

USDA ANNOUNCES FUNDING TO HELP RURAL RESIDENTS IN REMOTE AREAS REDUCE ENERGY COSTS

WASHINGTON, December, 2012 – USDA Under Secretary for Rural Development Dallas Tonsager today announced funding to help reduce energy costs for residents of remote rural areas where the current cost of producing electricity is extremely high. The funds are being provided through USDA's High Energy Cost Grant program.

"These grants will help home and business owners offset rising energy costs by financing energy efficiency and power generation improvements that will deliver energy more cost-effectively and help the environment." Tonsager said.

The program is administered by USDA Rural Development's Rural Utilities Service. Recipients use funds to improve energy generation, transmission or distribution facilities that serve communities where the average residential cost for home energy exceeds 275 percent of the national average. Grants are available to businesses, non-profit entities, states, local governments and federally recognized Indian tribes.

For example, two neighboring communities in southern Alaska will receive funding that provides an eight mile electrical interconnect between the two towns. In Kamuela, Hawaii funds will be used to purchase a methane gas-fired generator to consume methane produced and provide electricity to produce processing facility and commercial kitchen.

The funding announced today totals more than \$9.3 million. Funding for individual recipients is contingent upon their meeting the conditions of the grant agreement. These funds may not be used to pay utility bills, purchase fuel, or be used for the sole benefit of the applicant.

Alaska

- Alaska Village Electric Cooperative, Inc. ; \$2,520,000 – Funding will provide an electrical connection between the two neighboring rural Alaskan communities of New Stuyahok and Ekwok. The proposed eight-mile electrical intertie will provide energy cost stability for both eligible communities with a total population of 625.
- Denali Commission, \$2,500,000; Funding will support the Denali Commission assistance to the Alaska Village Electric Cooperative in constructing an electrical intertie for the communities of Stebbins and Saint Michael.
- City of Coffman Cove, \$175,000; Funding will be used to provide a renewable energy interconnection to part of the City of Coffman Cove, that presently is self-generating electricity because it is not on the islands micro-grid.

Hawaii

- Rivertop Solutions LLC, \$365,000; Funding will be used to purchase a 225kW methane gas-fired generator. The generator will consume methane produced by an existing digester and provide electricity to a produce processing facility and the commercial kitchen. The project is designed to support a not-for profit enterprise supporting the Native Hawaiian farming community on the Waimea Hawaii Homestead.

Maine

- Monhegan Plantation Power District, \$420,154; Funding will be used to replace the current switchgear, add a smaller, 40 kW generator to the power station's fleet, and add a 13 kW solar array to the power station's roof to support a small 69 person community located 12 miles off the coast of Maine.

Marshall Islands

- Island Economic and Environmental Co., \$1,000,786; Funding will be used to aid the rural unelectrified Arno Atoll; providing solar powered lighting and refrigeration to 75 households in the 5 communities located there where the annual household income is \$305 a year.

Massachusetts

- Town of Gosnold, \$2,146,375; Funding will be used to provide construction of a renewable energy system based on solar photovoltaic electricity generation for the community of Cuttyhunk Island in the town of Gosnold, Massachusetts. The town's electricity is based solely on oil powered generators and the proposed project will reduce fuel consumption by 50 percent.

United States Minor Outlying Islands

- Chuuk Public Utility Company, \$189,200; Funding will be used to design, procure, install, and commission an automatic capacitor bank that will save 870,000 kWh/year (or US \$240,000/year), increasing Chuuk's electric system power factor. The utility serves 95 percent of the residents who live on Weno Island, an island that has approximately 14,000 residents.

For information on Rural Development loans and grants to other rural businesses and individuals, visit Rural Development's new interactive web map featuring program funding and success stories for fiscal years 2009-2011. The data can be found at:

<http://www.rurdev.usda.gov/RDSuccessStories.html>.

President Obama's plan for rural America has brought about historic investment and resulted in stronger rural communities. Under the President's leadership, these investments in housing, community facilities, businesses and infrastructure have empowered rural America to continue leading the way – strengthening America's economy, small towns and rural communities.

USDA, through its Rural Development mission area, has an active portfolio of more than \$174 billion in loans and loan guarantees. These programs are designed to improve the economic

stability of rural communities, businesses, residents, farmers and ranchers and improve the quality of life in rural America.

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