



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

NOV 15 2002

Dear Friend:

I am writing to encourage your participation in a public meeting being held on December 3, 2002, by USDA Rural Development entitled "Expanding Rural Renewable Fuels Systems". The meeting will begin at 9:00 a.m. and will be held in USDA's Jefferson Auditorium located at 1400 Independence Avenue, S.W., Washington, D.C.

The purpose of the meeting is to solicit guidance from interested parties on implementation of Section 9006 of the Farm Security and Rural Investment Act of 2002. This provision allows USDA to finance purchases by farmers, ranchers or rural small businesses of renewable energy systems or to finance energy efficiency improvements through a combination of grants, direct loans or loan guarantees.

The law gives the Secretary wide latitude to define renewable energy systems and energy efficiency improvements. It also requires the Department to spend \$23 million annually. However, such funds may be leveraged to work with other USDA programs to, in effect, solve a problem and create energy. For example, an Environmental Quality Improvement Program plan for a farm may meet goals in part by financing the construction of a methane digester with a Section 9006 loan and/or grant.

Creating a synergy among USDA programs that aim at improving the environment while creating alternative energy sources is a logical extension of the mandate to expand rural renewable fuels systems. It is also in keeping with President Bush's comprehensive energy plan, which places significant emphasis on the use of alternative energy sources including wind power, solar and bio-based fuels as part of a national energy strategy.

Please join us December 3rd and offer your ideas to help increase America's supply of renewable energy. For further information see the Federal Register meeting notice attachment.

Sincerely,

THOMAS C. DORR
Under Secretary
Rural Development

Post-it® Fax Note	7671	Date	11/25/02	# of pages	7
To	David Terry	From	S Tahminen		
Co./Dept	NASEO	Co.	IA DNR		
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DEPARTMENT OF AGRICULTURE

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Rural Business-Cooperative Service

Notice of a Public Meeting on Implementation of Section 9006 of the Farm Security and Rural Investment Act of 2002

AGENCY: Rural Business-Cooperative Service, USDA

ACTION: Notice of public meeting.

SUMMARY: The Rural Business-Cooperative Service (RBS), an Agency in the Rural Development Mission Area of the United States Department of Agriculture, will hold a public meeting entitled "Expanding Rural Renewable Energy Systems." The purpose of this event is to initiate a dialogue about how to implement a loan guarantee, direct loan, and grant program to finance renewable energy systems and make energy efficiency improvements. Section 9006 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-71) (the Act) provides \$23 million annually for this purpose. The program will be made available to farmers, ranchers, and rural small businesses. We anticipate that this program will support energy self-sufficiency and promote rural economic development.

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DATES: The meeting will be held on December 3, 2002. Registration will start at 8:30 a.m.; the program will begin at 9:00 a.m. and conclude by 3:00 p.m.

ADDRESSES: Jefferson Auditorium, South Agriculture Building, U.S. Department of Agriculture, 1400 Independence Avenue, SW., Washington, D.C. Participants should enter the building through the 4th wing entrance of the South Building located on Independence Avenue between 12th and 14th Street. Valid photo identification is required for clearance by building security personnel.

INSTRUCTIONS FOR PARTICIPATION: Although registration is encouraged, walk-ins will be accommodated to the extent that space permits. Registered participants will be given priority for making presentations prior to walk-ins. Anyone interested in renewable energy systems and energy efficiency improvements is encouraged to attend the public meeting. Presentations will be limited to 10 minutes in duration. To register and request time for an oral statement, contact Elsa De Leon, Office of the Deputy Administrator for Business Programs, Room 5050 South Agriculture Building, Stop 3220, 1400 Independence Avenue SW., Washington, D.C. 20250-3220; Email: elsa.deleon@usda.gov; Telephone: 202-720-0813. To submit comments by email, send to pandor.hadjy@usda.gov in an ASCII file. Written comments should follow the issues described in the Supplementary Information section of this notice.

FOR FURTHER INFORMATION CONTACT: Pandor Hadjy, Assistant Deputy Administrator, Business Programs, RBS, Room 5050 South Agriculture Building,

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Stop 3220, 1400 Independence Avenue, SW., Washington, D.C. 20250-3220, telephone:
202-720-9693.

SUPPLEMENTARY INFORMATION: The oral and written information obtained from interested parties will be considered in implementing provisions of Section 9006 of the 2002 Act, which authorizes the Department to make loan guarantees, loans, and grants to farmers, ranchers, and rural small businesses for renewable energy systems and energy efficiency improvements. In order to assure that the Act is implemented to meet constituent needs, RBS is sponsoring a listening forum and soliciting written comments to encourage public participation in gathering input and comments and in making recommendations on program implementation. All comments are welcome, and no attempt will be made to establish a consensus.

RBS is particularly interested in receiving comments on the following specific issues as they relate to Section 9006:

1. The Act stipulates that financial assistance may be provided to purchase renewable energy systems and make energy efficiency improvements.
 - What projects should be eligible for funding?
 - Should certain types of projects receive priority for funding?
 - Should preference be given to new, innovative technologies or proven technologies?

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2. Loan guarantees, direct loans, and grant programs are authorized under the legislation.
- What type of financial assistance is most in need (i.e., grants, direct loans, or loan guarantees)?
3. Section 9006 states that, in determining the amount of grant or loan, the Secretary shall take into consideration as applicable:
- a. the type of renewable energy system to be purchased;
 - b. the estimated quantity of energy to be generated by the renewable energy system;
 - c. the expected environmental benefits of the renewable energy system;
 - d. the extent to which the renewable energy system will be replicable;
 - e. the amount of energy savings expected to be derived from the activity, as demonstrated by an energy audit comparable to an energy audit under Section 9005 of the Act;
 - f. the estimated length of time it would take for energy savings generated by the activity to equal the cost of the activity; and
 - g. other factors as appropriate.
- What other factors, if any, should the Department consider in determining the amount of grant or loan?
 - Should certain types of projects or geographic areas be targeted and given preference for financial assistance?

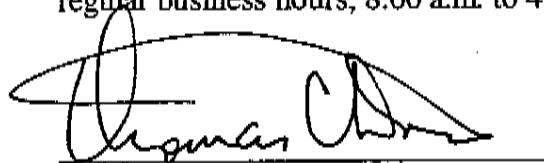
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4. The Act states that the amount of grant shall not exceed 25 percent of the cost of the activity funded under the program. Additionally, the combined amount of a grant and loan made or guaranteed shall not exceed 50 percent of the cost of the activity funded.

- What are various sources of program matching funds (i.e., other Federal, State, local, or private programs)?

Those who wish to make oral presentations should restrict their presentation to 10 minutes and are encouraged to have written copies of their complete comments, including exhibits, for inclusion in the Agency record. Those who register their attendance at the meeting, but have not been scheduled in advance to present oral testimony, will be given an opportunity to do so if time permits. Otherwise, the opportunity will be given to submit their views in writing prior to December 6, 2002. Participants who require a sign language interpreter or other special accommodations should contact Ms. De Leon as directed above.

Copies of the presentations will not be available for distribution from the Department. However, they will be available for public inspection in Room 5050 South Agriculture Building, 1400 Independence Avenue, SW., Washington, D.C., during regular business hours, 8:00 a.m. to 4:30 p.m. EST.



Dated: 11-18-02

THOMAS C. DORR

Under Secretary

Rural Development



Registration Form

Public Meeting – Expanding Rural Renewable Energy Systems
Section 9006 of the Farm Security and Rural Investment
Act of 2002

Date: December 3, 2002
Time: 9 a.m.
Place: Jefferson Auditorium, South Agriculture Building, USDA,
1400 Independence Avenue, S.W., Washington, D.C.

I wish to register for Public Meeting – (Please provide your name, the name of your organization, organization address and telephone number.)

Name: _____

Name of Organization: _____

Organization Address: _____

Organization Telephone Number: _____

I will be making an oral statement: _____(yes) _____(no)

Please complete and fax to Elsa De Leon at 202-690-0097 or you may email the form to elsa.deleon@usda.gov.