



## Alternative Energy Report

June 4, 2010  
Volume 4, Issue  
12

### **General Assembly Returns June 7, Leaders, Governor Talking Spending, Revenue**

With the budget deadlines just under a month away, leaders of the four legislative caucuses met Thursday with Governor Rendell to begin discussions about the shape of the 2010-2011 state budget with all suggesting an on time budget was a possibility.

Following the first meeting, all sides reached general agreement on the state's balance sheet, and said they had begun framing the debate over what the budget might eventually look like and what could be allocated for spending. Senate Majority Leader Dominic Pileggi (R-Delaware) said the Governor had agreed that the current revenues appear to be \$27.5 billion, and that he had proposed a series of revenue enhancements including taxes, fees, and transfers from several special funds. The Governor agreed there would have to be some reduction in state spending, and potentially more layoffs of state employees.

Any spending above that \$27.5 billion level would require new taxes or funding transfers. With a total of \$850 million in enhanced FMAP funding from the federal government still up in the air pending Congressional action, both House and Senate Republicans continue to say that additional funding cuts will be necessary in order to complete the budget.

[MORE...](#)

### **Lobbying Mounts for HB 2405**

Alternative and renewable energy advocacy groups have continued to pressure for passage of HB 2405, sponsored by Rep. Eugene DePasquale (D-York). The bill, a successor to HB 80, would expand the state's Alternative Energy Portfolio Standards to include three percent solar and solar thermal energy requirements by 2024, expand the overall Tier One renewable energy requirement to 15 percent, and increase the Tier Two requirement from 10 percent to 13 percent in the same time period.

The bill also expands definitions for Tier One and Two sources, sets a compliance payment charge at \$450 per MWh for solar alternative share, and sets standards for carbon dioxide sequestration facilities among other provisions.

ERG has learned that the House Environmental Resources and Energy Committee will meet on Tuesday June 8 to consider HB 2405. This is the first step toward movement on the bill, which is expected to face dozens of potential amendments in committee and on the floor.

### **Offshore Wind Project Planned for Lake Erie; House Passes Bill to**

## **Open Lake for Wind Development in PA, Create Jobs**

The PA House of Representatives last week passed HB 2342, legislation that would permit leasing of submerged lands in Lake Erie for eventual development of wind, solar and kinetic energy. The five Erie County legislators who cosponsored the bill said it could lead to thousands of jobs and development of Erie County as a hub for offshore wind development in the Lake.

Meanwhile, in Ohio, GE and Lake Erie Energy Development Corp. signed a long-term partnership to develop one of the first fresh water offshore wind farms in the US scheduled to begin operations in 2012. This would be followed by subsequent projects with a long-term goal of 1,000 MW in Lake Erie by 2020. And New York Power Authority accepted proposals from wind developers on June 1 to develop up to 500 MW of offshore wind generation in the New York portion of the Lake.

Ohio Governor Ted Strickland (D) said "In Ohio, we have all the right assets to make offshore wind energy successful, including an innovative workforce and the manufacturing strengths that would allow us to build all the component parts for wind turbines. This partnership will not only advance offshore wind technologies, it will also advance Ohio's economy." GE's Vice President of Renewables said offshore wind has the potential to create thousands of new jobs in Ohio and become a major source of economic growth.

Passage of HB 2342 is considered essential to helping Erie and northwest Pennsylvania becoming a key part of the construction, wind energy supply chain and shipbuilding that will supply the wind industry in the Lake.

## **Natural Gas – Even More Down There?**

The Philadelphia Inquirer last week reported that additional geologic formations in Pennsylvania beyond the Marcellus Shale are yielding new and unexpected quantities of natural gas. Two exploration companies have reported promising discoveries in rock formations layered around the Marcellus like a geologic parfait. Those finds raise the prospect of even more drilling in Pennsylvania, where the gas boom has generated extreme economic hopes and passionate environmental fears.

## **PA Sunshine Program Pays Out 1,000th Rebate after Only First Year**

After a little more than a year, the PA Sunshine Solar Rebate Program has proved immensely successful and popular, having enabled thousands of Pennsylvania homeowners and small businesses to lower their energy bills with the help of the sun's power.

Those projects are paying dividends for the state's economy and putting people to work at the same time, according to Department of Environmental Protection Secretary John Hanger, who this week presented the 1,000th rebate check to Montgomery County homeowner Sally Kauffman. Kauffman received a \$10,800 rebate for the 4.8-kilowatt solar system she installed that is expected to generate more than 5,500 kilowatt hours of electricity, saving her nearly \$800 each year.

[More...](#)

**FEDERAL NEWS**

## **Obama: Tragedy Off Gulf Coast May Push Cap and Trade Bill, Energy Development**

President Obama spoke at Carnegie Mellon University this week to promote his administration's plan to "aggressively accelerate" the country's transition from fossil fuels to clean energy – an idea that has been vigorously fought in coal rich regions such as Western Pa.

"The time has come, once and for all, for this nation to fully embrace a clean energy future," he said. Obama's trip to Pittsburgh came on the heels of his visit to the coast of Louisiana, where the BP Deep Horizons tragedy is being called "the worst man-made environmental disaster in the country's history."

Obama renewed his call for "finally putting a price on carbon pollution," something the House tried last year by passing a climate change bill that would cap carbon emissions. The price of inaction on carbon emissions includes billions of dollars being shipped overseas monthly, often to countries at odds with the interests of the United States, he said.

"We have to acknowledge that there are inherent risks in drilling four miles beneath the surface of the earth - risks that are bound to increase, the harder oil extraction becomes. Just like we have to acknowledge that an America run solely on fossil fuels should not be the vision we have for our children and grandchildren," Obama said. "We're not going to be able to sustain this kind of fossil fuel use. This planet can't sustain it."

## **U.S. House Passes Biodiesel Tax Credit Extension, Awaiting Senate Approval**

Prior to its Memorial Day recess, the US House passed an extension of several federal tax incentives, including the federal biodiesel blenders tax credit through the end of the year. The credit was included in the American Jobs and Closing Tax Loopholes Act which passed by a narrow 215 to 204 vote.

The \$1-a-gallon biodiesel blending credit, which expired earlier this year, is seen by many in the industry as an essential link to keeping biodiesel competitive with traditional diesel fuels.

According to the National Biodiesel Board, since the tax incentive's inception six years ago, the biodiesel industry has created tens of thousands of green jobs, added \$4.1 billion to the nation's gross domestic product and generated \$828 million in tax revenue for federal, state and local governments.

The Senate is expected to approve the extension when it returns from its recess.

## **Resolution to Limit EPA's Regulation of Greenhouse Gases Slated for June 10**

In May, Sen. Lisa Murkowski (R-AK) announced she had reached a unanimous consent agreement with Senate Majority Leader Harry Reid (D-NV) to bring a disapproval resolution regarding the Environmental Protection Agency (EPA) on June 10. The resolution would veto EPA's endangerment finding, a formal determination that allows the agency to regulate greenhouse gases (GHGs) under the Clean Air Act. Of the 51 votes needed, Murkowski has 41 co-sponsors – including three Democrats.

Other efforts to prevent EPA from regulating greenhouse gases (GHGs) include Sen. Rockefeller's (D-WV) bill which would postpone EPA regulation of stationary sources for two years and a bill from Sens. Kerry (D-MA) and Lieberman (I-CT) on climate and energy which would pre-empt EPA from regulating GHGs. If Murkowski's resolution does pass, it may not be as successful in the House, and President Obama is expected to veto it. The result of the resolution would be to overturn recent collaboration on GHG emission limits and fuel economy standards for light-duty trucks and cars between EPA and the Department of Transportation.

According to former EPA Administrator Russell Train, "If passed, this resolution would fundamentally undermine the Clean Air Act, overturning science in favor of political considerations."

### **EIA: CO2 Emissions Will Increase 43 Percent by 2035**

Last week, the Energy Information Administration released its report on projections of global energy consumption through 2035. The report projects that total world energy demand will grow 49 percent by 2035 and that barring policy changes, carbon dioxide (CO<sub>2</sub>) emissions are projected to rise 43 percent. Developing countries such as China and India are expected to have an increase in energy demand of 84 percent while developed nations such as the United States, Japan and the United Kingdom are expected to have a 14 percent increase in energy demand.

World oil consumption is expected to increase 28 percent by 2035, and production will rise by 25.8 million barrels per day. Unconventional sources such as shale, oil sands and coalbeds are expected to make up 26 percent of U.S. gas production, 63 percent in Canada and 56 percent in China.

The EIA report projects that "with strong economic growth and continued heavy reliance on fossil fuels expected for most of the [non-Organization for Economic Cooperation and Development] economies under current policies, much of the projected increase in carbon dioxide emissions" will increase in these developing countries.

### **Sixth National 25 x '25 Summit Announced**

25 x '25: America's Future announced this week that its 6th national summit would be held June 29-July 1 in Arlington, VA. With America at the vital crossroads where energy needs and national security meet, the event will focus on maximizing renewable resources to achieve a clean energy future and address the nation's vulnerability created by America's dependence on foreign oil.

At a time when the acceleration of renewable energy development and markets is critical to our position of global leadership, participants will learn of the contributions that America's farms, ranches and forestlands are making, and will continue to make, to build and sustain the momentum needed to reach a new, secure energy future.

ERG has participated in the last three national summits, which were attended by rural and farm leaders, Congressional staff and members, key Administration officials, and international experts on renewable energy. Allen Rider, of Lancaster County, former chairman of New Holland, NA is the chair for this year's summit, which features speakers such as Senator John Kerry, Agriculture Secretary Tom Vilsack, Governors Bev Perdue of North Carolina

and Tim Pawlenty of Minnesota, and Admiral James Woolsey, former director of the Central Intelligence Agency. More information on the summit is available online at the [25 x '25 website](#).

## EVENTS

[Sunset Celebration](#), Erie, Pa., June 23

Join us at the Sunset Celebration to present and honor the 2010 John C. Oliver Environmental Leadership Award recipient on Wednesday, June 23, 2010 from 6 pm to 8:30 pm at the Tom Ridge Environmental Center. Former Governor Tom Ridge will be the keynote speaker.

Friends of TREC is proud to sponsor this award named after former Secretary of the PA Department of Conservation and Natural Resources, John C. Oliver. This reception will also include a showcase of selected Friends of TREC funded projects, great networking, and even a guest appearance from Joe Root himself.

Register online for the event at [www.FriendsofTREC.org](http://www.FriendsofTREC.org).

[2nd Northeast PA Energy and Environmental Solutions Expo](#), Dallas, PA June 26-27

The Pocono Northeast Resource Conservation & Development (RC&D) Council and its partners will host the 2nd Annual Northeast PA Energy Solutions Expo on June 26 - 27, 2010 at the Luzerne County Fairgrounds in Dallas, PA. This Expo is an educational and informational event that will highlight exhibitors and vendors showcasing technology, products, and innovations to conserve, reduce, or supplement a person's energy use while providing locally developed alternative and renewable energy options. The Expo will include educational presentations and seminars on the energy related topics. Some of the topics include Solar, Wind, Biomass and Geothermal Energy Opportunities, PA's Changing Climate, Energy Conservation and the Building Envelope, Energy Efficiency, New and Improving Energy Technologies.

[Opportunity in Offshore Wind - Supply Chain & Infrastructure](#),

Atlantic City, NJ, October 5 - 7, 2010

At this critical stage of offshore project development and permitting in the U.S., it is critical to begin examining the needs, opportunities, barriers and challenges to manufacturing, transporting, and constructing offshore wind turbines. The North American Offshore Wind Conference & Exhibition will bring a focus to offshore manufacturing, transportation & logistics, and infrastructure issues for the first time in North America.

**COPYRIGHT © PENNSYLVANIA ENERGY RESOURCES GROUP, LLC.  
ALL RIGHTS RESERVED**

**We're on the Web!**

**See us at:**

[www.pa-erg.com](http://www.pa-erg.com)

**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](mailto:info@pa-erg.com)