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Products, Information & News for Farmers & Ranchers

Farmers

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Hot Line®

COVER STORY

Harvest Energy Solutions

Fastest Growing
Midwest Solar Company

HARVEST ENERGY SOLUTIONS

The fastest growing solar company in the Midwest!

AN OPEN LETTER FROM HARVEST ENERGY SOLUTIONS PRESIDENT & OWNER

Over the past several years I have had conversations with hundreds of farmers that expressed concern and frustration over the skyrocketing cost of energy and the volatile supply in real times of need. As a result, many of us are taking steps toward energy conservation and are considering alternative and renewable options with the ultimate goal of energy sustainability and independence right on our own farms.

Wouldn't it be nice if we could cut our electric bill in half? Or come up with a practical way to produce our own electricity when and where we need it? What if we could lock in the cost of electricity at a dramatically reduced rate providing a real hedge against inflation for decades to come?

At Harvest Energy Solutions, we have decided to take on this challenge. Currently we offer the most energy efficient American made products to the agricultural industry and continue to add more over time. Our products offer great return on investment, cash flows, and are designed for extended use.

Finding solutions in energy – it's what the agricultural industry needs and it's what we do.



President, Harvest Energy Solutions



WHO IS HARVEST ENERGY SOLUTIONS?

Harvest Energy Solutions (Harvest) has corporate offices and a manufacturing facility in Jackson, Michigan. They take pride in being the fastest growing full-service distributor, installer and integrator of renewable and energy saving products serving the agricultural industry in the Midwest.

Since 2006, Harvest's goal has been to assist farmers and ranchers in becoming more energy efficient and independent—and they are doing just that. Leveraging more than 100 years of collective commercial equipment installation experience with a renewed focus on solar photovoltaic (PV) and other renewable system designs and installations, Harvest continues to work hard to meet the needs of Midwestern farm customers.

Many of the products Harvest sells are manufactured right at the Jackson facility. In addition to sales and administrative offices, Harvest has in-house design and engineering, metal stamping, welding, assembly, and powder coating capabilities (Harvest even manufactures solar racking components for some industry competitors). In addition to traditional renewable installations, Harvest offers custom design and installations like canopy and carport solar array structures.

Harvest covers the Midwestern states of Minnesota, Wisconsin, Iowa, Illinois, Missouri, Michigan, Indiana, Ohio, Kentucky, and Tennessee with highly qualified Territory Managers and Representatives. In addition to the home office in Michigan, Harvest has an office and warehouse in Almo, Kentucky. The Harvest team has been involved with over 6MW of solar installations over the last few years and according to SEIA (Solar Energy Industries Association) that's enough electricity to power 984 homes. Harvest was also named one of the 2013 Top 250 US Solar Contractors by Solar Power World.

WIND OR SOLAR?

Many customers who come to Harvest are not sure which renewable system would be better for them, wind or solar? When Harvest opened for business in 2006, they sold small wind turbines (< 100kW) exclusively. At that time, wind turbines were more popular and solar PV was more expensive. While wind turbines are still a viable option at times, small wind turbine sales have slowed and the sale of solar PV has increased dramatically. Currently, for every small

wind turbine installed, Harvest installs approximately 50 solar PV arrays. There are several reasons for this dramatic shift over the last few years.

Here are a few:

- The price of solar has dropped by approximately 50% over the last five years currently making it much more competitive (per kW installed) than a small wind turbine option.
- A solar array is passive - There are no moving parts, the system is totally silent and there is no scheduled maintenance. Wind turbines are mechanical and require maintenance.
- Most solar panels have a 25 year production warranty. Most wind turbines have a 5 year warranty.

In summary, for most farmers, an investment in a solar array is not only the more popular choice but currently the more sound financial decision.

GRANTS, REBATES AND OTHER INCENTIVES

The federal government has created various financial incentive programs to encourage businesses and homeowners to invest in renewables. Many states and utilities are doing the same. Most of these incentives are quite attractive but at times can be difficult to navigate. The Harvest team works closely with their customers to maximize these federal, state, local and utility incentives.

The following are just a few examples of the grants, rebates and other incentives that are available for farmers, small business owners and residential customers in the rural Midwest:

30% Federal Tax Credit - Any residential or business entity who invests in a solar PV installation of any size or small wind turbine (defined as less than 100kW) is eligible for a 30% investment tax credit through the federal government. Residential customers would receive a Personal Tax Credit (Residential Renewable Energy Tax Credit) and businesses (this includes farmers) would receive a Business Energy Investment Tax Credit (ITC).

State Incentives - Individual states also may offer their own incentives for investing in solar installations. Iowa, for example, offers a 15% corporate tax credit for solar energy systems. The credit is based on the federal tax credits for solar; a taxpayer may claim 50% of the value of the Federal Business Tax Credit. The federal tax credit is 30%, making the Iowa credit 15%. Each taxpayer may claim up to \$3,000 for residential systems and \$15,000 for commercial systems under this program, and any excess credits may be carried over for up to 10 years.

USDA REAP Grants and Loan Guarantees - Currently, the USDA is taking applications for REAP (Rural Energy for America Program) grants. These grants are offered to farms and businesses in rural communities who want to install renewable energy systems. Once approved the REAP grant recipient may receive up to 25% of the cost of the installation. The USDA also offers loan guarantees on these investments. The REAP grant, in combination with loan guarantees may cover up to 75 percent of the total project cost.

Depreciation - In most instances, businesses and farmers may depreciate the renewable energy investment like most other equipment investments purchased for business use.





Local Utility or Energy Supplier - Utilities often offer special incentives to customers who switch to renewables as well. For example, Consumers Energy of Michigan is offering an incentive program for customers who have installed or wish to install solar PV systems on their property. Applicants are randomly selected through a lottery drawing in quarterly phases and are given one year to bring their system online. Consumers Energy's EARP (Experimental Advanced Renewable Program) offers a locked-in 15-year contract that will pay solar producers 24.3 cents per kWh for residential and 19.9 cents per kWh for non-residential customers.

It is well worth the time and effort to research the available incentive programs specific to your renewable investment. "It's our job to ensure that our customers are getting the best quality and service. We want our solar PV systems to be affordable and profitable for our customers. This means doing what we can to help them to get the best incentives and grants," said Ken Zebarah, Territory Manager for Michigan, Indiana, and Ohio. DSIREUSA.org is an excellent website that summarizes these and many other available federal and state incentives related to the installation of energy saving and renewable equipment.

FINANCIAL REASONS TO INVEST IN SOLAR

Harvest has visited with thousands of farmers over the last few years and one of the very first questions asked is, "What's my payback?" Well that's a loaded question. To answer it, detailed information is needed. What state do you live in? Who is your utility? How much do you currently pay per Kwh for electricity? Are you a full time (more than 50%) farmer? and more. In addition to accumulating basic information, Harvest researches any and all potential incentives available to the customer. Then, a comprehensive ROI (return on investment) report for your farm or business is prepared for review with your family, banker, and CPA. Over the years, Harvest has witnessed some extraordinary results. For example, there have been instances where customers received all of their investment back after one tax cycle! In one case, the farmer took advantage of the 30% ITC, a REAP grant, a state grant, and an accelerated depreciation opportunity. In one tax cycle ALL of his investment was returned. This is not typical, but it does happen. In most cases, farmers who take advantage of the available incentives will see a return on investment in approximately four to six years. Then the energy produced from the installation will be at little or no cost for decades to come.

Other Reasons to Invest in Solar

Beyond the financial benefits of installing a solar PV system, there are also the environmental and social benefits as well.

- Energy Independence – the power you make will be used at your farm or business
- National Security - less imported oil
- Price Stability – there is comfort in knowing that the cost of your electricity will not go up
- Marketing Opportunities - a Harvest renewable energy system will bring high visibility and a renewed sense of interest in your products and services
- Clean Energy – clean energy means a cleaner environment

HARVEST IS EXPANDING ITS PRODUCT LINE

While Harvest continues to focus primarily on solar array systems, the company showcased several new renewable energy saving products at the National Farm Machinery Show in Louisville, Kentucky this past February. As Harvest continues to expand services, they are proud to offer additional American made renewable and energy efficient products. One of the newly featured items was a log cabin package complete with a roof mounted off-grid solar array system.

Harvest Cabins - Harvest Cabins are custom built by Amish craftsman in Indiana. Customers can choose a size, front or side porch, and pick from the list of options to create their dream hide-a-way. In just weeks, your Harvest Cabin will be completed and delivered to your location. The off-grid solar package makes it possible to put a Harvest Cabin virtually anywhere and have electricity available anytime. Harvest owner and President, Mark Olinyk, commented, "Being located in Michigan, we're in a state that is home to many who love to head to the U.P. [Upper Peninsula] to a deer camp or just to get away. In most cases, these areas are remote and without utility-supplied power; now Harvest is making it available and affordable as a total package."

Off-Grid Solar Storage Systems - Harvest off-grid solar packages aren't just great for non-utility tied areas, they're great for those connected to the grid as well. Harvest offers a battery-storage package that allows customers to use it as back-up generator if they find their own home without power. After the horrible winter the Midwest experienced this year, many people are finding a back-up power source is now a necessity. The Harvest energy storage systems make no noise and create no smoke!

Big Harvest Fans - Also unveiled was the company's new partnership with MacroAir Fans. Headquartered in San Bernardino, CA, MacroAir is the pioneer of the HVLS (High-Volume, Low-Speed) fan industry. HVLS fans are from 8' – 24' in diameter and Harvest Energy Solutions is now the latest distributor in the Midwest. "We are proud to add Big Harvest Fans to our line of energy efficient products," said Olinyk. "Our fans create major air movement using less energy, making them a great addition to a dairy, hog or poultry barn, shop or warehouse."

"Any time we can offer a quality American made product to help our customers become more energy efficient, we are on it." According to Olinyk, "A well-planned investment in renewables and other energy saving products offered by Harvest will provide an additional diversified income flow; one that reduces the financial risk on the farm".

Those interested in a solar PV system or any other renewable energy savings products from Harvest Energy Solutions can request information by calling 877.788.0220 or by emailing info@harvestenergysolutions.com. Always look for Harvest Energy Solutions at the next Farm trade show near you.



HARVEST IS THE FASTEST GROWING FULL-SERVICE DISTRIBUTOR, INSTALLER AND INTEGRATOR OF RENEWABLE AND ENERGY SAVING PRODUCTS SERVING THE AGRICULTURAL INDUSTRY IN THE MIDWEST



WE ARE PROUD TO REPRESENT AMERICAN COMPANIES AND AMERICAN MADE PRODUCTS.

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