

MANUFACTURING

in Lehman's Terms

Lighting Incentives

I hope everyone is enjoying the warm weather as many of you plan your end of summer vacations. As my schedule allows, I've been taking advantage of this nice weather to conduct manufacturing site visits around the state. These visits are conducted (typically with the local economic developer's involvement) to find out if there's anything we can do from a state perspective to help our manufacturers grow (incentives or otherwise). There are many things that come out of these visits. They provide me with a seat-of-the-pants feel for the health of manufacturing in North Dakota; they give me a better understanding of manufacturing capabilities here; and they help me to assess what programs and resources are needed most. This month's topic comes as a result of these visits. Quite a few manufacturers have been doing lighting projects and I wanted to use this month's newsletter as an opportunity to discuss these projects a bit.



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There are many benefits to lighting projects, including:

- Increased productivity (due to reduced eyestrain, reduced worker fatigue, increased moral, etc.)
- Improvement in quality (especially with coatings)
- Lower energy costs
- Increased professional appearance within the plant
- Reduced maintenance costs (LEDs far outlast many traditional technologies)

In speaking with manufacturers about their projects, lighting appears to be one of the least understood with respect to available incentives. There are a couple of incentive options that I would like to bring to everyone's attention.

1. **State Energy Program:** The State Energy Program (SEP) is administered by North Dakota Department of Commerce's Division of Community Services to incentivize energy conservation-type projects. While this program gives priority to government and nonprofit organizations, it is open to manufacturing as well. Here is the process for that program:

- Complete an application:
www.communityservices.nd.gov/uploads/30/SFN59023SEPAApplication.pdf
- Complete an energy analysis:
www.communityservices.nd.gov/uploads/30/sfn59261energysavinganalysissavable.pdf
- Complete the Section 106 Clearance Form (to show it is not an historical property):
www.communityservices.nd.gov/uploads/7/SFN52654Section106ClearanceSavable.pdf

Applicants will need to provide a D-U-N-S number, register on www.SAM.gov and show three bids on the project (or proof you tried to get three bids). Please keep in mind funds currently available would need to be utilized by June 30, 2020, and the project cannot start until the applicant receives a signed grant agreement from Commerce. We cannot participate in the project if it is already underway.

2. **Rural Energy for America Program (REAP):** Renewable Energy and Energy Efficiency: This USDA Rural Development program provides guaranteed loan financing and grant funding for those wishing to purchase or install renewable energy systems or make energy efficiency improvements. There are three options under this program:

- a. Grant for up to 25% of eligible cost of improvements
- b. Loan guarantee for up to 75% of the total project cost
- c. Combination for up to 75% of the total project cost

The process for the REAP is as follows:

- Identify eligible project costs
- Complete application packet
- Conduct third-party energy audit to verify expected savings
- The expected savings and application are used to determine a scoring for the project. All applications are competitive and will be awarded based on the availability of funds.

In addition to these programs, you may also want to speak with your local utility to see if it is aware of additional programs. Keep in mind these programs are energy programs, not specifically for lighting. Replacing equipment with a lower-consumption alternative may also be applicable to these programs. For additional information on these or other manufacturing incentives available to manufacturers in North Dakota, please feel free to contact me and I will get you pointed in the right direction!

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