KANSAS

INCREASING AWARENESS OF USDA RURAL ENERGY EFFICIENCY OPPORTUNITIES

Overview
Kansas focused on an area that would have a significant impact on its economy: agricultural energy use. Specifically, Kansas worked to improve awareness of and applications to the US Department of Agriculture (USDA) Rural Energy for America Project (REAP). REAP was created in the 2008 Farm Bill and is designed to provide funding for renewable energy generation projects and energy efficiency improvements for farms, ranches and small businesses in rural areas. Energy accounts for approximately 15 percent of the direct costs of agricultural production in Kansas, while energy use for livestock feed can have significant indirect cost impacts, as well. Officials in Kansas found that other states, particularly Nebraska, Iowa, and Minnesota, had been far more successful in taking advantage of USDA REAP funding, either in the number of applications submitted or the dollar amount of grants and loans received. The State Energy Office sought to determine why Kansas residents had been so reluctant to file applications for REAP funds and what steps the state could take to best utilize this funding opportunity.

The Kansas State Energy Office hired a consultant to meet with farmers across the state to gather information, promote the program, and assist residents with applications. While the state did not fully meet its initial goals for the program, it did increase applications by 70 percent. It is taking the lessons learned from the grant process and implementing several steps to achieve success in the future.

Clean Energy States Grant Goals
The overarching goal of Kansas’s project was to increase awareness of REAP funds among state residents. To measure its success, the state set an initial goal of 75 applications for the 2009 USDA funding announcement. For the 2007 round of funding (known then as the 9006 program), Kansas submitted only 12 applications to the program for awards totaling under $250,000. In comparison, Nebraska submitted 102 applications, receiving over $12 million in assistance, while Iowa submitted 55 applications and received more than $16 million. Given the success of the program in neighboring agricultural states, Kansas recognized this as an important opportunity to fund energy efficiency.

The State Energy Office also sought to determine the barriers that had limited applications in the past. It found that most of its assumptions regarding limitations were confirmed: the application process was intimidating and daunting; awareness of the program was consistently low; the REAP process was not an integral part of state energy plans; and an adequately large and trained audit workforce was not available. This last assumption proved to be the area in which Kansas most underestimated the barriers to REAP applications in the state.

Accomplishments and Challenges
While Kansas did not meet its goal of 75 REAP applications for the most recent funding announcement, the state assisted in the completion of 44 successful applications by September 2009, an increase of 70 percent from 2008. The state also has prepared 10 applications for the next—as yet unannounced—funding opportunity. State Energy Office officials believe this is a promising step because past applications have not been prepared prior to the announcement of funding opportunities.

The significant and unexpected challenge for Kansas was a delay in the actual announcement of funding from the USDA. Kansan officials expected the announcement to occur in January, giving their consultant five months to work with potential applicants. Because the announcement was not made until the very end of April, this gave the consultant little time to actually assist in the application process during the contract period, which was to be the bulk of his duties. However, he was able to assist the state in promoting awareness of the program and by performing outreach on behalf of the state to potential applicants.

Next Steps
While Kansas officials await the next round of REAP funding, they are continuing to work on various programs that they expect to bolster the effectiveness of the REAP program and the work done under the Clean Energy States Grant. The state will hold several comprehensive Agricultural Energy Efficiency workshops throughout the state in 2010 with the goal of beginning to change consumer behavior around energy use and agriculture. Kansas also is working on determining what resources will be needed to further improve energy efficiency in the state, including programs for auditor and contractor training to help guarantee that improvements done under the REAP program are achieving energy savings. The State Energy Office set a goal to have these resources defined by the end of 2010.

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Participation in the grant program has allowed Kansas to recognize the barriers to improving energy efficiency and to better utilize an available source of funding. While the state still expects that it will be several years before it reaches the number of successful applications of some neighboring states, Kansas has laid the groundwork for making agricultural energy efficiency a priority within the state.