



Alternative Energy Report

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State Announces Next Step in Mid-Atlantic Agreement on Low Carbon Fuel Standard

Governor Rendell has signed a memorandum of understanding with 10 Northeast and Mid-Atlantic states committing to a regional effort to develop a comprehensive, regional low carbon fuel standard to reduce greenhouse gas emissions.

A low carbon fuel standard is a market-based policy to reduce the average lifecycle greenhouse gas emissions of a unit of useful energy. The concept is that this performance based standard will allow industries to determine the most cost-effective means for complying with established requirements.

The lifecycle concept of the greenhouse gas "footprint" includes all possible causes of greenhouse gas emissions, direct (on-site, internal) and indirect (off-site, external, embodied, upstream, downstream). A similar concept is under fire in California, and at the EPA with life cycle emissions being part of the RFS-2 debate. Transportation fuels are projected to contribute

Pennsylvania and the other states have already begun preliminary work toward designing a low carbon fuel standard, following the lead of the California Air Resources Board. A 120 plus page draft of technical and policy considerations has been circulating among state agencies for almost a year, which includes use of other low carbon fuels including use of woody biomass, natural gas, waste-based biomass and electricity to replace home heating oil, and development of about two billion gallons of advanced biofuels (not corn ethanol) in the Northeast by 2020.

The Memorandum of Understanding is a major step, establishing a process to develop a regional framework by 2011 and examine the economic impacts of a standardized, integrated regional program throughout the Northeast with .

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US Senate Fails to Act on Biodiesel Blenders Credit

The failure of the US Senate to act on the biodiesel blenders' credit in December has already had a major impact on biodiesel production. Many of the nation's largest plants have already shut down. This week, two major US manufacturers, the 180 million gallon Renewable Biofuels plant and the 105 million gallon GreenHunter Energy plant in Texas announced they had closed, the latter now already up for sale. Loss of the credit means a direct loss of cash income for biodiesel producers, not just an annual tax accounting figure.

ERG has been told by US Senate Finance Committee staff that the Finance Committee intends to move the extender legislation and to make it retroactive to January 1, but the state's biodiesel producers can't be expected to continue operating without positive cash flow.

Senate Finance Committee Chairman Max Baucus, D-Mont., and Ranking Member Charles Grassley, R-Iowa, sent a letter to Senate Leadership notifying them of their plan: They said, "We write to inform you that early in the next year, we intend to address the extension of various tax provisions expiring on or before December 31, 2009. We intend to extend the provisions without a gap in coverage, just as the House did on December 9th of this year. The legislation will extend several important tax benefits to individuals and businesses. The legislation will also extend a number of energy tax provisions, including the biodiesel tax credit, and natural disaster relief."

ERG is asking Pennsylvania's Senators Specter and Casey to urge Senate Leadership to quickly allow action on this extender package to preserve the state's biodiesel industry.

Around Harrisburg –

Gerlach drops out of Governor's Race

Congressman Jim Gerlach announced Thursday that he was ending his campaign for Governor, leaving Republican Attorney General Tom Corbett and State Representative Sam Rohrer as the only two Republicans in the primary race.

Gerlach raised over \$1 million, and had signed up more than 19,000 supporters, but he noted that today's media-driven campaigns require four times that amount to wage a successful primary. He said, "That left me with two choices: either spend all of my time raising money with little time left for meeting with voters; or withdrawing my candidacy and working even harder to serve the public. I am choosing to serve the public -- many of whom have graciously rewarded me with their support for nearly two decades."

Governor Signs Table Games Bill and Completes 2009-2010 Budget

Governor Rendell Thursday signed a gambling reform and table games legalization bill, which is expected to raise \$250 million this fiscal year, finalizing the state's 2009-2010 budget and revenue picture, nearly three months after the signing of a state budget in mid-October, and only a month before the Governor will propose his 2010-2011 budget.

By passing a bill the Senate approved the day before, the House averted \$250 million in budget cuts and nearly 1,000 state worker layoffs threatened by the Governor. Rendell and lawmakers said the bill raises \$250 million for the state budget year that is already half over - \$200 million of that figure through license fees and some site revenues, and \$50 million in fund transfers.

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PPL Rate Caps End, Cawley Says Competitive Pricing is Ahead

*Op-Ed by PUC Chairman
James Cawley published in
the Harrisburg Patriot-
News January 2, 2010*

Rate caps on the generation portion of PPL Electric Utilities customers' bills have expired.

Dozens of competitive suppliers and brokers (more than 60 are PUC licensed, another 40 are awaiting approval) have been offering or arranging discounts to large and small businesses, school districts and municipalities in PPL's service territory. Seven suppliers are offering residential customers "green" power and at least 10 percent discounts to PPL's default price - with more to come and offers continuing into 2010.

All of that is in stark contrast to those trumpeting that few competitive offers will be made to consumers or that the discounts won't mean real money.

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FAA Says Part of Somerset Wind Farm Plane Hazard

The Federal Aviation Administration says 15 of 30 wind turbines at a planned wind farm in southwestern Pennsylvania would pose an aviation hazard.

The FAA says 15 of the 404-foot-tall turbines planned for Shaffer Mountain in Somerset County are too high to be safe or could create electromagnetic interference in nearby air space. FAA spokeswoman Laura Brown says the finding is the first step in a give-and-take process that could

result in Gamesa Energy USA putting the turbines in a different spot or changing their size.

Gamesa officials say they don't expect the findings to derail the project to produce enough electricity for 30,000 homes. Environmental groups have been fighting the project because of its alleged impact in streams and the Indiana bat.

EVENTS

EQB to Hold Public Hearing in Coudersport on Outdoor Wood-Fired Boiler Requirements

The state Environmental Quality Board will hold a public hearing at 6 p.m. on Wednesday, Jan. 13, in the Coudersport High School, 698 Dwight St., Coudersport, to accept comments on a proposal to amend the Department of Environmental Protection's regulations concerning outdoor wood-fired boilers.

Those wishing to present testimony at the hearing can register prior to the start of the hearing. Oral testimony is limited to 10 minutes for each witness. The Environmental Quality Board is a 20-member independent board that adopts all of the Department of Environmental Protection's regulations. For more information, call 717-787-4526 or visit www.depweb.state.pa.us, keyword: EQB.

Click [here](#) to view additional upcoming events...

NEWS CLIPS

[DEP seeks applicants to manage home heating equipment rebate program.](#)

[Activists "Indict" Legislative Leaders for Electric Rate Inaction](#)

[Panel Wants National Energy Management Strategy](#)

[EcoClean Burners uses discarded plastic as fuel](#)

[Shaffer Mountain Wind Farm permit process ongoing](#)

[State looking at curbing CO2 production by putting it underground](#)

[No middle ground in cap-and-trade debate](#)

[Erie City Council to discuss solar farm zoning](#)

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