

**Attachment A - NOFEI**

Initiative Name and Acronym - National On-Farm Energy Initiative (NOFEI)

Initiative Description/Summary:

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 an agricultural energy management plan (AgEMP). During fiscal year (FY) 2015, the program is designed to assist producers in two ways:

- 1) Identify ways to reduce energy use on their farms through an AgEMP conservation activity plan (CAP), also known as an on-farm energy audit
- 2) Provide assistance to implement various recommended measures using conservation practice standards that address inefficient use of on-farm energy

Approved or Participating States and Application Periods:

- All States and Territories are required to offer the On-Farm Energy Initiative.
- States Conservationists will allocate funds to support the initiative from their general EQIP allocation. National Headquarters will not provide an initial allocation of funds to States to implement this initiative.

Program Contact Information:

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ProTracts Requirements:

1. Subaccount Guidance:

Two subaccounts are available in ProTracts to support the On-Farm Energy Initiative using the account type “On-Farm Energy.”

- a. The subaccount called “FY15 On-Farm Energy” may be used for both CAP 128 and other applications with the primary purpose of addressing inefficient use of energy.

States may elect to use an additional subaccount called “FY15 On-Farm Energy CAP.” There are two reasons to use this subaccount: 1) States with a large backlog of completed AgEMP CAPs may use this account in order to separate applications for new AgEMP CAPs from applications to implement practices that address inefficient use of energy, and 2) States may provide more timely approvals of AgEMP CAP applications through use of this subaccount. States exercising this option will follow the applicable guidance below for establishing the ranking tools and evaluating applications.

- b. No additional subaccounts may be established at the State or local level to further support the NOFEI.

2. Application, Evaluation, and Ranking Tool Guidance – Choice Lists and Matrix Data:

- a. Approved Land Types – States must assign the following applicable land types as eligible for this initiative:

Crop
Pasture
Range
Farmstead

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Note: No additional land types may be added or used to support this initiative.

b. Approved Natural Resource Concerns:

Energy
Inefficient Energy Use – Equipment and Facilities
Inefficient Energy Use – Farming/Ranching Practices

Note: No additional resource concerns may be added or used in ProTracts AERT to support this initiative.

c. Core Practices required to be offered for this initiative:

Practice Name	Practice Code
Agricultural Energy Management Plan	128
Farmstead Energy Improvement	374
Irrigation Water Management	449
Pumping Plant	533
Lighting System Improvement	670
Building Envelope Improvement	672

d. States may offer supporting practices for this initiative, if the practice addresses inefficient use of energy, and energy savings and the associated environmental benefits (i.e., greenhouse gas and other air pollutant reductions) expected to be achieved have been evaluated.

Note: For the subaccount, "FY15 On-Farm Energy CAP," CAP 128 is the only core practice. There should be no supporting practices added under this subaccount.

e. AERT Matrix – State must populate the appropriate core and any selected supporting practices in the ProTracts AERT tool and associate the following resource concerns as shown in the following table.

AERT Matrix					
	Core Conservation Practices and Codes				
NRCS Resource Concerns	Building Envelope Improvement	Farmstead Energy Improvement	Irrigation Water Management	Lighting System Improvement	Pumping Plant
	672	374	449	670	533
Inefficient Energy Use - Equipment and Facilities	X	X		X	X
Inefficient Energy Use - Farming /Ranching Practices and Field Operations			X		X
Rationale:	Identified in AgEMP or On-Farm Energy Audit	Identified in AgEMP or On-Farm Energy Audit	Allows capture of surface water and reduces the need to draw groundwater.	Identified in AgEMP or On-Farm Energy Audit	Identified in AgEMP; efficient pumping plant reduces energy use

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### Application, Evaluation, and Ranking Tool Guidance – Ranking Criteria Questions:

The total ranking points associated with this initiative are to be distributed in AERT and approved ranking questions as follows:

AERT Level	Maximum Points	Point Percentage
National-Level Ranking Questions	250	25%
State-Level Ranking Questions	400	40%
Local-Level Ranking Questions	250	25%
Efficiency Score	100	10%
Total Points for this initiative:	1,000	100%

#### 4. Additional Initiative Guidance:

- a. Capturing Energy Benefits – An “Energy Benefits” button is available in ProTracts to capture estimated energy savings. This button must be checked “yes” for all contract items implemented as part of NOFEI and based on the recommendations provided as part of a completed on-farm energy audit. Checking “yes” requires the user to enter the numeric values accurately in the correct units for the estimated energy savings and the reduction of greenhouse gases and air pollutants directly associated with the energy savings from the completed on-farm energy audit. If values for energy benefits are not available from an AgEMP or energy audit, they can be obtained from the COMET farm quick energy tool: <http://cometfarm.nrel.colostate.edu/QuickEnergy>.

Note: The correct units for energy savings is in millions of British thermal units (MMBtu). This was previously labeled incorrectly as mBtu on the Energy Benefits button. AgEMPs may also be incorrectly labeled, but provide the correct value for energy savings in millions of Btus. If in doubt, using the COMET farm quick energy tool should verify that energy savings is reported correctly.

- b. The “Energy Benefits” should be checked “no” for AgEMP CAP applications since energy savings do not occur unless the recommended measures provided in an AgEMP CAP report are implemented.
- c. An agency-approved worksheet has been developed to calculate an energy cost efficiency score for ranking purposes. The “Energy Cost Efficiency Worksheet” uses information from an AgEMP or other ASABE S612 compliant on-farm energy audit to calculate an energy savings to project cost score.
- d. Applications for AgEMP CAP 128 may be processed more timely for states electing to use the “FY15 On-Farm Energy CAP” subaccount. Approvals may be done monthly throughout the year using announced ranking deadlines. States using this option will rank AgEMP CAP applications as they are received and eligibility is confirmed for the applicant. Contracts for AgEMP CAPS can be approved immediately after ranking. Providing more timely approvals of CAP 128 applications may shorten the time between the completion of an AgEMP and an application for financial assistance to install recommended energy efficiency measures.

States using monthly approvals for AgEMPs may want to consider establishing separate ranking periods for NOFEI applications, with one preferably later in the fiscal year.

5. The following are detailed instructions for populating ranking questions and points in ProTracts AERT.

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National-Level Ranking Criteria Requirements:

National ranking criteria are established in ProTracts by National Headquarters. National ranking criteria must account for 250 points or 25 percent of total points. The following national-level ranking questions apply to this initiative. Other national ranking question not listed will not typically be applicable to this initiative:

FY 2015 Environmental Quality Incentives Program (EQIP) Application Evaluation Ranking Tool (AERT) National Questions	FY 2015 Points
1. If the application is for development of a conservation activity plan (CAP), the agency will assign significant ranking priority and conservation benefit by answering "Yes" to the following question. Answering "Yes" to question 1a will result in the application being awarded the maximum amount of points that can be earned for the national priority category.	
1a. the program application to support the development of a conservation activity plan (CAP)? <u>If answer is "Yes", do not answer any other national-level questions.</u> If answer is "No," proceed with evaluation to address the remaining questions in this section.	250
3. Water Conservation – Will the proposed project conserve water by (select all that apply):	
3a Implementing irrigation practices that reduce aquifer overdraft.	15
3b. Implementing irrigation practices that reduce on-farm water use?	10
3c. Implementing practices in an area where the applicant participates in a geographically established or watershedwide project?	10
3d. Implementing practices that reduce on-farm water use as a result of changing to crops with lower water consumptive use, the rotation of crops, or the modification of cultural operations?	10
4. Air Quality - Will the proposed project improve air quality by (select all that apply):	
4a. Meeting on-farm regulatory requirements relating to air quality or proactively avoid the need for regulatory measures?	10
4c. Implementing practices that reduce on-farm generated greenhouse gases such as carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), and nitrous oxide (N <sub>2</sub> O)?	10
4d. Implementing practices that increase on-farm carbon sequestration?	10
8. Energy Conservation– Will the proposed project reduce energy use by (select all that apply):	
8a. Reducing on-farm energy consumption?	10
8b. Implementing practices identified in an approved AgEMP or energy audit, which meet ASABE S612 criteria?	10
9. Business Lines – Will the practices to be scheduled in the "EQIP Plan of Operations" result in:	
9a. Enhancement of existing conservation practices or conservation systems already in place at the time the application is received?	10

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Total Maximum Points:	250
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State-Level Ranking Criteria Requirements:

State ranking criteria are established by National Headquarters, but entered into ProTracts by States. State-level ranking criteria must account for a total of 400 points. To support this initiative, States must enter all the following State-level criteria and points in ProTracts AERT for each approved subaccount.

2015 EQIP NOFEI State-Level Ranking Criteria	FY 2015 Points
<b>1.</b> If the application is for the development of a conservation activity plan (CAP), the agency will assign significant ranking priority and conservation benefit by answering "Yes" to the following question. Answering "Yes" to question 1a will result in the application being awarded the maximum amount of points that can be earned for the State-level questions.	
1a. Is the program application for development of a conservation activity plan (CAP) for a TSP prepared agricultural energy management plan (128)? If answer is "Yes," do not answer any other State-level questions. If answer is "No," proceed with evaluation to address the remaining questions in this section.	400
<b>2.</b> Answer one of the following questions regarding the practices recommended in the applicant's agricultural energy management plan (AgEMP) or on-farm energy audit that meets the ASABE S612 Performing On-Farm Energy Audits Comprehensive Type 2 standards and has been completed or updated in the last 4 years.	
2a. Will the EQIP plan or schedule of operation include all eligible practices recommended in an (AgEMP) or an on-farm energy audit?	100
2b. If the EQIP plan or schedule of operation does not include all practices recommended in an AgEMP or on-farm energy audit, will it include two or more eligible practices recommended?	50
<b>3.</b> Water Conservation – Will the proposed project conserve water by (select all that apply):	
3a. Implementing irrigation practices that reduce energy and reduce aquifer overdraft?	50
3b. Implementing energy practices that recycle or reuse water?	50
<b>4.</b> Air Quality - Will the proposed project improve air quality by (answer one of the following):	
4a. Implementing energy practices that have been evaluated to reduce on-farm generated carbon dioxide (CO <sub>2</sub> ) by 50,000 pounds or more?	100
4b. Implementing energy practices that have been evaluated to reduce on-farm generated carbon dioxide (CO <sub>2</sub> ) by at least 10,000 pounds but less than 50,000 pounds?	50
4c. Implementing energy practices that have been evaluated to reduce on-farm generated carbon dioxide (CO <sub>2</sub> ) by less than 10,000 pounds?	25
<b>5.</b> Use the "Energy Cost Efficiency Worksheet" to calculate the estimated energy cost efficiency value for the conservation practices in the EQIP plan or schedule of operations. Answer <u>one</u> of the following questions:	
5a. Is the estimated energy cost efficiency 50 percent or more?	100
5b. Is the estimated energy cost efficiency between 30 and 50 percent?	50

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5c. Is the estimated energy cost efficiency less than 30 percent?	25
Total Maximum Points:	400

Local-Level Ranking Criteria Requirements:

Local ranking criteria will be entered into ProTracts at the State level.

Local level ranking criteria must account for a total of 250 points or at least 25 percent of total points available. States must establish a maximum point total of 250 in ProTracts AERT. Each state **must** enter the following criteria #1 in the ProTracts local-level category in ProTracts:

2015 EQIP NOFEI Local-Level Ranking Criteria	FY 2015 Points
1. If the application is for the development of a conservation activity plan (CAP), the agency will assign significant ranking priority and conservation benefit by answering "Yes" to the following question. Answering "Yes" to question 1a will result in the application being awarded the maximum amount of points that can be earned for the local level questions.	
1a. Is the program application for development of a conservation activity plan (CAP) for a TSP prepared agricultural energy management plan (128)? If answer is "Yes," do not answer any other local level questions. If answer is "No," proceed with evaluation to address the remaining questions in this section.	250

States will develop all other local ranking criteria.

Cost Effectiveness Calculation:

By agency policy, the amount of points associated with the AERT cost efficiency calculation must be 100 points or 10 percent of total points available.

Screening Criteria Requirements:

The following screening criteria shall be used to support all applications submitted for the National On-Farm Energy Initiative.

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NRCS Environmental Quality Incentives Program (EQIP)  
 National On-Farm Energy Initiative  
 NATIONAL SCREENING CRITERIA WORKSHEET - Fiscal Year 2015  
*A Screening Worksheet must be completed for each eligible EQIP application.*

<u>Instructions:</u>			
<p>This screening worksheet must be completed for each eligible producer applying for EQIP On-Farm Energy Initiative assistance. Applications will be accepted on a continuous basis; however, application periods are established for purposes of evaluation, ranking, and funding decisions.</p> <p>Completion of this worksheet and documentation does not constitute agreement to provide EQIP benefits nor approval of a program contract. The original screening worksheet should be filed with the applicant case file or EQIP file and unless the application is determined to be ineligible, the screening priority (high, medium, and low) must be recorded in ProTracts. Upon request, a copy of any completed screening worksheet may be provided to the applicant.</p>			
Detailed Screening Criteria Worksheet – Complete for each eligible EQIP applicant			
Applicant Name:		County:	
Application No: (OPTIONAL)		Field Office:	
Evaluator Name:		Date:	
Priority Determination for ProTracts – Select and circle one:			
<u>High Priority Category:</u> The application is for an agricultural energy management plan (CAP 128); Or The application includes at least one core conservation practice (374, 449, 533, 670, or 672) necessary to implement the recommendations identified in a completed agricultural energy management plan (CAP 128) or comprehensive on-farm energy audit meeting ASABE S612 Type 2 standard.			High Priority Status in ProTracts
<u>Medium Priority Category:</u> The application includes no core conservation practices but does include at least one supporting conservation practice necessary to implement the recommendations identified in a previously completed agricultural energy management plan (CAP 128) or comprehensive on-farm energy audit meeting ASABE S612 Type 2 standard.			Medium Priority Status in ProTracts
<u>Low Priority Category:</u> Low Priority Applications <u>will not be ranked.</u> All other applications			Low Priority Status in ProTracts
The priority determination of high, medium, or low must be recorded in ProTracts for this applicant.			
D.C. Approval:		Date Approved:	

