



Alternative Energy Report

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Power Politics
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Waxman-Markey Climate Bill Goes Beyond White House Plans

New climate legislation proposed in the US House of Representatives would demand cutting greenhouse gas emissions 20 percent from 2005 levels by 2020, and 80 percent by 2050, comparable to California's state programs, and far more aggressive than similar proposals from the Obama Administration.

"The American Clean Energy and Security Act," co-sponsored by House Energy and Commerce Committee Chairman Henry Waxman (D-Calif.) and Edward J. Markey (D-Mass.), who chairs the panel's Energy and Environment Subcommittee, would establish a cap-and-trade system for CO2 and set national renewable energy standards, requiring the nation to meet 25 percent of its energy needs through renewable energy by 2025. The goal of the cap-and-trade program would be to reduce electricity demand by 15 percent by 2020.

Chairman Waxman said Tuesday that he wants the bill voted out of committee by Memorial Day.

The bill, as drafted, has four programs/titles:

- Clean energy title designed to promote renewable energy, carbon capture and sequestration, clean electric vehicles, low-carbon fuels, a smart grid and electricity transmission;
- Energy efficiency title to support energy efficiency efforts from buildings to appliances, transportation, and industry;
- Global warming title that would limit emissions of heat-trapping pollutants; and
- Transition title which would be designed to protect consumers and industry during the transition period.

On energy legislation, the president last week said, "When it comes to cap and trade, the broader principle is that we've got to move to a new energy era, and that means moving away from polluting energy sources towards cleaner energy sources. That is a potential engine for economic growth. I think cap and trade is the best way, from my perspective, to achieve some of those gains because what it does is it starts pricing the pollution that's being sent into the atmosphere.

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Obama Presses Congress to Move Ahead with Budget, Cap-and-Trade Legislation

Late Thursday night, the US House of Representatives approved a budget blueprint by a 233-196 vote, largely along party lines. The \$3.6 trillion plan includes a deficit of \$1.2 trillion. According to the Congressional Budget Office, this compares with \$3.5 trillion for the Senate version and \$3.6 trillion for Obama's original plan.

In his press conference last week, President Obama had urged Congress to move ahead with cap-and-trade legislation and not delay the passage of a comprehensive energy bill.

The House plan envisions the deficit falling to a projected \$598 billion after five years. The comparable Senate estimates were \$1.2 trillion in 2010 and \$508 billion in 2014. The President's budget would leave a deficit of \$749 billion in five years' time, according to congressional estimates.

To reduce the deficit, Democrats shaved funds from the President's proposed spending,

ignored his call for another \$250 billion in bailout money for the financial industry and assumed that his tax cuts of \$400 for individuals and \$800 for couples would expire in 2011.

CAP AND TRADE AND THE BUDGET

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Interior Secretary Salazar: “Huge Potential for Offshore Wind;” Federal Mapping for Renewable Energy Development

US Secretary of the Interior Ken Salazar said Thursday that the Department of Interior (DoI) has released a report identifying the potential for energy development on the outer continental shelf. Speaking to the 25 x '25 Summit in Arlington, VA, Salazar said there is “huge potential for offshore wind, and said that the Offshore Atlantic Coast could supply ¼ of the energy needs of those coastal states, as much as one million Megawatts. He also said there is significant potential for oil and gas development, particularly in the central Gulf of Mexico, and noted that much of the data available is as much as 25 years old. More information is available by clicking [here](#).

The Department is hosting four regional public hearings in April, beginning on Monday, April 6 at the Atlantic City Convention Center. Doors open at 8 a.m. and the event begins at 9 a.m.

The Department has begun to develop maps to plan siting of renewable energy facilities “where it needs to go” on federal lands.

Salazar also said “It’s time to change the direction in how the Department does business,” and using a series of charts, Salazar showed summit delegates examples of a new mapping program, which would, in effect provide “zoning” of federal lands to identify potential lease sites for wind, solar, geothermal and other renewable energy projects. He said we need to “plan where to site facilities, and plan to get it where it needs to go.”

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Senate Committee Clears Hanger as DEP Secretary Nominee

After seven months on the job, a legislative panel this week cleared John Hanger’s nomination as Secretary of the state Department of Environmental Protection. In an 11-0 vote, Hanger’s nomination will now be sent to the Rules and Executive Nominations Committee for consideration.

Despite the unanimous go-ahead, the two hour hearing held by the Senate Environmental Resources and Energy Committee was peppered with some tough questions regarding Hanger’s tenure as head of environmental lobbying group PennFuture, as well as questions about grants awarded to PennFuture while Hanger served as acting DEP secretary.

[MORE...](#)

PUC Establishes Energy Consumption, Peak Demand Reduction Goals Under Act 129

The Public Utility Commission has identified the specific energy consumption and peak demand reductions for electric distribution companies must achieve under the requirements of Act 129.

The Commission voted 5-0 to approve the EDC energy consumption and peak demand reduction goals. In keeping with a January 15, PUC Order, the EDCs submitted the data with a list of assumptions used in calculating the forecast, supporting data, a description of the weather normalization methodology and any other supporting documentation. Interested parties then had 15 days to comment. No comments were filed.

Under Act 129, the EDCs must reduce electricity consumption by 1 percent by May 31, 2011, and by 3 percent by May 31, 2013. The energy consumption reductions total 1.5 million MWh and 4.4 million MWh, respectively. The Act also requires a 4.5 percent reduction in peak demand by May 31, 2013. The peak demand reductions are 1,193 MW.

Each EDC is to use the energy consumption and peak demand reductions to develop its energy efficiency and conservation plan required under Act 129. The plans must be filed with the Commission by July 1, 2009.

Act 129 expanded the PUC's oversight responsibilities and imposed new requirements on EDCs with at least 100,000 customers. The overall goal is reducing energy consumption and demand. The Commission will continue to implement the Act in phases. Subsequent phases of the Commission's Act 129 implementation process will address EDC and default service provider responsibilities; smart meter technology; time-of-use rates; real-time pricing plans; default service procurement; market misconduct; alternative energy sources; and cost recovery.

For more information, [click](#) here to visit the PUC's Act 129 webpage.

Electric Rate Mitigation Bill Reviewed by Consumer Affairs Committee, Electric Companies

Pennsylvania's largest electric distribution companies last week gave testimony regarding House Bill 20, a measure requiring them to offer customers a chance to phase-in any initial increase in electric generation rates after generation rate caps expire.

During the three-hour hearing before the House Consumer Affairs Committee, the panel heard from utilities still under rate caps and those that have already made the transition to market rates, consumers and consumer advocates, and generators and suppliers. For the most part, those who testified supported the measure and asked for more clarification on issues tied to cost recovery and the recovery period.

Under the bill, electric distribution companies would have to propose a voluntary phase-in plan for residential and small-commercial customers. The bill allows the phase-in period to last for three years. The plans would have to ensure that the annual percentage increase in the overall rate charged to each customer class does not exceed a 15% increase phased in over three years. Plans would also have to give customers the option to begin the phase-in period before the generation rate cap expires and accrue 6% interest on the prepay amount.

Representatives for the utilities said the companies must have fair and flexible recovery of the deferred costs and associated carrying costs. The legislation, they said, is silent on the subject of carrying costs. Utility representatives warned lawmakers that preventing recovery of those carrying costs is contrary to law and would put a strain on credit ratings.

Committee Chairman Joseph Preston Jr. said the committee could vote on the bill by April 21.

Solar Installation Contractors Urged to Register for Sunshine Program

DEP has developed the Pennsylvania Sunshine Program, which will allow solar photovoltaic and solar thermal (hot water) installation contractors to become certified by the department.

This new incentive program will be available later this spring for homeowners and small businesses undertaking solar energy projects. The Pennsylvania Sunshine Program will provide \$100 million in grants to Commonwealth homeowners and small businesses to purchase and install solar photovoltaic (PV) and solar hot water systems. All program applicants will be required to use an installer from the Department's approved list.

[PV Installer Application and Instructions](#)
[Solar Hot Water Installer Application and Instructions](#)

For more information on the Sunshine Program, click [here](#) to visit DEP's Web site.

DOE Maps Efficiency Money

The Department of Energy has released a map that shows how much stimulus money every city in the country is eligible to receive for energy efficiency.

All cities with a population of over 35,000 can receive funding. They must first apply (the deadline for cities is June 25; states must apply by May 26). Cities must have at least a solid plan in place 18 months after they receive the grant.

In Pennsylvania, 28 cities and 14 counties will receive funds. Click [here](#) to view an Excel spreadsheet showing a dollar figure for eligible cities / counties in Pennsylvania.

Cities have never received stimulus money directly from the federal government before. The block grants were approved by Congress in 2007, but no money was allocated — until now. States also are due to receive separate money for their state energy offices, and also for a weatherization program to aid low-income families.

Additional details of energy efficiency and conservation block grant program are available at the [Department of Energy's Energy Efficiency and Renewable Energy Web site](#).

EVENTS

[Greater Susquehanna Keystone Innovation Zones Tax Credit Seminar](#), April 8, Bloomsburg, Pa.

Learn more about tax credits at the informational seminar held at the Bloomsburg Regional Technology Center 240 Market Street, Bloomsburg, PA, Lower Level Conference Room. Cost is \$40 and includes a light lunch. KIZ clients are free. Space is limited, so those wishing to attend must RSVP by emailing info@gskiz.org.

[Performance Based Contracting](#), April 16, Lewisburg, Pa.

The Energy Resource Center at SEDA-COG is presenting "Performing Based Contracting" seminar in the Parkview Room at 17 South 6th Street, Lewisburg PA from 7:30 to 9:30 am on April 16. Performance-based contracting (PBC) allows a client to acquire services via contracts that define what is to be achieved, not necessarily how it is done. Always an option available to the private sector, in recent years both the federal government and the Commonwealth's Department of General Services, including its COSTARS program, have permitted units of government to procure certain goods and services using PBC in addition to conventional lowest cost competitive bidding, RFP and RFQ procurement. PBC can be confusing because it may describe a method of procurement, a financing option, guaranteed savings, a method of payment based on results achieved, or a combination of all of these. Often considered to be synonymous with Energy Savings Company (ESCOs), several other energy-related programs such as RESNET and LEED can meet the definition of performance-based contracting.

To register, click [here](#).

DEP Offers Energy Workshops To Help Small Businesses Improve Efficiency, Cut Costs

DEP is sponsoring a series of workshops in April, May and June to help small- and medium-sized businesses reduce energy costs and increase profits. The workshops will be held from 8 a.m. to noon on the following dates at these locations:

- April 29 at Penn College of Technology, Thompson Professional Development Center, Mountain Laurel Room, 1 College Ave., Williamsport;
- May 6 at Connelley School, Auditorium, 1501 Bedford Ave., Pittsburgh;

- May 19 at Elizabethtown College, Brossman Commons Student Center, Event Space Room, 1 Alpha Dr., Elizabethtown;
- May 27 at Indiana University of Pennsylvania, Crimson Event Center, Corner of Maple Street and Pratt Drive, Indiana;
- June 2 at Bucks County Community College, Penn Hall Room 257, 275 Swamp Road, Newton; and
- June 3 at Wilkes University, Henry Student Center Ballroom, 84 West South St., Wilkes-Barre.

The workshop will offer businesses information on energy supply options, illustrate how to identify energy cost-saving opportunities, and explain how to develop an energy action plan. In addition, information about financial and technical resources for energy-efficiency upgrades will be available. Particular emphasis will be given to easily implemented, cost-effective changes for small commercial and industrial facilities.

Registration for the workshops is free, and the sessions are open to the public. To register visit [Upcoming Events webpage](#). For more information or to request a registration form, call 717-783-8411.

Click [here](#) to view more energy events...

NEWS CLIPS

[Thompson joins American Energy Solutions Group](#)

[Coal industry needs clear rules](#)

[EIA: Coal, natural gas generation decline as renewables rise in '08](#)

[Congress: House Democrats release draft energy, climate bill](#)

[Rendell names Accountability Officer for Federal Stimulus Investments](#)

[Winds of change evident in U.S. Environmental Policy](#)

[The biggest little PV plant in the East](#)

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