# A Rural Electric Co-op's Experience with Photovoltaic Systems for Livestock Water Pumping

Rolland Skinner Northwest Rural Public Power District Hay Springs, Nebraska

Larry Moore and Len Malczynski Sandia National Laboratories

## **Introduction**

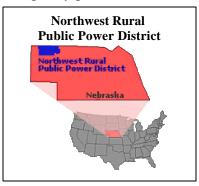
As energy costs continue to increase, renewable energy sources such as photovoltaic (PV) systems increasingly find themselves being considered for the value they provide and, in some cases, because they have become cost competitive. Since more than 2000 co-ops and public power districts maintain nearly 45 percent of the electric distribution lines in the U.S., these aging and geographically widespread distribution lines represent an opportunity for photovoltaic applications as an advanced method for rural electrification. The topic for this paper is such an application---livestock water pumping in remote areas.

Rural electric systems represent an aging infrastructure in many areas with some distribution lines that are 50+ years old. Replacement costs for these overhead lines vary greatly and range from \$12,000 per mile in open country to greater than \$60,000 in rugged mountain terrain. At these replacement costs, well sites that are greater than half a mile from a distribution line may be economic candidates to use a PV system for providing water for livestock.

### Northwest Rural Public Power District (Northwest)

Northwest Rural Public Power District is located in the northern part of the Nebraska Panhandle. The District provides electricity and many other quality products and

services to customers in Northwest Nebraska. The service area borders Fort Robinson on its western edge and the Pine Ridge Indian Reservation on the north. The terrain is diverse including the nearby national forest, the dry land wheat areas in the West, rugged rock terrain in the North, the sand hills and cattle ranches to the East as well as the irrigated farmland to the South. The area served by *Northwest* covers approximately 4000 square miles with about 1.35 customers/mile.



*Northwest* follows the model that was used when Co-ops were created in the 1940s-enhance the quality of life in rural America. The foundation of the co-op service is to provide financing; organizations to construct, operate, and maintain facilities that provide electric service; and a set of standards for the installation of reliable electric power facilities. As the co-ops evolve to provide services to their customers, distributed generation using technology such as photovoltaic systems is becoming the next step.

#### Photovoltaic Systems as a Business – Financial Feasibility

Photovoltaic water pumping systems can be considered a business initiative that may provide a new revenue stream for the co-ops. *Northwest* installed its first PV system in 1990 and additional opportunities are expected to arise as windmills and distribution lines currently in service reach their end-of-life. As this choice of using PV systems continues, a critical question that needs to be addressed is the cost of operations and maintenance for these renewable systems. This paper documents the first steps taken in studying the costs in these PV-powered water pumping systems.

*Northwest* installed it first system in the fall of 1990—a 100-watt pumping system bringing water from a depth of 20 feet. Since that time nine systems have been sold and twenty systems are being leased. These pumping systems group naturally into three categories of size (100-200 watts, 300-400 watts, and 800-1200 watts) with an average system lifetime of about 6.3 years. In addition, there is one off-grid home in the service area and a grid-tied system is being installed.

There are other opportunities for the installation of PV stock water systems. An informal survey of the number of windmills in the service area indicates 1000+ of these aging units exist. As these systems reach their end-of-life, PV systems may be considered as a replacement. This option also exists for the 50- to 70-year-old distribution lines that exist in the service area at this time. *Northwest*'s experience enables them to understand the cost of line extension, line replacement, line maintenance and the yearly income that is expected from a site. Work must now continue to identify the costs and income that is to be expected with the fielding of these PV systems for water pumping.

#### Photovoltaic Systems as a Business – Service and Knowledge Base

Rural electric co-op areas have always been provided a very high level of service. As PV systems evolve into use in this community, that same level of service must be maintained for PV to be successful and remain in use. This support by a local co-op may be in the form of financing and knowledge of the needs of the customer (a system engineering role), as well as providing the infrastructure needed to be the energy provider.

*Northwest* can continue its traditional role of financing systems when needed. Their low interest rates and longer depreciation schedule allow them to provide the service of leasing PV power systems at this time. The infrastructure that supports installation as well as maintenance needs to be improved and extended. When problems occur at a well site there is still the issue of identifying the customer or utility equipment as the problem. This identification of the cause of the breakdown sometimes prompts unnecessary trips by either the driller or *Northwest* to diagnose and correct the problem. One approach being discussed to minimize this overlap of responsibility at the well site is to involve the driller more in the installation and maintenance of the PV system.

*Northwest* is working to extend the role of 'system engineer' that has evolved as a responsibility over the many years of its existence. Knowledge of the business of its customer base (livestock), its experience with wells and providing water, and its core business of being an energy provider has made it a natural point of contact for the renewable energy needs of the community. The historical role of *Northwest* has been in partnership with the Rural Utility Service (RUS). This technical role required knowledge of equipment characteristics that satisfied RUS requirements as well as safety and connection standards for installing and maintaining the distribution lines in the service area. The system engineering support may require interaction with Natural Resources Conservation Service (NRCS is formerly the USDA Soil Conservation Service). In this case, NRCS provides range evaluation (type and quality of grass in an area) as well as pipeline design and water storage needs at a site. Additional work in the development of a pumping project may find *Northwest* being the middle man as state and other federal agencies become involved. The support for the end-user, the rancher, may be varied and includes such questions as:

- What storage tank size and quality should be chosen?
- Should PV or wind be used?
- Are batteries needed to extend pumping time?
- Is a trailer system needed for pasture rotation?

*Northwest* has invested many hours of time in study and telephone conversation with PV suppliers to become a reliable source of knowledge for the ranching community. This effort is considered to be an investment for the future in terms of service to be provided.

#### Photovoltaic Systems as a Business – RUS as a Partner

The Rural Utility Service has been a reliable partner for the co-ops for many years. Northwest is now proposing to RUS that the organization carry the relationship a step further in the use of renewables. RUS has been already working to simplify its loan process regarding renewables. To complement this loan process, *Northwest* is asking that PV equipment be placed on the approved equipment list and that O&M data be collected and shared as part of this process. This ability to bring information from various co-ops together will provide statistical significance to the data and results being developed at this time from data provided by *Northwest*.

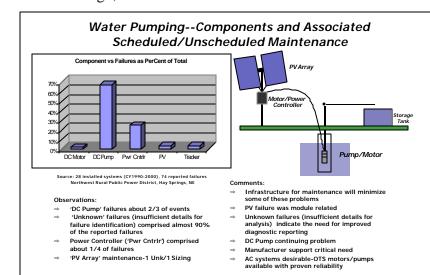
### <u>Analysis</u>

In the spring of 2000 *Northwest* and Sandia National Laboratories (SNL) began a cooperative effort to study the cost of the livestock water pumping systems fielded by *Northwest*. The immediate goal is to better understand the costs in these fielded systems. Eventually data with other co-ops is desired so the analysis can be extended. With this additional data, confidence in the results of the analysis increases and the information can be shared with a larger population of users of PV systems.

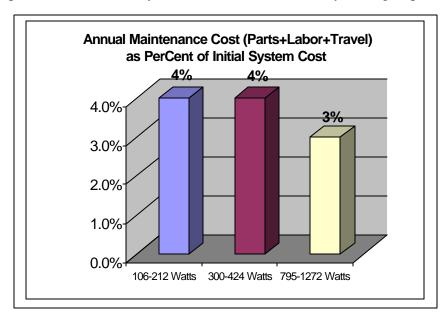
At this time *Northwest* has system, component, and maintenance information on 28 PV water pumping systems. The initial work focused on Jerry Anderson reviewing the written records of the co-op to extract the system, component and O&M information needed for the study. At the same time SNL continued the development of a Microsoft Access database that is the tool used to store and format the data for both internal and external analysis. This laborious process continued on a part-time basis as data was identified and verified as it was entered into the database. As expected, this process of entering and editing data from these fielded systems was invaluable in the development of the database as an analytical tool. The data entry is considered complete but additions to the database will occur as new systems are installed and systems failures occur.

An initial analysis of the data has been completed. This work consists of a system-level view of unscheduled maintenance events, annual total maintenance (parts plus labor plus travel) cost as a percent of the initial system cost and the annual total maintenance cost broken into categories. The data was entered into the database in stages. The first round of work captured the basic O&M information that is summarized in the nearby figure. As part of the database design, a set of failure modes was created to document

system failures. As each maintenance record was entered in the database, a failure mode was assigned to the resulting record. The results are tabulated so that the failures associated with each component are represented as a percent of the total number of system



failures. Here the dc pump and the power controller are shown to be the most common problems with the system, which is certainly consistent with the field experience. A further look at the pump failures revealed no correlation with the manufacturer of the pump or the static well depth (the only metric available for the well). In the preceding chart the DC Pump represents a pump/motor unit because of the uncertainty in identifying specific causes of failures.



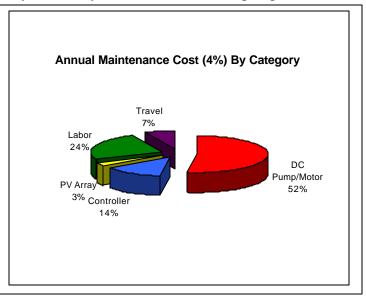
The next step in the analysis was the calculation of the annual maintenance cost as a percent of the initial system cost. The *Northwest* systems group naturally into three

categories determined by the PV array size. For each system, the initial system cost was compounded to 2001 dollars using a discount rate of 5%. In addition. each system failure was compounded to 2001 dollars using the same discount rate. The total maintenance cost is the sum of these

individual costs. The final step was to take the ratio the total maintenance cost to the initial system cost and divide this result by the current lifetime. Averages for the maintenance cost for the systems in each size category were then calculated. At this time we can plan for an average annual maintenance cost of approximately 4% of the initial system cost.

Although field experience and early data analysis have identified the pump/motor as the

cost driver in the system, a break-down of the 4% annual maintenance cost is still of interest. In the accompanying figure, the DC Pump/Motor (52%) and the Power Controller (14%) represent about two-thirds of the system maintenance costs. Here there appear to be opportunities for reducing cost through design changes and



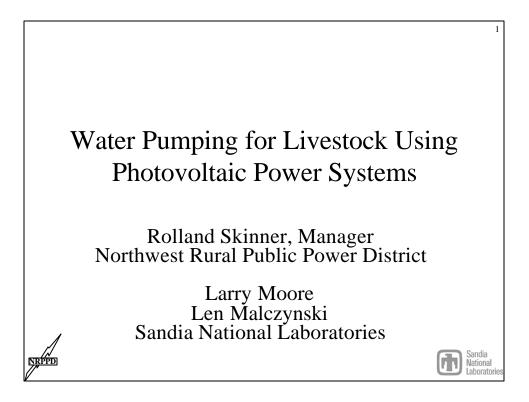
implementation of routine maintenance such as diaphragm replacement in volumetric pumps. Travel and Labor costs in this figure represent those costs for all of the system components.

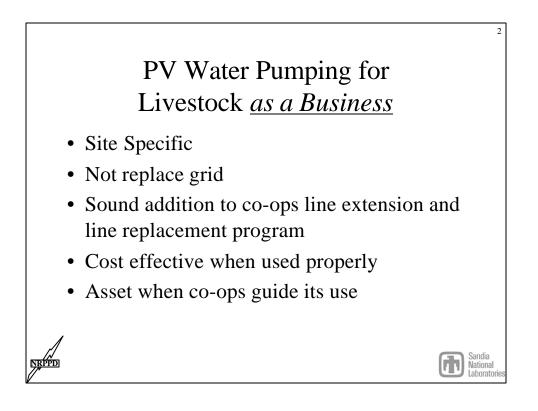
#### **Summary**

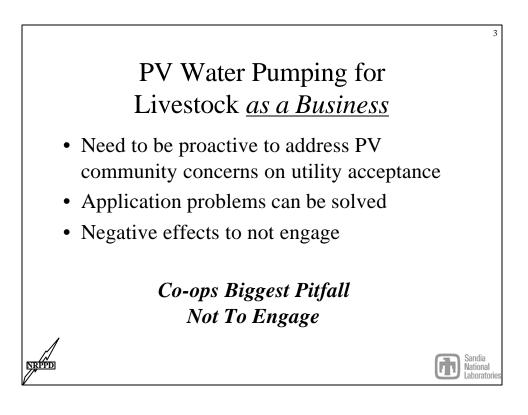
Work continues in the installation, operation and maintenance of these water pumping systems. The initial results of the cost analysis indicate that PV power may be an economically viable option for sites greater than a half mile from the distribution system. The expected annual maintenance cost for these systems will be about 4% of the initial system cost. Additionally, PV may offer a distributed energy resource for applications other than water pumping for livestock. In choosing PV as the energy source, it is important to consider the value the system provides in addition to traditional cost metrics.

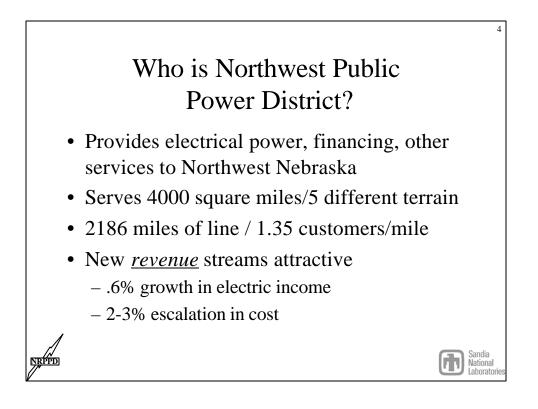
# Co-Ops Biggest Pitfall Is To Not Engage In the Renewable Energy Discussions In Progress

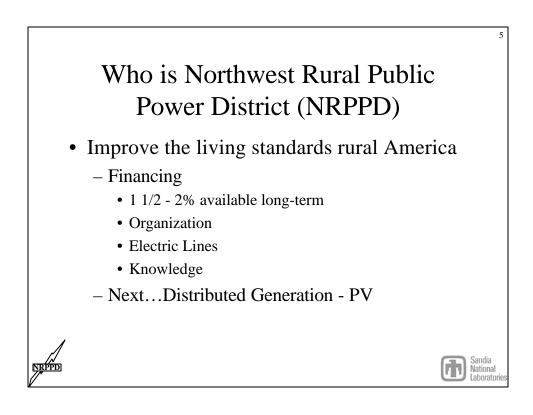
Sandia is a multiprogram laboratory operated by Sandia Corporation, a Lockheed Martin Company, for the United States Department of Energy under contract DE-AC04-94AL85000.

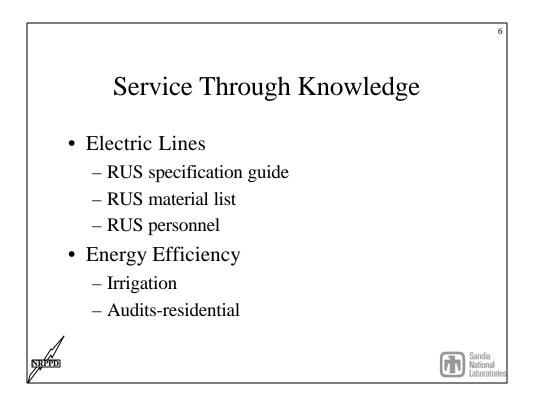


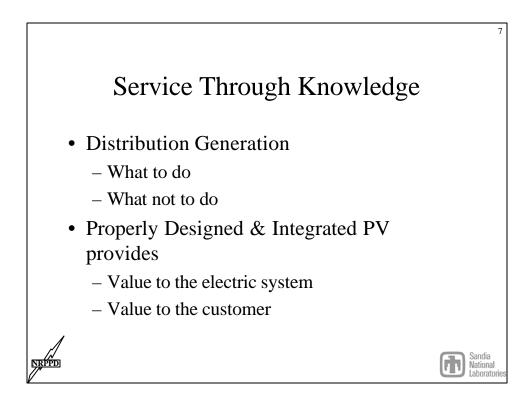


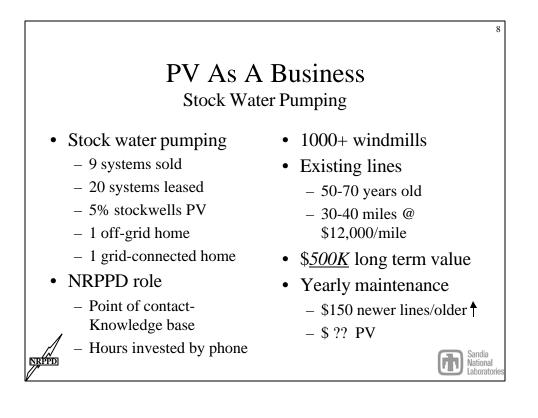


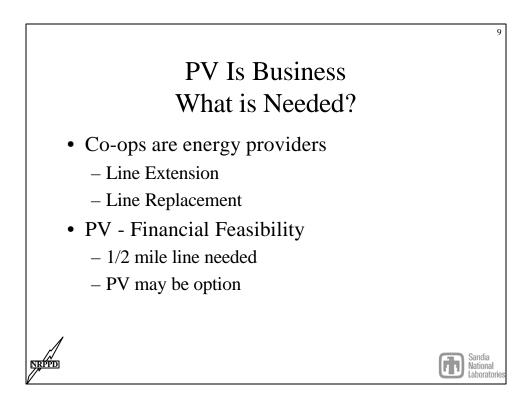


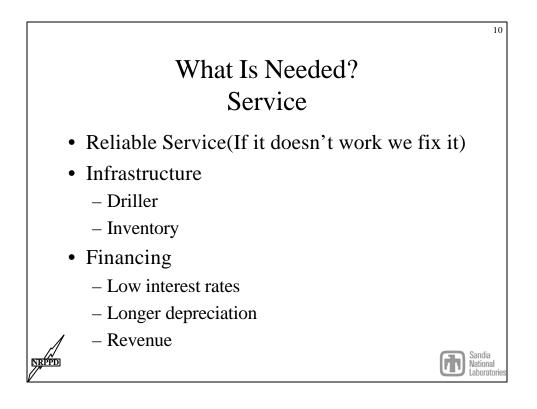


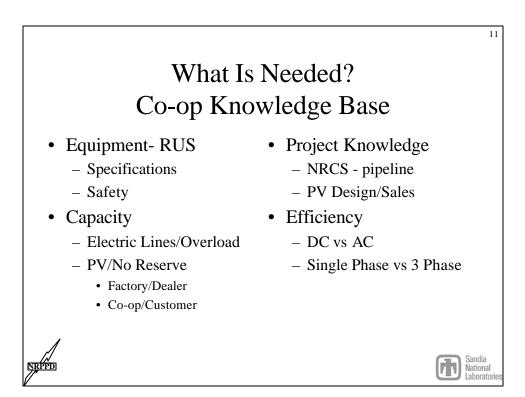


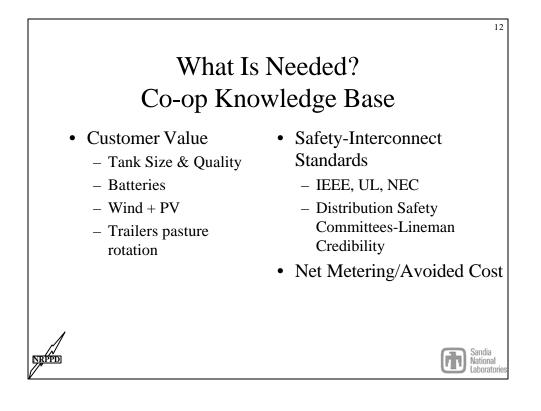




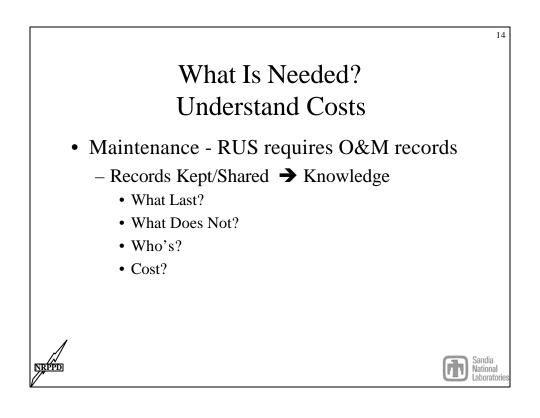


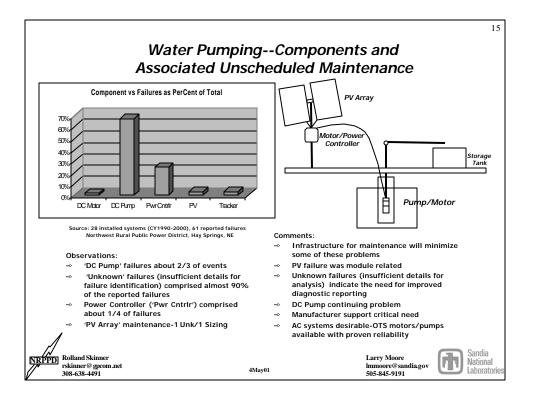


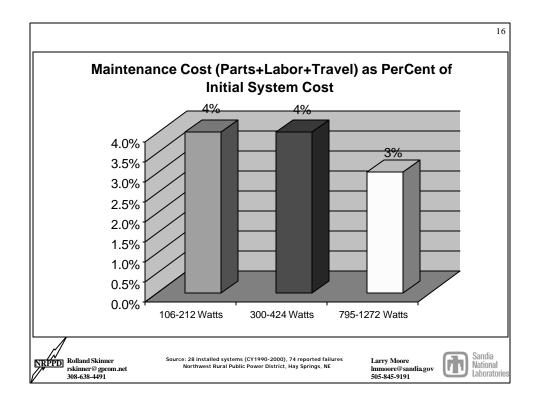


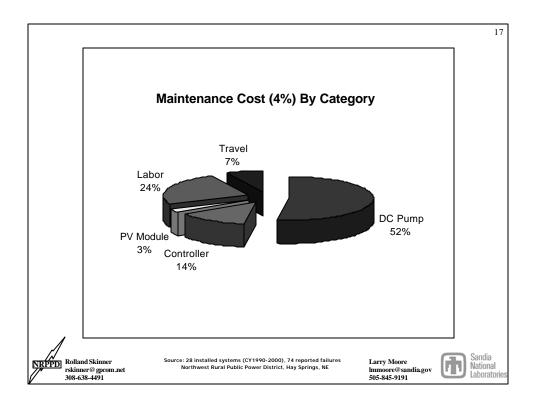


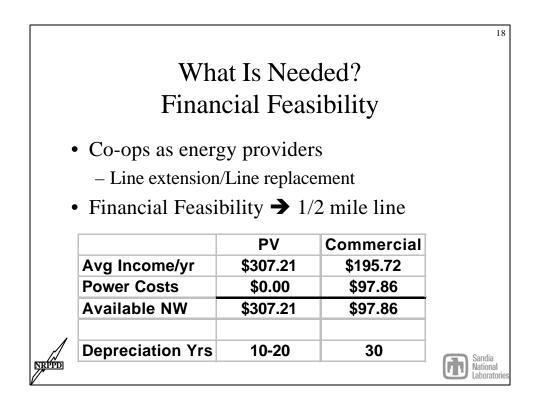












1. Constructio		_		3. What	3. What Monthly Payment Is Required to Break Even?					
	\$12,000		tion cost per mile		Enter Dis			3	miles	
	\$200	O&M per	mile per year		Enter Yea	arly Recove	ry Cost	\$2,319		
2. Financing						Annual		Total	Est	
		Per Cent		Year	Annual	Financing	Misc		Recovery	
	30	Year Loa	n	_	O&M	Cost		Cost	Rate	
				1	\$600	\$2,319		\$2,919	\$2,919	
		Monthly		2	\$600	\$2,319		\$2,919	\$2,919	
Distance	Total	Recovery		3	\$600	\$2,319		\$2,919	\$2,919	
(miles)	Line Cost	Cost	Cost	4	\$600	\$2,319	_	\$2,919	\$2,919	
3	\$36.000	\$193	\$2.319	5	\$600 \$600	\$2,319 \$2.319		\$2,919 \$2,919	\$2,919 \$2.919	
2	\$36,000	\$193 \$129	\$2,319 \$1.546	6	\$600	\$2,319 \$2.319		\$2,919 \$2,919	\$2,919 \$2,919	
2	\$24,000	\$129	\$1,546 \$773	7	\$600	\$2,319 \$2,319		\$2,919	\$2,919 \$2,919	
0.5	\$12,000	\$64	\$387	8	\$600	\$2,319 \$2,319	_	\$2,919	\$2,919 \$2,919	
0.5	φ0,000	φ32	4301	10	\$600	\$2,319	_	\$2,919	\$2,919	
	1			10	\$600	\$2,319		\$2,919	\$2,919	
4. Summarv				12	\$600	\$2,319		\$2,919	\$2,919	
4. Summary	Est	-		12	\$600	\$2,319		\$2,919	\$2,919	
Distance	Monthly			14	\$600	\$2,319		\$2,919	\$2,919	
(miles)	Recovery			14	\$600	\$2,319		\$2,919	\$2,919	
(iiiies)	Recovery	-		15	\$600	\$2,319	_	\$2,919	\$2,919	
3	\$243.22			10	\$600	\$2,319		\$2,919	\$2,919	
2	\$162.15		<u> </u>	18	\$600	\$2,319		\$2,919	\$2,919	
1	\$81.07		<u> </u>	19	\$600	\$2,319		\$2,919	\$2,919	
0.5	\$40.54		<u> </u>	20	\$600	\$2,319		\$2,919	\$2,919	
				21	\$600	\$2,319		\$2,919	\$2,919	
	<u> </u>			22	\$600	\$2,319		\$2,919	\$2,919	
Est Monthly R	ecovery Rate	1	(\$243.22)	23	\$600	\$2,319		\$2,919	\$2,919	
,		Annua	\$2,919	24	\$600	\$2,319		\$2,919	\$2,919	
				25	\$600	\$2,319		\$2,919	\$2,919	
				26	\$600	\$2,319		\$2,919	\$2,919	
				27	\$600	\$2,319		\$2,919	\$2,919	
				28	\$600	\$2,319		\$2,919	\$2,919	
	input this data			29	\$600	\$2,319		\$2,919	\$2,919	
	intermediate ca	iculated v	alues	30	\$600	\$2,319		\$2,919	\$2,919	
								\$54,367	\$54,359	
								NPV (	3.4%)	
nd Skinner ner@gpcom.ne 38-4491	t						lmn	ry Moore 100re@san 1845-9191	diagov	

Pump/Motor, Power Controller, PV,				Power Controller, PV, Travel & Labor included					
Travel & La	bor included								
	input this data								
	intermediate cal	culated values	5						
1024 W System Cost			\$11,589		1024 W System Cost			\$10,051	
Annual O&M cost			4%		Annual O&M			1.4%	
	O&M Yearly	\$4	164			O&M Yearly		\$141	
Financing 5%					Financing 5%				
N	Ionthly Payment		92		N	Ionthly Payment		\$79	
	Finance Yearly		,100			Finance Yearly		\$954	
NRPPD Monthly Fee			145		NRPPD Mont			\$116	
4	nnual Recovery	\$1	,735		P	nnual Recovery		\$1,390	
	Costs			NRPPD		Costs			NRPPD
O&M Yearly	Finance Yearly	Misc To	otal	Recovery	O&M Yearly	Finance Yearly	Misc	Total	Recovery
\$464	\$1.100		.563	\$1.735	\$141	\$954		\$1.095	\$1.390
\$464	\$1,100		.563	\$1,735	\$141	\$954		\$1,000	\$1,390
\$464	\$1,100		.563	\$1,735	\$141	\$954		\$1.095	\$1,390
\$464	\$1,100	\$1	,563	\$1,735	\$141	\$954		\$1,095	\$1,390
\$464	\$1,100	\$1	,563	\$1,735	\$141	\$954		\$1,095	\$1,390
\$464	\$1,100	\$1	,563	\$1,735	\$141	\$954		\$1,095	\$1,390
\$464	\$1,100	\$1	,563	\$1,735	\$141	\$954		\$1,095	\$1,390
\$464	\$1,100	\$1	,563	\$1,735	\$141	\$954		\$1,095	\$1,390
\$464	\$1,100	\$1	,563	\$1,735	\$141	\$954		\$1,095	\$1,390
\$464	\$1,100	\$1	,563	\$1,735	\$141	\$954		\$1,095	\$1,390
\$464	\$1,100		,563	\$1,735	\$141	\$954		\$1,095	\$1,390
\$464	\$1,100		,563	\$1,735	\$141	\$954		\$1,095	\$1,390
\$464	\$1,100		,563	\$1,735	\$141	\$954		\$1,095	\$1,390
\$464	\$1,100		,563	\$1,735	\$141	\$954		\$1,095	\$1,390
\$464	\$1,100		,563	\$1,735	\$141	\$954		\$1,095	\$1,390
		\$18	3,134	\$20,128				\$12,696	\$16,127
				(3.4%)					(3.4%)
/		Differ	rence	\$1,994				Difference	\$3,431
/ Rolland Ski rskinner@s							rry Moo	re sandia.gov	

Pump/Motor, Power Controller, PV,					Power Con	Power Controller, PV, Travel & Labor included					
Travel & La	bor included										
	input this data										
	intermediate cal	culated	values								
	0		\$4.182		000 10 0 000			\$3,456			
300 W System Cost Annual O&M cost		4%			300 W System Cost Annual O&M cost			\$3,456			
O&M Yearly			4% \$167		Annual Oow	O&M Yearly		\$48			
Financing 5%			\$107		Financing 5%			<b>\$</b> 40			
	onthly Payment		\$33			Nonthly Payment		\$27			
Finance Yearly			\$397			Finance Yearly		\$328			
NRPPD Monthly Fee			\$66		NRPPD Mont			\$45			
-	Annual Recovery		\$791			Annual Recovery		\$541			
	i i										
	Costs			NRPPD		Costs			NRPPD		
	Finance Yearly	Misc	Total	Recovery		Finance Yearly	Misc	Total	Recover		
\$167	\$397		\$564	\$791	\$48	\$328		\$376	\$541		
\$167	\$397		\$564	\$791	\$48	\$328		\$376	\$541		
\$167	\$397		\$564	\$791	\$48	\$328		\$376	\$541		
\$167	\$397		\$564	\$791	\$48	\$328		\$376	\$541		
\$167	\$397 \$397		\$564 \$564	\$791 \$791	\$48 \$48	\$328 \$328		\$376 \$376	\$541 \$541		
\$167 \$167	\$397 \$397		\$564	\$791	\$48	\$328		\$376	\$541		
\$167	\$397		\$564	\$791	\$48	\$328		\$376	\$541		
\$167	\$397		\$564	\$791	\$40	\$328		\$376	\$541		
\$167	\$397		\$564	\$791	\$48	\$328		\$376	\$541		
\$167	\$397		\$564	\$791	\$48	\$328		\$376	\$541		
\$167	\$397		\$564	\$791	\$48	\$328	_	\$376	\$541		
\$167	\$397		\$564	\$791	\$48	\$328		\$376	\$541		
\$167	\$397		\$564	\$791	\$48	\$328		\$376	\$541		
\$167	\$397		\$564	\$791	\$48	\$328		\$376	\$541		
			\$6,544	\$9,176				\$4,365	\$6,278		
			NPV (3.4%)						(3.4%)		
/			Difference	\$2,632				Difference	\$1,912		
Rolland Ski rskinner@:							rry Moo	re sandia.gov			

Pump/iviot	or, Power Cont	roller, F	PV.		Power Con	Power Controller, PV, Travel & Labor included					
Travel & La	abor included										
	input this data										
	intermediate cal	culated v	values								
150 W System Cost			\$1,530		150 W System			\$1,150	Į		
Annual O&M			4%		Annual O&M			1.4%			
	O&M Yearly		\$61			O&M Yearly		\$16	(		
Financing 5%					Financing 5%						
	Nonthly Payment		\$12		N	Monthly Payment		\$9			
Finance Yearly			\$145			Finance Yearly		\$109			
NRPPD Monthly Fee Annual Recovery			\$35 \$415			NRPPD Monthly Fee		\$17			
			\$415		Annual Recovery			\$205			
Costs				NRPPD		Costs			NRPPD		
O&M Yearly	Finance Yearly	Misc	Total	Recovery	O&M Yearly	Finance Yearly	Misc	Total	Recover		
\$61	\$145		\$206	\$415	\$16	\$109		\$125	\$205		
\$61	\$145		\$206	\$415	\$16	\$109		\$125	\$205		
\$61	\$145		\$206	\$415	\$16	\$109		\$125	\$205		
\$61	\$145		\$206	\$415	\$16	\$109		\$125	\$205		
\$61	\$145		\$206	\$415	\$16	\$109		\$125	\$205		
\$61	\$145		\$206	\$415	\$16	\$109		\$125	\$205		
\$61	\$145		\$206	\$415	\$16	\$109		\$125	\$205		
\$61	\$145		\$206	\$415	\$16	\$109		\$125	\$205		
\$61	\$145		\$206	\$415	\$16	\$109		\$125	\$205		
\$61	\$145		\$206	\$415	\$16	\$109		\$125	\$205		
\$61	\$145		\$206	\$415	\$16	\$109		\$125	\$205		
\$61	\$145		\$206	\$415	\$16	\$109		\$125	\$205		
\$61	\$145		\$206	\$415	\$16	\$109		\$125	\$205		
\$61	\$145		\$206	\$415	\$16	\$109		\$125	\$205		
\$61	\$145		\$206	\$415	\$16	\$109		\$125	\$205		
			\$2,394	\$4,811				\$1,453	\$2,382		
			NPV (3.4%)						(3.4%)		
1			Difference	\$2,417				Difference	\$9		

# Summary

23

Sandia National Laboratori

✓ PV can be a <u>positive</u> and valuable addition to a utilities portfolio of options for service to their customers.

✓ PV is <u>cost effective</u> at site specific locations today, with many additional opportunities created by energy price spikes.

✓ Utilities are a <u>critical partner</u> in renewable energy applications.



