



Alternative Energy Report

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Power Politics
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ERG.

Legislature, Governor Still at Odds Over Stimulus Funding, Accountability, Energy Programs

Brubaker Introduces Oversight Commission Bill

With billions of dollars in federal stimulus funding streaming into Pennsylvania, Senator Mike Brubaker (R-Lancaster) has introduced Senate Bill 6 to ensure “oversight, accountability and transparency” during the spending process by creating a Commission on Stimulus Accountability within the state.

“We have a responsibility to the people we represent to ensure that every dollar Pennsylvania receives from the federal stimulus package is used for its intended purpose; to help the commonwealth weather the recession, and to create jobs for hardworking Pennsylvanians,” he said.

According to the Council on State Governments, Pennsylvania will be eligible for an estimated \$9.5 billion in funding from the American Recovery and Reinvestment Act through 2011, including \$5.5 billion to supplement current state spending for transportation, education, health care and other economic development and infrastructure projects.

Governor Rendell, signing of three letters of certification confirming that over \$1 billion in federal stimulus money will be spent by Pennsylvania on new transportation projects, told reporters he “would veto such a bill.”

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House Committee: Amendments May Be Necessary To Accept Energy Stimulus Funds

The House Intergovernmental Affairs Committee last week was told that Act 129 of 2008, which requires utilities to reduce electric demand, may have to be amended in order to accept funds under the ARRA.

Under the act, Governors must certify their state is taking necessary steps to adopt decoupling incentives between electric distribution company revenues and electricity sales. States must also certify that they have the authority to adopt building codes that meet or exceed the International Energy Conservation Code or other key standards within eight years.

Rep. Chris Ross (R, Chester) has been working with the Administration and the PUC to determine if changes are necessary for certification. Ross told the Committee, he believes changes are necessary in order to accept and distribute the funds under these provisions.

House Speaker Proposes Regulated Phase-In of Electric Rate Increases

House Speaker Keith McCall (D-Carbon) this week introduced legislation to provide for a phase-in of generation electric rates.

[House Bill 20](#) amends the Public Utilities Title 66 to require each Electric Distribution Company (EDC) to file a competitively neutral phase-in plan with the PUB within 90 days. These plans would have to give residential and small commercial customers the option of phasing in initial increases in electric rates of up to three years, with the PUC allowed to extend this phase in for an additional three years.

The plans must offer a gradual transition, and ensure the annual increase in overall rates for each customer do not exceed a 15% annual increase, and allow customers the option to begin the phase-in period before the rate caps expire, with a 6% interest rate paid on the prepaid amounts.

The bill allows default service providers to fully recover the amount of the deferred payments by charges to customers that would not appear as a line item in the customer's bill. If a customer making prepayments leaves the default service provider's system before the collected amount is utilized, they will receive a credit on their final bill with any balance refunded directly to the customer. The House Democrats Energy Plan is available on line at www.pahouse.com.

ERG Launches Grant Research/Writing Services for Energy Funding Programs

In response to a rapidly growing need within the alternative and renewable energy industry, Pennsylvania Energy Resources Group, LLC (ERG) this week announced it has launched a professionally staffed grant research, proposal writing and evaluation service dedicated to companies wishing to apply for state, federal and foundation grant programs.

“President Obama and Governor Rendell have set a very aggressive schedule to distribute funding through the state’s Alternative Energy Investment Act and the recently signed federal stimulus package (ARRA),” said Tracy Wingenroth, ERG Partner and Vice President. “These initiatives have created a multitude of new and seemingly ever-changing funding opportunities for Pennsylvania’s renewable energy companies, at both the state and federal levels.”

ERG has secured more than \$50 million in state funds for clients, but the competitive grants created in these new programs led ERG to expand its professional capabilities to include professional grant research, writing and evaluation services.

Our grant writers are seasoned professionals, and when their services are combined with ERG’s ability to position a company and make its best case within the grant processes and state/federal agencies, we can increase the odds of grant funding and awards,” according to ERG Partner John Nikoloff.

For more information, contact ERG at info@pa-erg.com. Click [here](#) to see the full text of the press release.

EPA Proposes GHG Reporting Rule

In response to the FY2008 Consolidated Appropriations Act, EPA administrator Lisa Jackson last week proposed a rule that requires mandatory reporting of greenhouse gas (GHG) emissions from large sources in the United States. The proposed rule would collect accurate and comprehensive emissions data to inform future policy decisions.

EPA is proposing that suppliers of fossil fuels or industrial greenhouse gases, manufacturers of vehicles and engines, and facilities that emit 25,000 metric tons or more per year of GHG emissions submit annual reports to EPA. The gases covered by the proposed rule are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulfur hexafluoride (SF₆), and other fluorinated gases including nitrogen trifluoride (NF₃) and hydrofluorinated ethers (HFE).

The proposed rule was signed by the Administrator on March 10, 2009, and can be found in the [Federal Register](#) under Docket ID No. EPA-HQ-OAR-2008-0508.

EPA to Find CO₂ Threatens Public Health and Welfare

ERG has learned that a "leaked" EPA document shows the agency is "fast-tracking its response to the Supreme Court's 2007 climate decision with plans to issue a mid-April finding that global warming threatens both public health and welfare."

The action by EPA would allow EPA to begin regulation of CO₂. The endangerment

finding is the first step the Obama administration must take to start regulating global warming pollution from cars, coal plants, and other sources. According to Greenwire and other Washington sources, EPA is planning to issue the endangerment finding on April 16, followed by a 60-day public comment period and two public hearings.

These regulations will spell trouble for coal-fired power plants, and they would allow the EPA to grant a waiver allowing California, Pennsylvania and a dozen other states to set emissions limits for vehicles.

This action was set up by a 2007 Supreme Court decision in *Massachusetts v. EPA*, where the Court ordered EPA to determine whether CO2 endangered public health or welfare, and, if so, to begin regulating CO2. The Bush Administration took no action on the court ruling in its last two years.

The document "leak" comes on the heels of the EPA also announcing the first comprehensive national system for reporting emissions of carbon dioxide and other greenhouse gases produced by major sources in the United States.

House Subcommittee Hears Opposing Comments On AEPS, Carbon Amendments

The House Appropriations Subcommittee on Fiscal Policy held a hearing this week on legislation that would take the next step in expanding the state's Alternative Energy Portfolio Standards and require the development of a carbon sequestration network.

While the bill's sponsors, the United Mine Workers of America and others are touting the legislation as a win-win, four of Pennsylvania's largest environmental groups continue their opposition to proposed legislation, calling on the bill's supporters to either fix flawed language dealing with carbon capture and sequestration, or scrap the bill completely.

The battle is over provisions that would require three percent of energy purchased by electric distribution companies must come from coal-fired power plants that capture carbon starting in 2015. The bill would require Pennsylvania to develop, own and operate a carbon dioxide sequestration network to store captured carbon.

[MORE...](#)

FEDERAL REPORT

Obama's Plan Funds New Energy Programs: A Peek at the Coming Fight

President Obama's 2010 budget proposal and recent regulatory actions make one thing clear. He intends to use the government to fight climate change.

Obama's budget would fund programs from carbon sequestration to electric transmission upgrades. It would also provide the EPA with a \$10.5 billion budget for 2010, a 34% increase over the likely 2009 budget. Nineteen million dollars of that would be used to upgrade greenhouse gas reporting measures. The Interior Department would get \$12 billion for 2010. The agency would use part of the money to assess the availability of alternative energy resources throughout the country.

Funding comes from elaborate carbon "cap and trade" program, which puts a price on emitting pollution and is the core of Obama's plans. Starting in 2012, the government would sell permits allowing businesses to trade cash for the ability to forego emissions reduction. The program was expected to generate at least \$646 billion in revenue through 2019, a major factor in business and coal state opposition.

But the Washington Times reported Wednesday that the White House publicly has underestimated the real revenue estimates (costs to business and consumers) by as much as a \$1.4 trillion. According to the Washington Times: "President Obama's climate plan could cost industry close to \$2 trillion, nearly three times the White House's initial estimate of the so-called "cap-and-trade" legislation, according to Senate staffers who were briefed by the White House. ... Jason Furman, a top Obama staffer, estimated that the president's cap-and-trade program could cost up to three times as much as the

administration's early estimate of \$646 billion over eight years. A study of an earlier cap-and-trade bill co-sponsored by Mr. Obama when he was a senator estimated the cost could top \$366 billion a year by 2015.”

[MORE...](#)

Biomass 2009 – Fueling Our Future

ERG participated this week in a two day session hosted by the US Department of Energy’s Biomass Program, which focused on a sustainable future for Biofuels. John Nikoloff, ERG partner said the meeting included question and answer sessions with Energy Secretary Dr. Steven Chu, Senator Ben Nelson (D, Colorado) and many policy makers, research facilities, financial firms, regulatory agencies and companies involved in production or development of biofuels.

“Biomass 2009 provided a good look at key elements of the federal programs while allowing a dialogue on biofuels through technical tracks and meetings on sustainability, advanced biofuels, infrastructure needs, regulation and policy, the international outlook, commercialization and financing,” Nikoloff said.

DOE officials were careful to avoid premature announcement of grant and funding programs under the American Recovery and Reinvestment Act, but noted that \$800 million in funding has been allocated for future biofuels opportunities. The USDA and DOE have jointly solicited projects in biomass research and development of \$25 million, and DOE has requested proposals for an integrated pilot-scale or demonstration scale biorefinery for advanced biofuels with funding of up to \$200 million for six years.

PUC Approves PECO Phase-In Plan; Releases List of Utility Contacts

The Pennsylvania Public Utility Commission (PUC) recently approved a settlement to allow PECO Energy Co. (PECO) to begin a Voluntary Market Rate Transition Phase-In Program to help customers smooth out potential increases for electric generation supply service that will occur when rate caps expire Dec. 31, 2010.

The Commission voted 5-0 to approve the phase-in program, which allows participating customers to make advance payments from July 1, 2009 through Dec. 31, 2010. The payments are then credited to customer bills, with 6 percent interest, between Jan. 1, 2010, and Dec. 31, 2012.

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GRANTS

USDA Grants Available for Energy Audits

The USDA is accepting funding applications from eligible entities for grants to conduct energy audits under the Rural Energy for America Program (REAP). The audits are intended to help agriculture producers and rural small businesses identify ways to reduce energy consumption.

Audits are required for energy efficiency projects funded by REAP costing over \$50,000. Parties seeking audits must pay 25 percent of audit costs. State, tribal or local government, land-grant colleges and universities, or other institutions of higher education, rural electric cooperatives, and public power entities are eligible to receive funds.

Applications for grants must be submitted on paper or electronically no later than June 9. Application materials may be obtained through www.grants.gov or by contacting one of Rural Development's Rural Energy Coordinators.

DOE to Invest up to \$84 Million in Enhanced Geothermal Systems

The U.S. Department of Energy is making up to \$84 million available over the next six years for the development of enhanced geothermal systems (EGS). EGS is an advanced

geothermal technology that drills deep wells into hot rocks, fractures them, and circulates a fluid through the fractures to extract heat. EGS technologies can be used to create new "engineered" geothermal reservoirs or to stimulate existing geothermal reservoirs that are underperforming.

The funding includes \$20 million in current, fiscal year 2009 funding, although future funding is subject to congressional appropriations. The first portion of funding from DOE offers \$35 million for component research, development and analysis that will support 20 to 30 projects to develop advanced technologies that will address important aspects of creating, managing, and using engineered geothermal reservoirs. A second funding portion offers \$49 million to support five to 10 domestic EGS demonstration projects.

DOE officials say they are seeking projects in a variety of geologic formations that will quantitatively demonstrate and validate reservoir creation techniques that sustain sufficient fluid flow and heat extraction rates for five to seven years and produce at least 5 megawatts of electricity. For more information, go to <http://www.energy.gov/news2009/6961.htm>.

EVENTS

[Lehigh Valley Green Builders Forum](#), Bethlehem, Pa., March 20-22

[GreenSense Conference](#), Philadelphia, March 30-31

[Solar Now](#), Philadelphia, April 1

[Fueling the School: Pennsylvania's First Intercollegiate Biodiesel Conference](#). April 3-4, Dickinson College in Carlisle, Pa.

[Alternative Fuels & Vehicles National Conference & Expo](#). April 19-22, Orlando, FL

[International Biomass Exposition](#), April 28-30, 2009, Oregon Convention Center, Portland, Oregon

[Organic Photovoltaics 2009 Conference/Seminar](#). April 27-29, Philadelphia, Pa.

[International Biomass Exposition](#), April 28-30, Portland, Oregon

[PA Environmental Professionals Annual Conference](#), May 13-15

[Alternative Energy; Building Efficiency Conference](#). May 18-20, Boston, MA

[United We Stand: Building a Sustainable Economy Conference and Trade Show](#). August 18-19, Washington, D.C.

[2009 World Green Energy Symposium](#). Sept. 13-15,

The MidAtlantic Renewable Energy Association Presents: [Pennsylvania Renewable Energy and Sustainable Living Festival](#). Sept. 18-20

NEWS CLIPS

[Carbon registry caught in fits and starts](#)

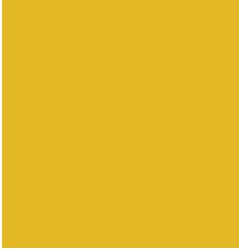
[PUC emphasizes support to utilities, employers seeking federal stimulus money](#)

[Green groups in Lehigh Valley hope for stimulus funds](#)

[City putting energy into first-of-kind initiative to go green](#)

[Invest in energy efficiency on a grand scale](#)

[Butler eyes windmill project](#)



[PA panel OKs use of gas-drilling funds](#)

[State continues to pursue 'green business' plan to help PA's economy recover](#)

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