



Alternative Energy Report

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Power Politics

[Power Politics](#) is the official blog of ERG.

Latest Posts:

[US Energy Production Numbers Show continued Growth in Renewable Sources](#)

Stopgap Budget Enacted - Conference Talks on Hold

The week started with the possibility that Blue Dog Democrats would offer their own budget by amendment to Senate Bill 850, forcing the Governor to potentially veto a \$27.5 billion balanced budget. But it ended with Conference Committee meetings postponed, the sides still between \$300 million and \$1 billion apart, and general concern that a complete budget may not be passed until late September or October.

The Blue Dogs withdrew their amendment after a promise from House leadership that the Governor's proposed Personal Income Tax hike was off the table. After that, the House passed SB 850 without amendments, setting the stage for a stopgap budget which would allow state employees to be paid as well as some state vendors.

The Governor vetoed or partially vetoed 60 percent of the funds in that proposal, including all funding for the House and Senate, but kept funding intact for his executive offices. What was left was a \$12.8 billion act that the Governor is calling a "bridge" budget that withholds all funding for critical state and local programs including education funding. Rendell said this was necessary to get the legislature to support higher levels of funding for these programs.

Senate Republican leader Dominic Pileggi said the Governor's action "tells me that his thought is to delay any real discussion on a resolution of a full-year budget until the cash flow starts to hit counties and school districts in a negative way and they start to feel the impact of the loss of state funding." Pileggi said, "Maybe the thought is that that will increase pressure to gain support for the tax increase."

Making things worse, vetoing the Legislature's spending ability assures that the House and Senate will have to spend down their reserves, which earlier in the year, they had said might be tapped to fund a portion of the budget revenue needs. That scenario becomes much less likely in light of the Governor's action.

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Energy, Treasury Now Accepting Applications for Funding for Renewable Energy Projects

Direct Cash Payments Will Advance Economic Development, Expand Renewable Energy Use

The U.S. Department of Energy and the U.S. Department of the Treasury announced they are now accepting applications for a program that will make direct payments in lieu of tax credits to companies that create and place in service renewable energy facilities. The federal agencies estimate distributing at least \$3 billion in financial support to approximately 5,000 bio-mass, solar, wind, and other types of renewable energy production facilities through the program part of the ARRA.

Energy Secretary Steven Chu said the program was intended to play a major role in encouraging private sector capital to invest in clean energy development. "It is an investment that will continue to help our economy grow and ensure advancement in clean and renewable energy

development," he said.

Treasury Secretary Timothy Geithner said, "Too many renewable energy projects have stalled due to a lack of financing. This Recovery Act program will lead to investment in our long-term energy needs, move us towards energy independence, increase jobs at energy-specific businesses, and protect our environment."

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Tax Credit Available for Alternative Energy Production Projects

This week the state announced the Alternative Energy Production Tax Credit Program, which provides a tax credit of 15 percent of the net cost of alternative energy production projects incurred between July 9 and Dec. 31, 2008. Types of eligible projects include solar, wind, geothermal, biologically derived methane gas, fuel cells, biomass and coal methane. There is a limit of \$1 million per applicant and \$5 million for the program. Should the amount of approved tax credits exceed the limit, all tax credits will be pro-rated. Interested parties must apply for the tax credit by Sept. 15.

"Every day, more and more Pennsylvanians continue to develop alternative energy projects. By doing so, they are investing in their financial futures and the future of our state," said Governor Rendell. "The Tax Credit Program, along with the Pennsylvania Sunshine Solar program that provides rebates up to 35 percent for residential and small business solar projects, are two examples of how we can continue to work toward energy independence."

The application package including guidance, instructions and application forms is available electronically [here](#).

The application package is also available by contacting the Department of Environmental Protection, Office of Energy and Technology Deployment, 15th Floor, Rachel Carson State Office Building, 400 Market St., P. O. Box 8772, Harrisburg, PA 17105-8772, (717) 783-8411. Applications for projects must be mailed and received or postmarked by Sept. 15.

US Energy Production Numbers Show Continued Growth in Renewable Sources

The latest evidence of the country's steady march to a 25x'25 renewable energy future is a report from the U.S. Energy Information Administration showing that in April of this year, renewable energy sources accounted for 11.1 percent of domestic energy production. Furthermore, the EIA says that production of renewable energy for the first four months of this year was 6 percent greater when compared to the same time period in 2008.

During the month of April, renewable sources provided .664 quadrillion Btu's (quads), or 11.1 percent, of the total U.S. energy production of 5.98 quads. By comparison, nuclear power provided .620 quads (10.4%) during the month.

The EIA reported that domestic energy production for the first four months of 2009 totaled 24.394 quads. Of that amount, 2.512 quads came from renewable sources, including 34.6 percent from hydropower, 31.2 percent from wood and wood wastes, 19 percent from biofuels, 9.3 percent from wind energy, 4.7 percent from geothermal energy and 1.2 percent from solar power.

Click [here](#) to view the rest of this blog on ERG's Power Politics.

USDA's Farm Service Agency Accepting Applications for Biomass Crop Assistance Program

Pennsylvania USDA Farm Service Agency State Executive Director Bill Wehry announced that biomass conversion facilities can begin signing up to participate in the Biomass Crop Assistance Program, which will help increase production of renewable energy. The program, authorized in

the 2008 Farm Bill, provides financial assistance to producers who deliver eligible material to biomass conversion facilities and FSA will provide financial assistance to collect, harvest, store and transport eligible materials.

"This program will benefit producers, the developing biomass industry, the general public and the environment as we continue working to expand production and availability of renewable energy," said Wehry. "Owners of eligible material can receive financial assistance for delivering qualified biomass to conversion facilities that use biomass for heat, power, bio-based products or advanced biofuels."

Biomass conversion facilities and material owners or producers can contact the FSA state office or visit www.fsa.usda.gov for more information. FSA will begin accepting applications from biomass facilities interested in participating in the Biomass Crop Assistance Program (BCAP).

Once an agreement is signed between FSA and a facility and funding through the program is provided, the facilities can begin accepting materials. Producers who sell these materials can apply for matching payments under the collection, harvest, storage and transportation (CHST) component of BCAP.

The matching payments are paid at a rate of \$1 for \$1 per dry-ton equivalent received from a qualified biomass conversion facility, not to exceed \$45 per dry-ton equivalent. A biomass owner is eligible to receive payments for two years. The purpose of the matching payments is to assist biomass producers with the CHST cost of delivering biomass to a qualified biomass conversion facility.

For example, if a qualified biomass conversion facility pays a producer \$30 per dry ton for biomass, the material owner or producer would be eligible for a matching payment of \$30 per dry ton from FSA. This payment will help offset the costs of CHST.

Solar Project Funded by ARRA to Create Job Opportunities

DEP announced that with assistance from the American Recovery and Reinvestment Act (ARRA), a 50.5 kilowatt solar photovoltaic system will be sited on the roof of the new Campus Square building in Harrisburg.

The project will create about 200 temporary jobs, at least 10 of which were directly involved in the solar installation. The installation covers 1,110 square feet and incorporates 74 separate panels linked together to produce enough electricity for the common and public areas of the building.

The solar installation is just one of the alternative energy features of the Campus Square building. The complex is heated and cooled by one of the region's most advanced geothermal systems as, coming from 48 wells dug to a depth of 400 feet. The building is also being built to LEED Silver status, one of the highest ratings for energy efficiency and conservation in new construction.

When finished, the Campus Square complex will house the innovative new Green Center of Pennsylvania. In conjunction with HACC, the Green Center will become a hub for education, training and information related to the application of green technologies and practices in the region.

At the new center, HACC will conduct both credit and workforce training programs for solar, wind, geothermal, hydro and conservation workers. The initial courses, to be conducted in the recently renovated HACC Midtown II Building, will begin in the fall with an estimated 300 students enrolled. The courses will be moved to the Green Center when the Campus Square building is completed.

Berks Company Receives AARA Funds for Next Generation Batteries, Vehicles

DEP announced this week that East Penn Manufacturing Co. in Lyon Station, Berks County, has received a \$32.5 million grant under the federal American Recovery and Reinvestment Act (AARA). The grant, announced this week by the U.S. Department of Energy, is part of a nationwide effort to accelerate manufacture and deployment of electric vehicles, batteries, and components.

East Penn Manufacturing, a third-generation family business with more than 63 years in battery manufacturing, will use the grant to increase production capacity for its lead-acid batteries and the UltraBattery, a lead-acid battery combined with a carbon supercapacitor, for micro and mild hybrid applications.

"This grant will allow East Penn Manufacturing to scale up production to more than 2.8 million batteries annually by 2013," Hanger said. "Such funding creates new high paying, sustainable jobs while at the same time it strengthens the diversification of this critical manufacturing sector for batteries and electric drive components."

East Penn Manufacturing received one of 48 grants awarded nationwide for new advanced battery and electric drive projects. The \$2.4 billion in projects marks the single largest investment in advanced battery technology for hybrid and electric-drive vehicles ever made. East Penn is the largest manufacturing employer in Berks County. It has a 490-acre plant site, the largest in its industry, with over two million square feet under roof. The grant will enable East Penn to: support the future of the hybrid electric vehicle market by producing 4.2 million advanced batteries; play a significant role in producing a viable, cost effective, and highly recyclable battery for the HEV market; and save approximately 200 million gallons of petroleum over the next four years, and 1.2 billion gallons of petroleum by 2020.

Additional Recovery Act Announcements:

[President Obama Announces \\$2.4 Billion in Grants to Accelerate the Manufacturing and Deployment of the Next Generation of U.S. Batteries and Electric Vehicles](#)

[DOE Announces Recovery Act Funding of up to \\$5.5 million for Ethanol Blends Infrastructure and Outreach](#)

GRANTS

PA Conservation Works! Eligibility Guidelines Released

The PA Department of Environmental Protection (DEP) has released the final guidelines for its PA Conservation Works! (PACW) grant program. Applications will be accepted until August 14th.

Eligible applicants include local governments, bodies authorized to act on behalf of two or more local governments, municipal authorities, incorporated 501(c)(3) non-profit organizations, county conservation districts, colleges and universities.

Qualifying projects are required to be shovel ready, create or retain jobs and reduce energy consumption by a minimum of 25%. Click [here](#) to view detailed grant eligibility requirements and eligible projects.

DEP Accepting Applications for Clean Diesel / Alternative Fuels Grants for Airports

DEP is offering nearly \$500,000 in financial assistance to Pennsylvania airports and airlines wishing to undertake innovative, advanced fuel and vehicle technology projects for cleaner ground service equipment.

Airports and airlines may use the funding to replace or repower engines on dedicated ground service equipment such as baggage handlers and tow vehicles, apply the funds toward the purchase cost of alternative fuel or electric vehicles, or to install fleet refueling or recharging

equipment. Projects may take as long as 12 months but must be completed no later than Sept. 30, 2010.

Applications are available electronically at www.depweb.state.pa.us, keyword, "Alternative Fuels." Completed applications must be mailed to Kelley Matty, Division of Air Resource Management, Bureau of Air Quality, Department of Environmental Protection, 12th Floor, Rachel Carson State Office Building, 400 Market Street, P.O. Box 8468, Harrisburg, PA 17105-8468. Applications must be postmarked or received by 4 p.m. on Aug. 14.

EVENTS

DOE Webcast July 29 for State and Local Officials: "How to Estimate the Economic Impacts from Renewable Energy"

The U.S. Department of Energy's (DOE) Technical Assistance Project (TAP) for state and local officials is offering a webcast on how to use a DOE-developed tool to estimate the economic impacts from electric power projects, including renewable energy generation. The presentation will take place Wednesday, July 29, from 3:00 to 4:15 p.m. The presenters will be Gail Mosey and Eric Lantz from the DOE National Renewable Energy Laboratory.

Attendees will learn how to use an online economic model-called Jobs and Economic Development Impacts (JEDI)-to predict the economic development impacts of renewable energy in your state. Specifically, participants will learn how to use JEDI to design and run an economic impacts analysis and interpret the results. Finally, attendees will see an example of an analysis that the presenters recently carried out using the JEDI Wind Model.

The webcast is free of charge, but participants must register in advance to obtain a URL for the presentation and call-in phone number. Participants can register online, find information about the presenters, and read background materials and reports on the TAP Webcast section of the DOE Weatherization and Intergovernmental Program Web site.

[Doing Business in a Carbon-Constrained World](#), August 7, Lewisburg, PA

Now is the time for you to assess not only your future energy use, but also the amount of carbon embedded in your energy sources, as Congress develops federal climate change legislation and Pennsylvania considers making adjustments to its clean energy law. Certain industries, sectors, and companies will be more heavily impacted than others, but the operations of all firms will be affected by these pending changes.

[Ag Progress Days](#), August 18-20, Rock Springs

Ag Progress Days is the state's largest outdoor agricultural exposition and is sponsored by Penn State's College of Agricultural Sciences.

[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.

[The Pennsylvania Natural Gas Summit: Planning for Progress -- Infrastructure and Water in the Marcellus Shale](#), November 16-18, State College, PA

This summit will provide a forum to discuss and identify water, infrastructure, local government, legal and business issues, and impacts related to Marcellus Shale development in communities and regions.

This event is specifically for attorneys, legislators, legal authorities, county and municipal elected officials, planning officials, and members of county or community task forces, chambers of commerce, industry representatives, and community groups. To register, or for more information, visit www.program.psu.edu/natural-gas or call 800-PSU-TODAY (778-8632).

NEWS CLIPS

[Algae Biofuels Legislation Introduced](#)

[Northampton County to Receive Brownfields Grant For Contaminated Land Clean Up and Local Job Creation](#)

[Pocono Raceway Unveils Plans for Solar Farm](#)

[Energy Companies Bullish on Marcellus Shale](#)

[FERC to Study Gaps in Power Grid](#)

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