy efficiency improvements; *and*

WHEREAS, The new Energy Title of the Farm Security and Rural Investment Act of 2002 ("Farm Bill") includes Section 9006, the Renewable Energy Systems and Energy Efficiency Improvements Program, which authorizes the United States Department of Agriculture ("USDA") to make grants, low-interest loans and loan guarantees available to small- and medium-sized farmers, ranchers, and rural small businesses to purchase and install renewable energy systems and make energy efficiency improvements; *and*

WHEREAS, Congress appropriated \$23 million in annual mandatory funding for the Section 9006 program through 2007 in the Farm Bill, but in 2003 Congress eliminated mandatory funding and now appropriates funding for Section 9006 on an annual discretionary basis; *and*

WHEREAS, During the first two years of its existence, Section 9006 has leveraged approximately \$42 million in clean energy grant awards into approximately 265 clean energy projects worth more than \$1 billion dollars; *and*

WHEREAS, The Section 9006 program has successfully spurred the development of new clean energy projects that help to meet our nation's energy, environment, and economic development needs; *and*

WHEREAS, According to USDA data, the economic and environmental benefits of the 113 clean energy projects that received grant awards in FY 2003 include over \$130 million in lifetime energy cost savings, 270 gigawatt-hours of lifetime generation or savings (depending on whether the project is for power production or energy efficiency), the creation of nearly 240 full-time jobs, and the likelihood that FY 2004 program will achieve similar benefits; *and*

WHEREAS, Section 9006 clean energy development projects also help to lower prices for natural gas for everyone by alleviating demand and market pressure on natural gas supplies; *and*

WHEREAS, The summer 2004 World Trade Organization (WTO) ruling on domestic cotton subsidies, together with related international trade developments, mean that other ways to support rural economies and ways to achieve WTO "green box" environment and conservation benefits become more important; *and*

WHEREAS, USDA is developing new permanent rules to implement the Section 9006 program;
now therefore be it

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners (“NARUC”), convened at its February 2005 Winter Meetings in Washington, D.C., urges Congress to appropriate the full \$23 million in authorized funding for Section 9006 in FY 2006; *and be it further*

RESOLVED, That NARUC urges Congress to consider reclassifying the Section 9006 appropriation as a mandatory allocation as established in the 2002 Farm Bill; *and be it further*

RESOLVED, That NARUC urges Congress, in the hearings that it will hold this year on the reauthorization of the Farm Bill, to consider expanding the appropriation for the Section 9006 program; *and be it further*

RESOLVED, That NARUC urges USDA to streamline Section 9006 program implementation so that the most deserving small- and medium-sized farmers and ranchers, and rural small businesses have access to Section 9006 funds, and in particular consider:

- A shorter application for smaller “off-the-shelf” systems and projects;
- A rebate program for smaller projects;
- An on-line application process; *and be it further*

RESOLVED, That USDA promulgate final rules for the Section 9006 program in early spring 2005 so that farmers, ranchers and rural small businesses have sufficient time to apply for program funds.

*Sponsored by the Committee on Energy Resources and the Environment
Adopted by the NARUC Board of Directors February 16, 2005*