

TESTIMONY OF DAVID TERRY, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF STATE ENERGY OFFICIALS, BEFORE THE SENATE APPROPRIATIONS COMMITTEE, SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES IN SUPPORT OF FY'21 USDA FUNDING

March 24, 2020

Chairman Hoeven and Ranking Member Merkley, I am David Terry, Executive Director of the National Association of State Energy Officials (NASEO), and I am testifying in support of FY'21 funding for the energy title of the Farm Bill. **The mandatory levels of the energy title of the Farm Bill should be supported (2018 Farm Bill, P.L. 115-334).** Specifically, we support funding of at least \$50 million mandatory and \$30 million in additional discretionary spending for the Rural Energy for America (REAP) program. Of the \$30 million in additional discretionary funds, \$10 million should be allocated to underserved technologies through a reserve fund. The REAP program was created in the 2002 Farm Bill and it has been a huge success. Over 15,000 energy efficiency and renewable energy projects have been implemented in every state since 2003. With a required \$3 match of non-federal funds for every federal dollar invested in REAP, over \$1.6 billion in matching funds have been provided. Billions of dollars have been leveraged. We support \$15 million in mandatory funding and \$4 million in discretionary funding; a total of \$19 million for the Rural Energy for America Loans program. Senator Merkley's efforts to support "on-bill" energy efficiency financing programs for rural electric cooperatives is an important activity through USDA, under the Rural Energy Savings Program (RESP) \$15 million should be provided for FY'21. This program is outside of the energy title of the Farm Bill, but is very important. The models in South Carolina and Arkansas are very exciting. This program should be dramatically expanded.

REAP has specifically benefitted farmers, ranchers and rural small businesses that are often underserved by other federal energy efforts. NASEO's State Energy Office members work directly with eligible entities, as well as state agricultural agencies and rural interests to promote this successful program. REAP is about facilitating private-sector led rural economic development.

NASEO represents the energy offices in the 56 states, territories and the District of Columbia. The REAP program, and the other critical programs in the energy title of the last multi-year Farm Bill (and RESP), helps the private sector create jobs, supports increased agricultural productivity and operational efficiency, reduces energy costs for farmers, ranchers and rural small businesses, generates home-grown energy, promotes use of alternative fuels produced by America's farmers, and further reduces our dependence on imported petroleum. The cost is very low and the payback is very high.

As noted above, NASEO also supports additional energy title programs and RESP. There are several of note that should be supported at mandatory funding levels. These include the Biomass Crop Assistance Program, Biorefinery Assistance, Renewable Chemical

and Biobased Product Manufacturing Assistance Program, and the Biobased Markets Program (otherwise referred to as “Biopreferred”), the Biomass Research & Development Initiative, the Bioenergy Program for Advanced Biofuels, the Biodiesel Fuel Education Program, and the Carbon Utilization and Biogas Education Program.

In FY’21, we urge your support for the REAP program and the Rural Energy for America Loans program, and additional energy title programs as noted above. We also support expansion and support for “on-bill” financing programs (RESP) through USDA.

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