

National Bulletin: 300-12-

Subject: LTP – Guidance to Support the Fiscal Year 2012 On-Farm Energy Initiative

**Action Required By: November 25, 2011**

**Purpose.** To provide State Conservationists and Directors of the Caribbean and Pacific Islands Areas guidance to support the national On-Farm Energy Initiative (Energy Initiative) through the Environmental Quality Incentives Program (EQIP).

**Expiration Date.** September 30, 2012

**Background.** Under the Food Conservation and Energy Act of 2008, Title II, Subtitle F – EQIP, Section 2501 provides authority for use of EQIP (as a national purpose) to specifically address energy conservation through practice implementation and for development of Energy Conservation Plans. During fiscal year (FY) 2012, the program is designed to assist producers in two ways:

- 1) Identify ways to conserve energy on their farms through an Agricultural Energy Management Plan (AgEMP) conservation activity plan (CAP), also known as an on-farm energy audit.
- 2) Provide assistance to implement various recommended measures through the use of conservation practice standards offered through this initiative, such as the Farmstead Energy Improvement (374).

Only through implementation of recommended measures and conservation practices will energy conservation, efficiency, and savings be achieved.

**Explanation.** To achieve the purposes of the initiative, financial assistance and associated technical assistance will be held at headquarters and then allocated to states based on the guidance provided in this national bulletin. EQIP On-Farm Energy Initiative funds may only be used for this purpose.

**DIST:** R, S, L, and National Center Directors

To ensure correct and timely implementation of the FY 2012 EQIP On-Farm Energy Initiative, STCs and Directors will use the following guidance.

- States must offer the following Conservation Activity Plans (CAP) to support the agency effort of providing planning assistance.
  - Agricultural Energy Management Plan – Headquarters (122)
  - Agricultural Energy Management Plan – Landscape (124)

Payment schedules to support CAPs will be developed and issued by the national office.

- The following sub-account will be automatically created in ProTracts to support the energy initiative for all States:
  - “On-Farm Energy” with an account type of “On-Farm Energy”

States shall evaluate and fund applications for on-farm energy related projects and the two required CAPs using the “On-Farm Energy” sub-account. The ProTracts application type of “planning” must be associated with each CAP application and ranking of these applications is not required, nor encouraged. CAPs may be pre-approved after all eligibility requirements are met.

Action Required. In order to support the On-Farm Energy Initiative, State Conservationists and Directors, must complete the following no later than Friday, November 25, 2011:

1. **Application Ranking.** States shall develop the ProTracts Application, Evaluation, and Ranking Tool (AERT) to support the nationally created Energy Initiative sub-account. Specific actions include:
  - A. **On-Farm Energy Initiative sub-account resource concerns:** States shall assign the following resource concerns to the nationally established sub-account:
    - Inefficient Energy Use – Equipment and Facilities Energy
    - Inefficient Energy Use – Farming/Ranching Practices and Field Operations
  - B. **Approved practices:** States shall offer all the conservation practices listed in Attachment A and associate with the energy resource concerns indicated. States **may not** offer additional practices other than those listed in Appendix A nor include any additional resource concerns. If a State does not need to offer one of the required practices (e.g., the practice is not needed to address any energy resource concern), the STC may request a waiver from the Deputy Chief for Programs.

For a producer to be eligible to implement Conservation Practice Standard 374, they must have an AgEMP-Headquarters or an on-farm energy audit (no more than five years old) that meets the ASABE S612 standard, see Attachment B. Otherwise, the application must be deferred until an acceptable on-farm energy audit or AgEMP 122 is provided.
  - C. **National and State Ranking Criteria:** National ranking criteria are consistent for all EQIP applications. The national office will also automatically populate the State questions in ProTracts for the FY 2012 Energy Initiative. Refer to Attachment C which provides the State ranking criteria.
  - D. **Approved land uses:** This initiative is only applicable to Crop and Headquarters land

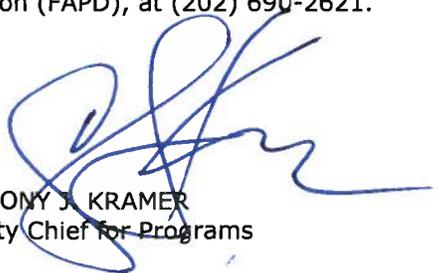
use types.

- E. **Local Ranking Criteria:** States will also need to develop and populate local on-farm energy related questions in ProTracts AERT. This initiative is subject to the requirements in 440 CPM, Part 512, Subpart C, regarding application evaluation, assignment of points, multipliers, as well as the fund management policy cited in NB 300-11-31 issued 8/11/2011.
2. **Application Periods:** The national office will issue an announcement that the FY 2012 On-Farm Energy Initiative is available in all States. Although applications for EQIP are accepted year-round, the following ranking periods will be announced for Energy Initiative this FY:
- A. **Period 1:** From program announcement to Friday, February 3, 2012, application cut-off. All eligible applications received to this date will be ranked and pre-approved for funding. States will submit an allowance request with supporting documentation for pre-approved applications no later than Monday, February 13, 2012.
- Note:** Supporting documentation for the allowance change request must include: the application number, applicant name, ranking score, and application cost. This may be achieved by exporting the "pre-approved" list from ProTracts under Application Maintenance.
- B. **Period 2:** From program announcement to Friday, March 30, 2012. All eligible applications received by this date will be ranked and pre-approved for funding. States will submit an allowance request with supporting documentation for pre-approved applications no later than Monday, April 9, 2012.
  - C. **Period 3:** From program announcement to Friday, June 1, 2012. All eligible applications received by this date will be ranked and pre-approved for funding. States will submit an allowance request with supporting documentation for pre-approved applications no later than Monday, June 11, 2012.

The national office will establish a national On-Farm Energy Initiative website which will contain this year's program information. States may "link" to this website.

- 3. **Fund Management:** Once states submit their allowance change request with supporting documentation, NHQ will allocate the funds to each state. States shall then reallocate their funds to the nationally established sub-account "On-Farm Energy."
- 4. **Obligation Deadline:** All Energy Initiative program contracts must be obligated by COB Monday, July 2, 2012.

**Contact.** If you have any questions, contact the EQIP Team Leader, Financial Assistance Programs Division (FAPD), at (202) 690-2621.



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Attachment A - Approved FY 2012 On-Farm Energy Initiative Conservation Practices  
Attachment B - ASABE Standard 612 Performing On-Farm Energy Audits  
Attachment C - State FY 2012 EQIP On-Farm Energy Initiative ProTracts AERT Questions