



## Alternative Energy Report

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### **Rate Caps, Electric Regulation Debates Continue**

At least two state House committees are actively holding hearings on rate cap mitigation as lawmakers scramble to find a viable solution to the impending rate cap increase that will not harm electric companies while not crushing consumers.

Last week the House Environmental Resources and Energy Committee held the first of what will probably be a series of meetings about rate caps.

Notably, one group that testified questioned if the expiration of price caps in Pennsylvania will result in spikes in electricity rates similar to those that have occurred in other states that have deregulated electricity.

In fact, said David Hughes, executive director of Citizen Power, since Pennsylvania producers' generation capacity is 60 percent higher than demand, "We should almost assume that there should not be" increases in electric rates.

Chairman Camille "Bud" George was quick to remind the testifiers that the purpose of the hearing was to solicit testimony on the proactive policies that will protect Pennsylvania from electric price volatility and prevent soaring rate hikes before they occur."

The speakers addressed a thicket of issues -- the desirability of long-term contracts versus spot markets to determine wholesale pricing, the relative roles of the state and federal governments in regulating energy, the degree to which increases in electricity rates have been driven by provider costs vs. pure profiteering -- and provided a range of policy suggestions.

Some suggested that the state should give up on deregulation entirely, and establish a new regulatory regime or perhaps consider creating a public power authority.

PUC Commissioner Ty Christy, being careful to note that he was not speaking for the PUC, seconded the idea of a public power authority. He also encouraged the construction of new power plants that would produce power at rates set by long-term contracts, rather than by daily and hourly spot markets of PJM Interconnection, the regional transmission organization that manages the electricity grid for most of Pennsylvania.

Public power utilities include more than 2,000 community-owned electric utilities, serving over 45 million people or about 14 percent of the nation's electricity consumers.

On Wednesday, the House Republican Policy Committee also held hearings on rate caps and electricity conservation in Montgomery County, proving that that legislature has not yet come to a consensus on how to handle this issue.

### **DCNR Releases Guidance on Harvesting Forest Biomass for Energy**

The Department of Conservation and Natural Resources has released guidelines for harvesting forest biomass as an alternative energy source.

The state's 17 million acres of forest has drawn attention as a source of biomass, or woody material that includes trees, tree branches and other vegetation, that can be used to burn for heat and steam, or it can be turned into a gas that fuels a boiler to generate electricity, among other uses.

Technology is also being developed that would allow wood to be converted into ethanol and be used as a replacement for gasoline in motor vehicles.

DCNR is partnering with the state departments of Environmental Protection and Community and Economic Development to make the guidelines available to renewable energy companies and investors.

Click [here](#) to view a copy of the report.

### **Solar Scholars Conference Held at Dickinson College**

This week Dickinson College was host to a Solar Scholars Conference sponsored by The Sustainable Energy Fund. The program drew in some of the region's top scholars on solar energy for seminars on topics ranging from manufacturing, marketing and finance to government policy, PV installation, and solar education initiatives.

On Tuesday evening, ERG partner John Nikoloff helped to kick-off the event by leading a conference discussion on National Energy Policies and the 25 by 25 vision. Earlier in the day, the Solar Scholars heard from Sen. Edwin "Ted" Erickson (R, Delaware), prime sponsor of the state's new Climate Change legislation, and Rep. Eugene DePasquale (D, York), the prime sponsor of Special Session Act 1, which created the state's new energy funding programs.

Throughout the year, over 30 colleges and universities will host a Solar Scholar Conference, including Penn State Harrisburg. The solar education initiative promotes the adoption of and integration of renewable energy concepts and technologies into the higher-education curriculum.

### **Camelina Crops Becoming Biofuel Source**

A long-forgotten member of the mustard family, camelina may soon be thrust to the forefront as a viable source of oil for biofuels.

As previously mentioned in ERG's Alternative Energy Report, a group of Pennsylvania farmers, working with Penn State University and Lake Erie Biofuels, had begun growing camelina specifically for biodiesel production.

This season, a test crop was grown on 300 acres in Crawford County. Harvest time is here and with some growing pains behind them, both the farmers and Penn State's agronomists remain optimistic.

A PSU Cooperative Extension educator, Joel Hunter hails camelina oil as an attractive biofuel source because the plant is low maintenance. Long ignored in North America as little more than a weed, camelina requires little fertilizer, no tilling and is spry enough to bat leadoff in an early-spring crop rotation.

Camelina also has an oil content that's roughly twice that of soybeans, a more popular biofuel resource. It also can be far cheaper to grow than either soybeans or canola, reports the Great Northern Growers Cooperative and other agronomists in Montana, the mother lode of camelina research.

More than 20,000 acres were planted there in 2006, one case study shows, with yields between 900 and 2,200 pounds per acre. With production costs in the \$50- to \$60-per-acre range, the break-even cost for camelina was less than a third of that for canola, according to the Minneapolis-based Institute for Agriculture and Trade Policy.

Camelina may prove a cash crop for farmers and a more economic solution for biodiesel producers.

## EVENTS

DEP Solar Work Group, August 7 and September 4, Harrisburg, PA  
Meeting will be held at DEP offices, Second Floor Auditorium, Rachel Carson Building, Harrisburg at 10:00 am. To register, contact Libby Dodson at 717-772-8907 or [ldodson@state.pa.us](mailto:ldodson@state.pa.us).

[International Society of Chemical Ecology](#), 25th Anniversary Meeting, August 17-22, State College, PA

This meeting is in celebration of the Silver Anniversary (25th year) of the society, which was started in 1983. The meeting will be hosted by Jim Tumlinson, Director of the Penn State Center for Chemical Ecology, and other program committee members. The four plenary symposia feature presentations on chemical deception/mimicry, phylogenetic analyses of plant defense and insect host range, chemical ecology of disease transmission, and chemical ecology of plant-plant interactions.

[Ag Progress Days](#), August 19-21, near State College, PA

Ag Progress Days, Pennsylvania's largest outdoor agricultural exposition, is sponsored by Penn State's College of Agricultural Sciences, the event is held at the Russell E. Larson Agricultural Research Center in Pennsylvania Furnace, PA, nine miles southwest of State College.

More than 400 commercial exhibitors will display the latest goods and services. Interactive educational exhibits, guided tours and workshops will show how agricultural researchers and educators are addressing important issues, safeguarding and improving our food supply and the environment, and helping to enhance the efficiency and profitability of agriculture and related industries.

[Northeast Renewable Energy Conference](#), August 26-28, State College, PA

Sponsored by the Penn State Institutes of Energy and the Environment, the conference will feature six breakout sessions: biomass conversion; biomass production; wind, hydro, and bioproducts; economic opportunities; efficiency; and energy basics. The conference is open to industry and universities. Other participating universities include Cornell, Michigan State, and Ohio State.

[Pennsylvania Green Growth Partnership Forum](#), September 15-16, State College, PA

The PA Green Growth Partnership Forum is a unique networking event designed to connect industries, investors, universities and non-profits interested in capitalizing on the growing market demand for green products, energy efficient technologies and research/education opportunities. Companies with specific design/technical challenges

can interact with university research team, and universities can connect to potential corporate sponsors for existing research projects that are nearing commercialization. The forum will also educate attendees on funding opportunities available through the PAGGP and other government or foundation sources for green product and project development.

[Energy from Biomass and Waste](#), October 14-16, Pittsburgh, PA

Energy from biomass and waste can make a significant contribution to oil-independence and climate protection. The technology opens up new earning potentials and markets for the waste management and power generation industry as well as for the agriculture sector

[Energy Innovation Forum](#), October 23, State College, PA

The Energy Innovation Forum will allow Pennsylvania companies to present their energy technologies, products, and core competencies to national and international corporate leaders. The forum will present opportunities for one-on-one discussions between corporate leaders and PA companies, table-top exhibits, and a poster session featuring Penn State energy research and technologies. Call Garry Miller, Program Manager, at 570-722-5854 for more information.

## **GRANTS**

### **Clean Diesel Emerging Technology Grant Funding Now Available**

The U.S. Environmental Protection Agency is now accepting applications for approximately \$3.4 million in grants to establish projects using emerging technologies to reduce emissions from the nation's existing fleet of diesel engines. Proposals are due September 21.

Addressing the existing fleet is important because it pre-dates EPA's stringent new particulate and nitrogen oxide standards and diesels remain in use for decades. This sum was authorized by the Energy Policy Act of 2005 and funded for the first time this fiscal year.

State, local, regional and tribal governments may apply for the grants, as well as non-profits and institutions with transportation, educational service, and air quality responsibilities. Emerging technology manufacturers must partner with an eligible applicant to receive this funding.

The grants are targeting school or transit buses, medium and heavy-duty trucks, marine engines, locomotives and non-road engines.

The grants will be administered by EPA's National Clean Diesel Campaign under the Emerging Technology Program. ETP supports the development and commercialization of new, cutting-edge technologies. The program gives manufacturers the opportunity to capture real world data and gain valuable operating experience on their technology while it is used by fleet partners.

For [here](#) for more information about this grant.

### **Pollution Prevention, Energy Efficiency Grants Available From DEP**

The DEP is now accepting applications for the Small Business Advantage Grant Program for pollution prevention and energy efficiency projects.

Small Business Advantage provides up to 50 percent matching grants, to a maximum of \$7,500, to enable a small business in this Commonwealth to adopt or acquire equipment or processes that result in energy efficiency or pollution prevention. An eligible applicant must be a for-profit small business owner whose business or facility is located within this Commonwealth. Most small businesses are eligible, including manufacturers, retailers, service providers, mining businesses and agricultural concerns.

Eligible projects must save the business at least 15 percent annually in energy or pollution related expenses.

Application submissions open on July 21 and close on August 29.

For more information, visit the [DEP Small Business Advantage Grant Program](#) online or contact Dave Barnes at 717-783-8411.

#### **NEWS CLIPS**

[Most US voters find oil prices to blame for rising food costs](#)

[The Byproducts of Biodiesel Production Are Valuable Organic Acids, Researchers Say](#)

[Anti-Energy Speculation Bill Stirs Fear](#)

[Congress deadlocked over offshore drilling](#)

[Spectra Energy seeks court OK for Pa. facility](#)

[McCain talks energy in Pennsylvania](#)

[Wind Sails into PA](#)

[Natural Gas War Heats Up in PA](#)

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

**Energy Resources Group**

200 North Third St. | Suite 1100 | Harrisburg, PA 17101

Phone: 717-233-8070 | Fax: 717-233-8665

E-Mail: [info@pa-erg.com](mailto:info@pa-erg.com)

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