

ENERGY'S ROLE IN BUSINESS RECRUITMENT AND DEVELOPMENT

BY LAURA GETTS BUSINESS DEVELOPMENT MANAGER

Electricity is a critical community need. It heats and cools homes, charges smart devices, cooks food and lights the table where it's eaten. Electricity is also a key source for economic growth and retention. Access to affordable, reliable electricity provides job opportunities at hospitals, schools, restaurants, shops and industry.

Electricity can't be sold to businesses that can't open their doors because they can't afford to keep the lights on. And it can't be sold to residents who have moved away from the community they grew up in because there aren't job opportunities.

Our poles and wires have been the skeletal backbone of southern Colorado's communities for more than 82 years, but it takes so much more than poles, wires and kilowatt-hours to serve our communities' needs.

Representing a steadfast institution in the region, San Isabel Electric Association's board believes it is SIEA's cooperative duty to improve our members' quality of life. To this end, we have begun a new economic development initiative that is rooted in regional partnerships.

In the fall of 2019, we hired a consultant to help SIEA's board of directors craft an economic development strategic plan. The planning process tapped key stakeholders from across our territory to participate in a series of community conversations throughout three months.

The information gathered from these sessions, combined with a wealth of calculable data about our region, resulted in an economic development plan specific to southern Colorado's needs, and to our role as a rural electric cooperative.

We plan to execute the plan's four primary goals as follows:

Regional collaboration is all about working with our local partners and encouraging collaboration across communities to achieve greater alignment on economic development efforts. The better aligned we are, the more efficiently and effectively we can all tackle common goals for southern Colorado.

Workforce development addresses how we can better align the workforce needs of our local industries with regional educational institutions and training programs to grow our local businesses and create additional jobs with good wages. This goal also looks at how we can help segments of the workforce that are currently underemployed, disenfranchised, or struggling with substance abuse attain steady employment.

Industry innovation entails promoting the development of innovative and emerging industries, such as hemp and renewable energy, to better position our region as a leader in the economy of the future. As a regional electric cooperative, we are excited to pioneer new energy programs and technologies to the benefit of our members.

Infrastructure development looks at how we can advocate for support, and in some cases, drive the development of key infrastructure — especially broadband and housing — to better retain and attract industry and talent in the region. Given SIEA's existing human, financial and infrastructure resources, we are poised to be a valuable regional partner in this domain.

San Isabel Electric is not afraid to be a proactive player in the economic development space.



LAURA GETTS

We're currently participating in regional broadband and workforce partnerships, assessing infrastructure investment opportunities and working through significant energy efficiency and renewable energy upgrades for several of SIEA's energy consumers through our newly expanded Empower program. We're also bringing in state and federal grant funds that will help us expand our economic development reach into business financing and energy innovation.

In many ways, our role as a service provider has always expanded beyond electricity. As a regional cooperative, we are well-positioned to unite the region around common goals and resources, and this new strategic effort formally expands our capacity to do so. SIEA's board is committed to helping our members succeed, and this results-driven strategy is being rapidly executed to improve the lives of our members in southern Colorado.

To learn more about our work and discuss how we can partner with you to move our region forward, please contact me at laura.getts@siea.com.

Laura Getts is the Business Development Manager for SIEA, where she works with members and state and federal stakeholders to further the economic development of southern Colorado. Laura also supports SIEA's Empower program, which provides energy efficiency, renewable energy and financing solutions to residential and commercial partners across the region. Prior to working for SIEA, Laura served as the energy coordinator for Pueblo County and has also worked in business and environmental consulting throughout the southwest.

ECONOMIC DEVELOPMENT TARGET INDUSTRIES

SIEA's consultants conducted thorough research on a variety of industries and subsectors that are optimal for our region, given our specific business assets. Some of these assets include workforce pipelines, natural resource availability, proximity to transportation and distribution hubs, and existing industries. As a result of this analysis, the following industries were recommended as targets for the San Isabel region.

AGRIBUSINESS



- Crop and Animal Production
- Food and Beverage Processing/Manufacturing
- Specific Hemp-Related Industry

INDUSTRIAL MANUFACTURING



- Metal Manufacturing
- Machinery Manufacturing
- Specific Electronic and Component Manufacturing

CHEMICAL & PLASTIC MANUFACTURING



- Chemical Manufacturing
- Plastic Manufacturing

REGIONAL DISTRIBUTION



- Transportation
- Warehousing

WOOD PROCESSING



- Logging
- Sawmills
- Wood Product Manufacturing

PROFESSIONAL SERVICES



- Professional Services for Target Industries

San Isabel Electric becoming **big funding conduit**

Interest free financing is now available to qualifying agriculture producers and small businesses in rural areas.



rare zero-percent interest financing terms are available through a pass-through loan program between the United States Department of Agriculture (USDA) and San Isabel Electric, through a program called the Rural Economic Development Loan and Grant (REDLG) program. The REDLG loan program helps rural local businesses with funding for job creation and retention programs. The USDA provides the loans to San Isabel Electric which, in turn, passes through to local businesses for qualifying projects. The recipients repay the lending utility directly. The utility then is responsible for repayment to USDA.

The USDA has another loan program for renewable systems and energy efficiency projects called the Rural Energy America Program (REAP). San Isabel Electric can help applicants develop, size,



▲ **Steel City Solar technicians installed a 148 kilowatt solar array at the Newdale-Grand Valley Water Cooperative. The solar powered pumps help offset water distribution costs to residents and farmers in Otero County.**

install, and finance their REAP project through the Empower program. Empower is San Isabel Electric's recently expanded energy-saving products and services program. The cooperative can also help complete the application.

Both programs require either the business or the project to be located in a town with fewer than 50,000 residents.

"These loans are only available in rural areas, which makes this a program uniquely tailored to the communities that we serve," San Isabel Electric Business Development Manager Laura Getts said.

If a business or project meets REDLG or REAP requirements, a joint application between the co-op and the qualifying entity is submitted to the USDA. The USDA makes the final call on whether to issue the loan.

"We are very careful about how much we are willing to lend, and who we're willing to lend it to, to ensure that we don't leave the cooperative on the hook for too much debt," Getts said.

These loans are third party reviewed by the USDA, which adds a second level of oversight to the business case for lending.

In both instances, the application process is lengthy, and can be rigorous for small businesses and entrepreneurs.

Examples of eligible REDLG projects include:

- Business incubators
- Community development assistance to nonprofits and public bodies (particularly job creation or enhancement).
- Facilities and equipment for education and training for rural residents to facilitate economic development
- Facilities and equipment for medical care to rural residents.
- Start-up venture costs, including, but not limited to, financing fixed assets such as real estate, buildings (new or existing), equipment, or working capital.
- Business expansion.
- Technical assistance.



Hover your smart phone camera over this smart code (no app needed) for more information about USDA REDLG loans.

Examples of eligible REAP projects include:

REAP funds may also be used for the purchase, installation and construction of energy efficiency improvements, such as:

- High efficiency heating, ventilation and air conditioning systems (HVAC).
- Insulation.
- Lighting.
- Cooling or refrigeration units.
- Doors and windows.
- Electric, solar or gravity pumps for sprinkler pivots.
- Switching from a diesel to electric irrigation motor.
- Replacement of energy-inefficient equipment.

REAP funds may be used for renewable energy systems, such as:

Biomass (for example: biodiesel and ethanol, anaerobic digesters, and solid fuels).

- Geothermal for electric generation or direct use.
- Hydropower below 30 megawatts.
- Hydrogen.
- Small and large wind generation.
- Small and large solar generation.



Hover your smart phone camera over this smart code (no app needed) for more information about USDA REAP loans.



In 2016, San Isabel Electric and the USDA were approved for a \$300,000 REDLG loan to build a new fire station in La Veta. The project was completed shortly before the 108,045-acre Spring Fire in 2018.

For more information, please contact SIEA Business Development Manager Laura Getts at Laura.Getts@SIEA.com or 719-647-6204.