

ENERGY MANAGEMENT ENHANCEMENT

February 2006

NEBRASKA

Name: _____

For 2005, the Conservation Security Program (CSP) offers a limited number of enhancement payments as incentives to reward or encourage on-farm energy conservation and management. These enhancements are available once the applicant qualifies for CSP by meeting the program's entry requirements for soil and water quality.

This information will help landowners and managers determine if they are eligible for the offered payment(s) for energy enhancement activities.

Energy Audit of Agricultural Operations

Payment = \$500.00 / Energy Audit. This is a one time enhancement activity payment.

Energy Audit of Agriculture Operations

Agriculture faces rising costs for energy, regardless of whether the energy is embedded (energy used for production, transportation, and application that is 'captured' in fertilizer and pesticides), photosynthetic, or direct (energy derived directly from a source, such as electricity, butane, etc., and consumed for a particular use like heating, lighting, or transportation). Through CSP, USDA's Natural Resources Conservation Service (NRCS) is encouraging farmers and ranchers to review how they use energy in their operations and look for ways to reduce costs, improve energy efficiency, and reduce impacts on the environment. An energy audit is the first step in energy management. Operators need to know current energy use before changes in efficiency can be measured. Once energy consumption and costs have been measured, users can perform a variety of analyses to determine which actions are most efficient, and take steps to make changes where necessary.



Definition – An energy audit identifies and evaluates energy management opportunities on the farm or ranch. During an audit, a baseline is developed to characterize and record energy use. Individual unit operations, processes, and major energy-consuming equipment are evaluated to identify energy management opportunities and high-return-on-investment projects. Typically an action report is produced that describes the baseline, each conservation opportunity area, an estimate of the cost to implement the changes, the savings that will be generated, and an estimation of the payback period.

Who Performs Energy Audits? – Farmers and ranchers interested in receiving an enhancement payment for an energy audit may hire a professional contractor or utility of their choice to conduct the audit. Operators should ensure that the contractor has relevant educational and professional experience, has a successful track record, can provide objective

advice, has declared any financial relationships with equipment vendors or service companies, and has qualified staff.

Self-Audits – In some areas contractors or utilities are not readily available to perform energy audits on farms. A self-audit process is being developed. Farmers will be allowed to use this process to establish a baseline energy usage from which they can document energy savings over the life of the CSP contract. Payments will not be made for self-audits, themselves, however.

Required Elements:

- An energy audit identifies and evaluates energy management opportunities on the farm or ranch.
- During an audit, a baseline is developed to characterize and record energy use. Individual unit operations, processes, and major energy-consuming equipment are evaluated to identify energy management opportunities and high-return-on-investment projects.
- Typically an action report is produced that describes the baseline, each conservation opportunity area, an estimate of the cost to implement the changes, the savings that will be generated, and an estimation of the payback period.
- This is a one time enhancement activity payment.

Documentation Required: A receipt from the professional energy auditor is required prior to payment approval. A list of potential audit contractors is available from your local NRCS field office.

Certification:

I certify that I have hired a professional contractor or utility of my choice to conduct the energy audit.

Name: _____ Date: _____

