USDA’S FUTURE IN DISTRIBUTED WIND ENERGY

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INTRODUCTION

OPENING REMARKS

USDA's Shifting Priorities

The USDA focus has shifted from broad renewable energy growth to disciplined stewardship and risk management.

Distributed Wind Integration

Distributed wind energy must integrate smoothly with farm operations for stable costs and reliable performance.

Practical Energy Choices

Energy decisions are grounded in sustainability and financial prudence rather than ideology.

Stakeholder Relevance

These developments highlight opportunities and challenges for distributed wind stakeholders in USDA policy.

USDA STEWARDSHIP AND POLICY SHIFTS

USDA’S STEWARDSHIP REALITY

Emphasis on Stewardship

USDA focuses on portfolio health, risk mitigation, and program integrity to ensure responsible fund allocation.

Criteria for Funded Projects

Supported projects must demonstrate financial stability, genuine need, and credible execution plans.

Alignment with Rural Needs

Distributed wind projects must align with rural economic needs, avoiding speculative ambitions.

Developer Responsibilities

Developers must provide robust documentation, strong financials, and transparent governance to qualify.

FARM BILL ALIGNMENT

SIGNALS FROM THE 2026 HOUSE FARM BILL

Agricultural Energy Prioritization

The bill emphasizes that energy projects must primarily support agricultural operations, ensuring alignment with farm needs.

Rural Energy for America Program (REAP)

REAP is maintained with added protections to prevent misuse and promote energy projects that boost agricultural productivity.

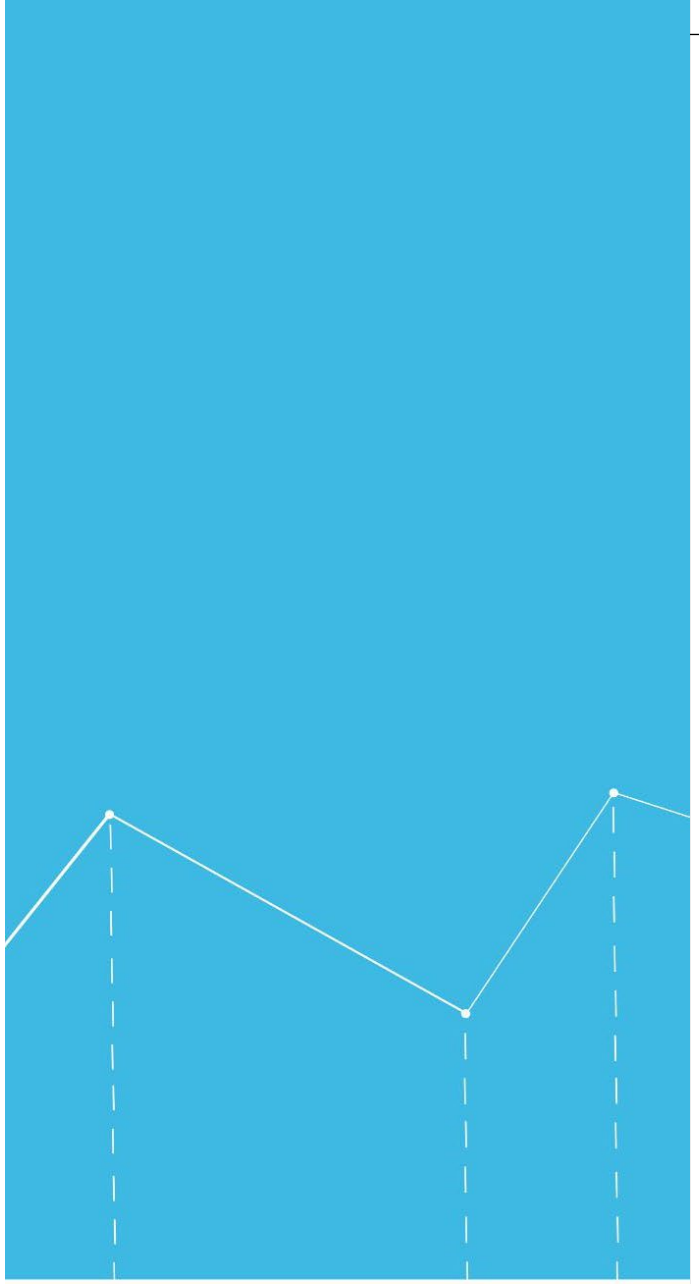
Focus on Infrastructure over Speculation

The bill favors practical infrastructure investments over speculative projects, supporting resilient farm energy systems.

Long-term Agricultural Energy Goals

Legislation aligns distributed wind energy with national agricultural objectives for sustainable rural economies.

PROJECT FIT AND FEASIBILITY



WHAT NO LONGER FITS

Oversized System Risks

Oversized energy systems exceeding documented loads create financial and operational risks for projects.

Energy Use Assumptions

Weak assumptions about energy use reduce project reliability and conflict with USDA standards.

Avoid Speculative Projects

Projects must be supported by historical data to ensure financial viability and USDA compliance.

Focus on Right-Sized Systems

Emphasize properly sized systems with reliable calculations and measurable benefits to agriculture.

DISTRIBUTED WIND STRENGTHS

WHY DISTRIBUTED WIND STILL WINS

Local Manufacturing Advantage

Distributed wind benefits from domestic manufacturing, supporting local economies and reducing supply chain risks.

Rural Land Compatibility

Distributed wind integrates seamlessly with rural land uses, including farms, preserving land productivity.

Energy Resilience and Independence

These systems provide local energy resilience and reduce reliance on volatile energy markets, enhancing cost stability.

REAP GRANTS AND OPPORTUNITIES

REAP GRANTS STILL MATTER

Vital Role of REAP Grants

REAP grants provide crucial support for distributed wind projects in rural communities, enabling sustainable energy adoption.

Reducing Capital Barriers

Grants reduce upfront costs, making energy projects financially feasible for farmers and rural businesses.

Sustainable Project Design

Projects must meet grant criteria and long-term operation needs to ensure continued sustainability beyond funding.

HOW TO WIN WITH REAP

Strategic System Sizing

Wind systems should be sized based on documented historical energy use to meet actual demand efficiently.

Conservative Production Forecasts

Employing conservative energy production forecasts ensures realistic expectations and aligns with USDA guidelines.

Grant as Supplementary Support

Treat REAP grants as supplementary, maintaining strong borrower equity and maintenance plans for project viability.

CLOSING PERSPECTIVE

MESSAGE TO DWEA

Foundation of Success

Distributed wind's future depends on discipline, credibility, and meeting rural economic needs effectively.

Role of Grants

Grants like REAP support distributed wind but cannot replace strong project fundamentals and planning.

Stewardship and Partnership

Distributed wind must demonstrate stewardship by contributing to agricultural productivity and economic stability.

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