

Rural Business and Cooperative Service • Rural Energy for American Program, Business & Industry Program

Shining a Light on Solar Energy Benefits for Rural Farm, Community

A farm in the very small, rural community of Dairy in southern Oregon had a parcel of high elevation land that was hardly worth the effort to plant. The low soil quality and poor irrigation made the land suitable for hay production and nothing else. More often, the field was simply left fallow. Today, that farm is earning more money from its undesirable field while also benefiting the local community.

A developer leased the plateau-like field and installed a \$23 million solar energy production facility. It is an ideal location for solar panels, where the high elevation increases sunlight exposure. The electricity generated is sold to the local utility, helping it meet the state's renewable energy standards, and providing local residents and businesses with new options for environmentally-friendly power.



A new solar energy production facility in the small, unincorporated community of Dairy, Oregon, is benefiting the community and a local farm.

The up-front costs for installing a large solar array are often high, and many lenders are reluctant to consider such projects. The developer of this solar power plant was able to secure a loan from Live Oak Bank with help from USDA Rural Development, which provided a \$10 million loan guarantee through its [Rural Energy for America Program](#) and a \$5 million guarantee through its [Business and Industry Program](#), helping to mitigate the risks.

The solar power facility is not only helping this small community reduce pollutants and expand their use of renewable energy, it's also providing a boost to the local economy. The farm owner is earning more from that field with the new lease payments than he ever did when planting hay, giving him more money to spend at local stores and businesses. And the solar facility owners are now paying additional local taxes, improving the community's resources.

The local electric system is also more resilient with the addition of renewable energy. If one source becomes temporarily unavailable, the utility may be able to keep the lights on by drawing more heavily from its other sources.

Overall, this new solar panel array is diversifying a local farm's income, improving the community's economy, and producing nearly 14 megawatts of renewable electricity per year, which is enough to power 2,534 homes.

Obligation Amount:	\$10 million loan guarantee (REAP) and \$5 million loan guarantee (B&I)
Date of Obligation:	November and December 2017
Congressional District:	Representative Walden, District 2; Senators Wyden and Merkley
Partners:	Live Oak Bank (lender)
Demographics:	Unincorporated community of Dairy, Oregon; population 207
Impact:	A solar energy production facility is providing new, greener sources of electricity for local residents and businesses, helping the utility meet renewable energy standards, and improving electric power resiliency while boosting the local economy.
