



Alternative Energy Report

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Power Politics
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ERG.

Rendell Calls for a Special Session on Transportation; Budget Numbers in Limbo

Governor Rendell this week said he would call for a Special Session of the General Assembly to address transportation funding following the federal government's refusal to allow Pennsylvania to toll Interstate 80. The decision by the U.S. Department of Transportation to deny Pennsylvania's application to toll I-80 significantly reduces hoped-for transportation funding, not only this year, but for many years to come.

This news came on the heels of last week's announcement that the state's revenue shortfall is nearly \$720 million as of March 30. Budget Secretary Mary Soderberg said that the administration remains hopeful on revenue numbers increasing in the coming months, but a major loss of transportation funding further will surely shake up already unstable budget situation. The House passed budget is already considerably out of balance, and the latest news doesn't help.

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Ag Department Establishes Biodiesel Mandate Policies

State Ag Secretary Russell Redding has issued a new policy statement for enforcement of the state's mandatory two percent biodiesel mandate, which takes effect May 1. Under the mandate, all diesel fuel sold for on road use must contain at least 2% biodiesel by volume.

Under the policy statement, all terminals, wholesalers and distributors selling diesel fuel must be in compliance on May 1. All facilities which must comply will not be considered out of compliance with the act until delivery of diesel to fill the location's on-site storage capacity at least once has been made after May 1 and proof of all deliveries 90 days prior to and subsequent to May 1 are provided to PDA employees for inspection.

Redding said the intent of the policy is to enable retailers who have diesel delivered prior to May 1 to continue selling the diesel without being found out of compliance and without the necessity of emptying storage tanks or disposing of previously-delivered diesel fuel.

\$375 Million Tires-To-Energy Plant Moves to Crawford County

Officials from Erie Renewable Energy (ERE) and the Economic Progress Alliance of Crawford County held a news conference Tuesday in Meadville to announce plans for construction of a 90-megawatt electricity-generating facility fueled by tire derived fuel (TDF).

The Meadville Power Station will use 900 tons of tires per day, creating 60 full time jobs on site, and an additional 240 related jobs in Meadville and the surrounding area. Construction will require another 300 or more full time jobs.

"Other plants in Pennsylvania and throughout the country use varying amounts of TDF as fuel, and this plant will be the most technologically-advanced of all of them," according to Vic Gatto, CEO of Caletta Renewable Energy, LLC, the majority partner in ERE.

"The Economic Progress Alliance of Crawford County is pleased that Erie Renewable Energy (ERE) has determined that the Keystone Regional Industrial Park is ideally suited to meet the needs of this major project. We look forward to working closely with ERE to successfully complete this project, and to the economic benefits it will bring to our regional community", said

Mark Turner, Executive Director of the Economic Progress Alliance.

Gatto said the company met recently with Department of Environmental Protection officials to review the proposed Draft Plan Approval for the Air Quality Permit for the a proposed plant in Erie. He said ERE has asked DEP to hold the permit issuance pending the outcome of a pending lawsuit with GEIDC over the Erie site.

"Our consultants believe that DEP's review was the most extensive application and modeling review in its history, and that this process plainly confirmed that our proposed plant meets or exceeds all state and federal government emissions requirements. We are ready to move this project forward, providing jobs, electricity, and an environmental safe source of energy for northwestern Pennsylvania and beyond," he said.

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AFIG Recipients Announced

This week the state announced an \$8 million investment in 20 projects funded through the Alternative Fuel Incentive Grant program. The projects promote cleaner transportation through the production and use of alternative fuels such as biodiesel, natural gas and electricity and create infrastructure that will allow more Pennsylvanians to make fuel saving vehicles a part of their daily lives.

AFIG grants help support energy security by investing in companies that produce and market homegrown alternative fuels and related infrastructure. The 20 AFIG projects will combine to save more than three million gallons of conventional liquid fuel. Two of the projects will produce 5.8 million gallons of biofuel. The projects are expected to create or retain more than 160 jobs for Pennsylvanians and leverage nearly \$21.6 million in private funding. Environmental benefits include reducing harmful carbon dioxide emissions by 34.4 million pounds annually, the equivalent of removing 3,000 passenger vehicles from our roads.

The AFIG program was expanded in 2004, it has awarded \$31 million to 93 projects and leveraged \$194.7 million in investment commitments by public and private fleet operators and fuel providers.

Click [here](#) for a complete list of grant recipients.

Department of Energy Releases Open Government Plan

The U.S. Department of Energy released its Open Government Plan highlighting DOE initiatives to maintain and increase transparency, increase participation between the Department and the public, and increase collaborative efforts between the Department and its stakeholders.

The plan highlights flagship initiatives spearheaded by DOE including the launch of Open Energy Information ([OpenEI.org](#)), a new open-source web platform that opens DOE resources and data to the public. The free, editable, and evolving wiki-platform will help to deploy clean energy technologies across the country and the world. OpenEI.org also will provide technical resources, including U.S. lab tools, which can be used by developing countries as they move toward clean energy deployment.

OpenEI.org also links to the Virtual Information Bridge to Energy (VIBE) which is designed as a data analysis hub that will provide a dynamic portal for better understanding energy data. NREL will continue to develop, monitor, and maintain both sites.

Additional initiatives include ScienceEducation.gov, an interagency website and networking tool for the Science Technology Education and Math (STEM) education community; and the Energy Information Administration's (EIA) Education and Literacy Initiative. The EIA Initiative is comprised of Energy Explained, an encyclopedia of energy issues; Energy in Brief, an article

series; and Energy Kids, an interactive website for students and teachers.

USDOT/EPA Announce Fuel Standards/Emission Levels

The US Department of Transportation's National Highway Traffic Safety Administration (NHTSA) and the Environmental Protection Agency (EPA) has announced new federal rules that set the first ever national greenhouse gas emission standards and significantly increase the fuel economy of all new passenger cars and light trucks sold in the United States.

Proponents claim the new rules could save the average car buyer of a 2016 model car over \$3,000 over the life of the vehicle and, nationally, conserve about 1.8 billion barrels of oil and reduce nearly a billion tons of greenhouse gas emissions over the lives of the vehicles covered.

The final rules issued by NHTSA and EPA establish increasingly stringent fuel economy standards under NHTSA's Corporate Average Fuel Economy program and greenhouse gas emissions standards under the Clean Air Act for 2012 through 2016 model-year vehicles. Beginning with the 2012 model year vehicles, the rules require automakers to improve fleet-wide fuel economy and reduce fleet-wide greenhouse gas emissions by approximately 5% each year.

According to EPA Administrator Lisa Jackson, "By working together with industry and capitalizing on our capacity for innovation, we've developed a clean cars program that is a win for automakers and drivers, a win for innovators and entrepreneurs, and a win for our planet."

CFA Approves \$5 Million in Energy Project Funding

The Commonwealth Financing Authority recently approved the six investments of more than \$5 million. The projects are in six counties across the state and include three geothermal system installations, two biofuel projects, and one study that will examine the feasibility of mixed-income housing in Pittsburgh that would reduce utility consumption by up to 90 percent for its occupants.

All told, the six projects account for nearly \$16.4 million, with more than two thirds of that total investment in Pennsylvania's economy coming from private funds.

Click [here](#) to view a full list of recipients.

Dedicated Energy Crops an Essential Link in Clean Energy Future

Researchers at Cornell University point out that it takes 70 days to grow a crop of grass pellet fuel while it takes 70 million years to grow a crop of fossil fuel – a fact that frames the fundamental difference between renewable and fossil energy sources.

ERG was invited to participate in BIOMASS 2010, the third annual conference sponsored by the DOE, an event recently held in the Washington, DC area. The report and conference noted that the benefits of dedicated energy crops are gaining more and more attention. DOE says more than a third of a viable, sustainable domestic biomass industry will be derived from dedicated energy crops, including perennials such as switchgrass, or annual crops like sorghum. Using dedicated energy crops provides substantial contributions to the nation's energy mix.

The environmental benefits of dedicated energy crop production can be vast. Cornell researchers say no diversion of any current agricultural productivity into the energy market is required. This biomass industry can be independent from, and complimentary to, the production of food or animal feed.

Neighboring States Move Energy Legislation

Virginia Governor Bob McDonnell recently signed several bills that promote the development of an offshore wind industry in the state. The legislation passed unanimously in the state Senate and House.

Senate Bill 577 creates the Virginia Offshore Wind Development Authority as a State entity, responsible for facilitating the development of the offshore wind industry in Virginia. The Authority could create public-private partnerships to assist with meteorological, marine and avian data collection, as well as infrastructure upgrades to ports and other facilities. The Authority will be responsible for ensuring that the development of offshore wind projects does not interfere with defense operations, shipping lanes, fisheries, and avian and marine habitats.

House Bill 1022 increases the credit for offshore wind energy towards the state's Renewable Portfolio Standard goal. With the signing of this bill, offshore wind is now worth three times the standard amount.

In Washington, US Senator Sherrod Brown (D-Ohio) introduced legislation to advance the installation of offshore wind turbines in freshwater bodies such as Lake Erie.

Brown's legislation, the Program for Offshore Wind Energy Research and Development (POWERED) Act of 2010, would spur research on potential offshore wind projects, expand incentives for offshore wind development and require the Department of Energy to develop a comprehensive road map for the deployment of offshore wind.

Brown's POWERED Act would expand incentives for offshore wind development by increasing the allowance of renewable energy tax credits for offshore wind under a national renewable electricity standard. This provision is aimed at addressing the higher up-front capital costs of developing offshore wind resources, as well as the strength of wind resources found offshore.

In Ohio, Gov. Ted Strickland has called on the Ohio Legislature to eliminate the personal property tax on wind- and solar-generation equipment. The state has also mapped Lake Erie into square-mile grids and color-coded them to identify the best places for turbines. The map is being regularly updated and is now adding information about the make-up of the lakebed.

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See us at :

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Energy Resources Group
200 North Third St. | Suite 1100 | Harrisburg, PA 17101
Phone: 717-233-8606 | Fax: 717-233-8665
E-Mail: info@pa-erg.com