

Ohio farmers increasingly adopt solar energy for price stability

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More and more, Ohio farmers are turning to solar energy to power their operations. The need is clear: farming uses a lot of power, and farmers are especially sensitive to price swings in the electricity markets. Farmers, who by trade are intimately familiar with commodity markets, are increasingly viewing solar power as a long-term hedge in a volatile electricity market. By going solar, farmers are able to predict all, or at least a portion, of their electricity costs for the life of the system, which can span two to three decades.

Ohio's net metering policies and incentives from the U.S. Department of Agriculture (USDA) are the primary drivers of farmers' shift to solar. Ohio law requires electricity distributors to offer net metering to customers who generate electricity using wind energy, solar energy, biomass, landfill gas, hydropower, fuel cells or microturbines. Last year, in Case No. 12-2050-EL-ORD, the Public Utilities Commission of Ohio amended net metering rules in Chapter 4901:1-10 of the Ohio Administrative Code in accordance with the State of Ohio's five-year rule review procedures. Ohio utility companies, American Electric Power and FirstEnergy Corp., are challenging Ohio's net metering policies in the Supreme Court of Ohio.

The USDA's Rural Energy for America Program (REAP) is also an important program incentivizing the adoption of solar power by farmers. It offers both loan guarantees and grants and provides a 30% tax credit on the cost of the project. Created by the 2008 Farm Bill, REAP was reauthorized by the recently-passed 2014 Farm Bill. On September 18, 2014, USDA announced \$56 million in loans and \$12 million in grants for fiscal year 2014.

According to the USDA, REAP funding has helped farmers significantly expand renewable energy use in recent years. The most recent Census of Agriculture shows that the number of farms utilizing renewable energy production has doubled in the past five years. Nationwide, more than 57,000 farms reported using a renewable energy system in 2012, while 23,451 operations reported doing so in 2007. Solar panels accounted for 63% of renewable energy systems in the U.S. with 36,331 farms reporting their use. According to The Ohio State University (OSU), over 100 Ohio farms now use solar power.

OSU provides a full list of renewable energy and energy efficiency incentives available to Ohio farmers, by county or by utility, [here](#).

Below are links to additional stories highlighting the use of solar power on farms:

- Richardson Farms: "Solar energy benefits Medina County farmers," The Medina-Gazette
- Enterprise Hill Farm: "Out of sight, out of mind: Solar power makes sense on some Ohio farms," Farm and Dairy
- Midwest Farms: "In the Midwest, farmers leading the way on solar power," Midwest Energy News

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