



## Alternative Energy Report

June 12, 2009  
Volume 3, Issue 12

**Power Politics**  
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ERG.

### **State Budget - Rhetoric Setting Stage for Compromises?**

With just three weeks left until the state's deadline for a budget agreement, there has been little movement toward a solution that can pass the General Assembly. This week, the House Appropriations Committee rejected the Senate-passed budget, the Governor said an increase in the personal income tax was a "serious" proposal to help deal with the \$3 billion plus deficit, and public rhetoric heated up over the impact of cuts on state parks. The capitol was crowded all week with competing grass roots "Capitol days" by groups that would be affected by budget cuts and other groups opposing any tax hikes.

Senate Republicans said they would not hold any more negotiating sessions with the Governor and House leadership until the Democrats pass their own budget plan showing how they intend to pay for service increases. "We passed a bill. They need to pass a bill, to show what they are for, to show how they are serious and that they have a plan that can at least pass the House," said Senate Appropriations Chairman Jake Corman. A successful budget negotiation requires that both "sides" can eventually claim they avoided the worst case scenarios painted to the public.

The deadline to enact a state budget for fiscal 2010 is July 1, but virtually no one in Harrisburg expects that deadline to be met. No budget has been passed by the state's legal deadline since Rendell became governor in 2003.

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### **Energy Related Bills Move in Senate, House**

The Senate passed SB 829, sponsored by Sen. Mary Jo White (R-Venango) which extends the due date for the Climate Change Action Plan by 60 days to allow for public comment. Act 70 of 2008 requires DEP to submit a plan by October 9. The department has acknowledged it will miss the deadline, but it cannot do so without a statutory extension. Senate Bill 829 extends the deadline by three months.

Sen. White said the measure ensures that the public has a 60-day public comment period before the plan is finalized, and ensures an opportunity for the public's comments and recommendations to be incorporated into the final plan.

"The Senate takes the issue of climate change seriously," said Sen. White. "To ensure the credibility of any recommendations put forth by the Governor on climate change, it is imperative that the final plan be the product of a robust public input and review process as envisioned by the Act 70, the Pennsylvania Climate Change Act."

Both the Senate Agriculture and Rural Affairs Committee and the House Agriculture and Rural Affairs Committee amended and moved bills designed to allow landowners to lease a portion of land for Tier 1 alternative energy production capabilities without facing rollback taxes and penalties on the entire tract, as long as the remaining land still qualifies for inclusion under the Clean and Green Act. The language exempts farmland, forestland and open spaces from rollbacks as long as more than 50% of the energy generated on the land is used in production relative to the ag or forestry use.

Joel Rotz, of the Pennsylvania Farm Bureau noted that broadening the provisions helps

encourage more environmentally friendly on-farm energy production without jeopardizing the integrity of farmland, forestland or open spaces uses under Clean and Green.

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## FEDERAL LEGISLATION

### Waxman Markey Update – Pelosi Stepping In?

ERG learned this week that House Speaker Nancy Pelosi has issued an ultimatum to her committee chairmen to move climate change legislation by June 19 or risk losing jurisdiction over the bill.

According to staff and one chairman, Pelosi (D-Calif.) told Ways and Means Committee Chairman Charles Rangel (D-N.Y.) and Agriculture Committee Chairman Collin Peterson (D-Minn.), among others, that they had two weeks to work on their markups, despite regional and intra-party politics that, while normal with major legislation, have threatened the Speaker's plans to deal with climate change and move on to other issues.

The Waxman Markey bill was approved by the Energy and Commerce Committee late in May, but before a floor vote was scheduled, Rangel and Peterson objected. Peterson, on behalf of the agricultural and rural members of the Democratic caucus, threatened to withhold support for the bill if his committee was not given the opportunity to significantly improve it.

Peterson publicly said he was "made aware" of the deadline, but added he is nowhere near scheduling a markup. He had claimed to have 40 to 45 votes lined up against the bill unless significant changes were made to accommodate agriculture and rural energy sources. He said this week that they were "not trying to stop this bill, we're trying to make it workable."

Rangel said he has no idea what his committee intends to do on climate change, or how long he thought the process would take, but noted, "healthcare is my priority."

Democratic House leadership had seemed ready to let the bill remain in the hands of the two chairmen who were given authority over markups. House Majority Leader Steny Hoyer (D, Maryland) had said that scheduling of the bills would be determined by the progress made in committees, and that his target was to vote on final health care reform and climate change legislation before Congress' August break.

Although Peterson and Rangel have publicly voiced much frustration with the bill and its provisions, one or more of six additional committees could hold their own markups of Waxman's bill. Waxman said he continues to hope that the full House can take up the legislation before the end of June.

### PA Companies Receive DOE PV Generation Funding Awards

Department of Energy Secretary Steven Chu announced Thursday that three Pennsylvania companies were among 24 nationwide to receive funding as part of a \$117.6 million program to advance photovoltaic (PV) technology research, development, and design – helping to lower the cost of PV generation.

The new projects target manufacturing and product cost reduction with the potential to have a near-term impact on a substantial segment of the PV industry. Two Pennsylvania companies received funding over the next 12 months to evaluate and test ideas that could impact the solar photovoltaic industry.

Advanced Cooling, of Lancaster receives \$150,000 to develop new bonded copper thermal interface for high concentration PV that experiences rapid thermal cycles with a design that targets lower thermal stress and resistance.

PPG Industries, Inc. of Allison Park will receive \$149,000 to develop coatings that can be applied in a continuous automated process at a lower temperature and labor intensity than current PV

protective materials like ethylene vinyl acetate.

Under the Research, Development and Demonstration segment of the funding program, Air Products and Chemicals, Inc., of Allentown, will receive \$1.58 million over three years to develop an advanced radio frequency plasma chemical vapor deposition process with new gas-phase additives to achieve deposition for thin film silicon solar cells at increased growth rates and reactant utilization.

In addition, Secretary Chu announced plans to invest up to \$27 million to develop the nation's solar installation training infrastructure. DOE will fund this effort using \$5 million from the American Recovery and Reinvestment Act as well as \$22 million in annual appropriations.

This action by DOE is designed to ensure that a trained solar workforce is ready to support significant growth in renewable power generation-including installers, engineers, salespeople, and other workers entering the solar photovoltaic, solar heating, and solar cooling industries.

### **Joseph Powers, DEP Executive Deputy Secretary Retiring**

ERG wishes to note the retirement of Joseph R. Powers, a key official in the Department of Environmental Protection, effective next week. Powers, Executive Deputy Secretary at DEP, is retiring after 37 years of public service, in a number of policy development and committee management positions in the State Senate, State House of Representatives, and chief of staff to the Lieutenant Governor from 1987 to 1993.

Powers, deserves much praise for his political acumen and ability to steer difficult issues, legislation and policies through the many rapids, eddies and whirlpools of Harrisburg politics. His even hand on the tiller will surely be missed. ERG's best wishes, Joe!

### **Natural Gas Caucus, Committee Discuss Economic Successes of Marcellus Shale**

Member of the Natural Gas Caucus, with the support of the Marcellus Shale Committee, held an event, "Bringing the Drill to the Hill: The Real Marcellus Shale Story," this week to draw attention to the economic success being realized in communities across the state through extraction of natural gas from the Marcellus Shale formation.

"The Marcellus Shale story is being told in many counties, but it also needs to be told here in Harrisburg. It's a story of new jobs, economic investment, energy development and environmental stewardship," said Rep. Tim Solobay (D-Washington), co-chair of the House Natural Gas Caucus.

Business leaders, legislators and other government officials, and employees of the natural gas industry were on hand to present their experiences with natural gas extraction in Pennsylvania. Member of the Committee even brought a drill rig and computerized van used in the fracture stimulation process to Harrisburg to further demonstrate the extraction process.

Earlier this year Governor Rendell said he supports placing a severance tax on the extraction of natural gas, and many environmental groups have been quick to agree (see story below). In response to that suggestion, Natural Gas Caucus co-chair Rep. Brian Ellis (R-Butler) said, "We need to support the industry by working with them on challenges such as water treatment technology and infrastructure investment, and not work against them by imposing a severance tax just as drilling activity is getting a foothold here."

"Pennsylvania is in a position to become a huge contributor to the future of the nation's energy equation," said Marcellus Shale Committee co-chair Ray Walker. Walker emphasized the industry's commitment to develop the shale formation and work with government officials, communities and other organizations in a productive dialogue.

More information about the Marcellus Shale formation and the Natural Gas Committee can be found at [www.pamarcellus.com](http://www.pamarcellus.com).

## **Environmental and Wildlife Groups Fight for Natural Gas Severance Tax**

This week, a coalition of environmental groups, municipality organizations, wildlife agencies and lawmakers held a press conference highlighting the need for a severance tax on natural gas in Pennsylvania.

The vast majority of states with natural mineral reserves tax extraction, and the coalition sees drilling of the Marcellus Shale formation as a means of not only a means of plugging some of the massive state budget deficit, but also a way to reserve money for environmental protection related to extraction since drilling can be harmful to land, water and wildlife.

Governor Rendell has proposed taxing natural gas extraction, in a manner identical to extraction laws enacted in West Virginia with the funds being distributed between local municipalities, the Environmental Stewardship Fund, and the Fish and Boat Commission.

House Majority Leader Todd Eachus (D-Luzerne) said that Marcellus Shale offers great benefits to the state such as the opportunity to create thousands of jobs, but called the severance tax "essential" to ensuring that all of Pennsylvania will benefit from the natural resource.

"Without the severance tax enacted, the policy will articulate in another direction," Rep. Eachus said, adding that he does not want to see a repeat of the mistakes that occurred at the height of coal extraction. He stated House Democratic Leadership "feels strongly" about implementing the tax and said that they will be "actively negotiating" for it during budget talks.

House Environmental Resources and Energy Committee Chairman Camille George (D-Clearfield) stated "implementing a severance tax is a no-brainer." He said that the gas industry "wants a hand out" of Pennsylvania's natural resources, calling it "a good gig if you can get it."

George said that the CEO of one of a major utility company made "\$112 million in salary, that's more than the tax would bring in one year."

In an effort to hold their hard-line "no new taxes" approach to this year's state budget, Senate Republicans have said that they are opposed to such a tax, arguing that it will kill an "infant industry."

## **Commonwealth Seeks Federal Funding for Alternative Fuel Infrastructure**

The commonwealth has applied to the U.S. Department of Energy for \$15 million through the American Reinvestment and Recovery Act. The funds will be used for Alternative Fuel and Advanced Technology Vehicles Pilot Grants.

"As part of Pennsylvania's Energy Independence Strategy, the PennSecurity Fuels Initiative mandates the production and use of renewable fuels to grow the state's economy and reduce our dependence on foreign fuels," said Governor Rendell. "The federal recovery money can assist us in our efforts to reach the required goal of one billion gallons of home-grown biofuels be produced and consumed in Pennsylvania by 2017 – an amount equal to what the state will import from the Persian Gulf by that time."

DEP will partner with the Pittsburgh Regional and the Greater Philadelphia Clean Cities programs, the National Biodiesel Board and eight other industry partners to install fueling infrastructure, retail sites, procure vehicles, promote the use of alternative fuels and educate the public.

The project proposes to install 23 biofuel terminals and four retail stations throughout the state; 1 natural gas refueling facilities at two locations; and compressed natural gas equipment on 36 existing vehicles and purchasing 57 new natural gas vehicles for public transit agencies.

## **FEDERAL RECOVERY ACT ANNOUNCEMENTS**

This month DOE announced several new energy programs to receive funding from the American

Recover and Reinvestment Act as well as DOE appropriations. Eligible projects include carbon capture, solar energy, high efficiency vehicles, and energy efficiency for the economy.

Click [here](#) to see a full list of new ARRA grant programs.

### **DOE Issues Grant Solicitation for Wind Energy Consortia between Universities and Industry**

DOE has issued a funding opportunity, "Recovery Act: Wind Energy Consortia between Institutions of Higher Learning and Industry."

This \$24 million program initiative will fund consortia between institutions of higher learning and industry that will perform focused research on critical wind energy challenges. DOE intends to award 2-3 grants, with the maximum award range of \$8-12 million. Applicants must provide at least a 10% cost share of total project costs including at least 20% for R&D.

Applicants need to address two complementary areas: Partnerships for Wind Research and Turbine Reliability and Wind Energy Research & Development. Letters of intent are due by June 16 and FOA applications are due by July 30. Click [here](#) for additional information.

### **GRANTS**

#### **USDA Renewable Energy Systems and Energy Efficiency Improvement Grants**

USDA Rural Development Energy Programs has applications available for Renewable Energy Systems and Energy Efficiency Improvements Grants and Guaranteed Loans and Renewable Energy Feasibility Studies Grants under the Rural Energy for America Program.

This notice announces that Rural Business-Cooperative Service is accepting applications for fiscal year (FY) 2009 to purchase renewable energy systems and make energy efficiency improvements and to conduct feasibility studies for renewable energy systems for agriculture producers and rural small businesses in eligible rural areas.

The deadline for applications is July 31. Click [here](#) for more information.

#### **DEP Now Accepting Applications for Solar Photovoltaic, Hot Water System Rebates**

DEP is now accepting applications for the PA Sunshine Program which will provide \$100 million in rebates to homeowners and small businesses installing solar photovoltaic and hot water systems.

Rebates are available for state residents and small businesses. For specific guidelines and eligibility requirements, visit [DEPs' website](#) or contact Rebecca Campbell, Office of Energy and Technology Deployment at 717-772-8911 or send email to: [pasunshine@state.pa.us](mailto:pasunshine@state.pa.us) before submitting an application.

#### **DEP to Accept Applications for New Energy Use Reduction Grant Program**

DEP is now accepting comments on a new grant program made possible through the American Recovery and Reinvestment Act to help local governments and non-profit entities make shovel-ready, energy efficient or conservation projects a reality.

Following the review of public comments and recommendations, the department anticipates accepting new applications for the program beginning June 15. Click [here](#) to learn more.

#### **Keystone HELP Energy Conservation Program Expanded**

The state has unveiled an expanded \$17 million Keystone HELP energy conservation loan and Energy Star rebate program. The deadline to apply is June 30. For more information, visit the [Keystone HELP website](#).

### **EVENTS**

[Northeast PA Energy Solutions Expo](#), June 13-14, Dallas, Pa.

The Pocono Northeast Resource Conservation & Development (RC&D) Council in association with the Endless Mountains RC&D Council, non-profit organizations advocating natural resource and community sustainability in Pennsylvania, have announced the first Northeast PA Energy Solutions Expo to be held on June 13th and 14th, 2009, at the Luzerne County Fairgrounds in Dallas, Pa. The event will focus on alternative and renewable energy opportunities as well as energy conservation for residents, landowners, municipalities, regional governments, and local businesses.

The Energy Expo will provide a forum where area residents can learn about conservation and alternative energy solutions. The event will provide presentations and seminars on many energy topics, including solar energy, wind energy, geothermal energy, biomass energy, green building design, energy audits, farm energy audits, biofuels, transportation efficiency, state/federal tax credits, and financing. Exhibits will be provided for children that are fun and educational.

The event will cost \$5 per adult with children under 12 free. If you have questions about the Expo, please visit <http://www.pnesolutions.org> or contact the Pocono Northeast <http://www.pnesolutions.org> RC&D Council at 570-282-8732 ext. 4.

[Greening Local Building Ordinances: Opportunities and Challenges](#), June 18, Mifflinburg  
Local codes can be either one of the greatest road blocks to truly green or environmentally conscious building and development -- or they can be one of its greatest assets. To view the flyer and full description for this event, click [here](#).

[BPI Building Analyst Training and Certification](#), June 22-26th and 29th, Bucknell University, Lewisburg  
Learn the relationship between all systems in a home and the effects on health, safety, comfort and efficiency with this Building Performance Institute Building Analyst Training. Learn the "House as a System" approach to home energy contracting work, and how flaws in one part of the home can compromise performance throughout. Learn building science fundamentals, energy conservation strategies, duct testing/sealing, blower door testing, and more. Find out about the critical role of combustion safety testing in protecting your clients and reducing your liability. Cost is \$500/person (max of 12 participants). A grant of \$250 will be available to 4 sole proprietors.

[Energy Program Management: Procuring and Working with an Energy Service Company \(ESCO\)](#), June 24, Bucknell University, Lewisburg, PA  
Who should attend? Financial and facility managers of manufacturing firms, schools, local governments, municipal authorities, hospitals and consulting engineers.  
To view the flyer and full description for this event, click [here](#).

[Best Practices in Greening Manufacturing](#), June 30, Lewisburg  
Brian Dworkin will describe the economic incentive to greening manufacturing, conserving energy and preventing the creation of pollution. Mr. Dworkin will provide details of his cost-saving activities. A panel of representatives from local manufacturers will also discuss their cost-saving strategies. At least one of these projects has saved over \$2 million dollars.

Each attendee will receive assistance in considering cost-reducing greening practices most appropriate and feasible for their company during an hour long brainstorming session concluding the event. To learn more or register, click [here](#).

[ARIPPA's 19th Annual Technical Symposium](#), August 25-27, Hershey  
ARIPPA is a not-for-profit trade association comprising fourteen independent power producers in Pennsylvania that generate approximately 1400 megawatts of electricity by using environmentally-friendly Circulating Fluidized Bed (CFB) boiler technology to burn coal mining refuse. They will be hosting their 19th Annual Technical Symposium. Click [here](#) to view a list of presenters.

[World Green Energy Symposium and Exposition](#), September 13-15, Wilkes-Barre  
The 2009 World Green Energy Symposium will showcase new, alternative, sustainable and

innovative product development and green energy opportunities for businesses and the consumer at large. The Symposium's focus will include current policy information, new policy ideas and world policy views. It will focus on green technology options available and already succeeding as well as opportunities for networking, learning, exchanging, exhibiting and investing in the future of the new energy and green technology.

[Pennsylvania Renewable Energy Festival](#), Sept. 18-20, Kempton

Annual three-day September festival for renewable energy, green building, sustainable agriculture.

#### **NEWS CLIPS**

[Yaw's bill on gas well reporting requirements moves forward](#)

[Senate Democrats Struggle to Strengthen Renewable Electricity Plan](#)

[Clarion University Hosting Green Schools Summit](#)

[Republican alternative to Waxman bill: 100 new nuclear plants](#)

[National energy tax is not answer](#)

[Sen. Hutchison Works to Expand Nuclear Energy](#)

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