



Alternative Energy Report

October 23, 2008
Volume 2, Issue
22

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ERG

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Crush Time Approaches for Camelina Project

The first crushing of camelina from the first harvest of this new Pennsylvania crop is expected in early November, according to Joel Hunter, an agronomist with the Penn State Cooperative Extension Service in Meadville. Hunter told attendees at the Energy from Biomass and Waste Conference that the crop is being grown in northwest Pennsylvania as part of an effort to expand the ability of Pennsylvania agriculture to share in the promise of commercial biodiesel production.

Hunter said Lake Erie Biofuels, the largest biodiesel producer east of the Mississippi, had contacted Penn State about the possibilities of the crop. "I'd never heard of camelina when we got a call from Lake Erie Biofuels asking whether or not it could be grown in the area," he said.

"The driver for us is that most of our oil sources now come from surrounding states, and transportation is a huge cost," said Mike Noble, Lake Erie Biofuels' operations and sales director. Lake Erie is at full capacity production, processing about 10 percent of the nation's biodiesel. "We were interested in seeing if we could develop a locally based feedstock while helping Pennsylvania farmers add to their income from lands that might not otherwise be as productive."

Camelina holds the promise of expanded income for Pennsylvania farmers, while providing essential feedstock for the growing biodiesel industry. The plant, also known as Gold-of-Pleasure or false flax, is native to Northern Europe and Central Asia. It is a member of the mustard family and grows seeds that are 35-40 percent oil, as much as twice the oil of soybeans, with a high percentage of Omega 3 fatty acids. Like Canola, however, camelina seeds are very small, with as many as 400,000 seeds in a pound.

The Lake Erie/Penn State effort is a pilot project to test the value of camelina as a Pennsylvania crop. The project coordinators hoped this year to identify the costs and viability of camelina production in Northwest Pennsylvania, proper crop protection and harvesting methods, and whether the resulting oil would be usable in biodiesel production.

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Sen. Rhoades Dies After Car Crash, Remains on Ballot

Last week State Senator James Rhoades of Mahanoy City (R-Schuylkill) died of injuries sustained in a car crash. He was 66.

Sen. Rhoades was a strong advocate for his constituents, and took a leadership role in issues from education to health care to energy. He had a significant impact on programs that affected the state's economy while always keeping an eye on the effects of state programs on working Pennsylvanians. Sen. Rhoades' passing leaves a large void in the Senate, and ERG sends its condolences and prayers to his wife and friends.

Rhoades and his wife, Mary Edith, were en route to receive an award during halftime of a high school football game when they were involved in an accident. Both were flown to Lehigh Valley Hospital-Cedar Crest in Allentown. Rhoades' wife only sustained minor injuries.

First elected to the state Senate in 1980, his district includes all of Schuylkill County and parts of Berks, Carbon, Lehigh, Monroe and Northampton counties. Rhoades served as Education Committee Chairman and was also on the Appropriations, Energy & Natural Resources, Transportation and Law & Justice Committees.

Funeral Arrangements for Senator Rhoades have been made. Visitation will be held from 4pm-9pm Friday night at the Mahanoy Area High School. Mass of Christian Burial will be held Saturday morning at 11am at the high school.

Rhoades was running for reelection against Democrat opponent P.J. Symons. Due to the short timeframe between the Senator's untimely death and general elections, his name will remain on the ballot.

Energy from Biomass and Waste Conference Held in Pittsburgh

The partners in Energy Resources Group (ERG), recently participated in the 2nd Annual Energy from Biomass and Waste Expo & Conference (EBW) held at the David L. Lawrence Convention Center in Pittsburgh to discuss emerging technologies and new business opportunities.

EBW is an international conference designed to focus on the many possibilities of using biomass and waste to generate energy, through thermal, electric generation, development of syngas products, biofuels and more. The conference was attended by more than 300 companies from around the world, and featured more than 50 exhibitors and sponsors involved in generation of energy from biomass and waste. During the two day conference, seven different sessions were held with experts in these fields providing information and updates to conferees. Two of ERG's partners took part in these conference sessions.

John Nikoloff, partner in ERG, a Harrisburg-based strategic consulting firm focused on assisting clean energy companies to grow, led a session entitled "Funding Opportunities for Alternative and Clean Energy Projects in Pennsylvania," where he discussed the vast opportunities before Pennsylvania and its potential to utilize its waste and biomass resources and become a national leader in responsible energy generation and renewable fuels production.

"Programs created by the Alternative Energy Investment Act can help make this a reality through grants, loans and other incentive programs," Nikolof said. Although he noted that the bulk of funding for these programs would not be available until spring of 2009 at the earliest, due to the current situation in the bond markets.

In addition, the federal Economic Stimulus Bill (H.R.1424), also known as the "bailout bill," which recently became law included several tax credits and incentives for renewable energy production that should help hasten the use of waste-to-energy and biomass technologies. The bailout bill authorizes \$2 billion in new Clean Renewable Energy Bonds for facilities producing electricity from resources including biomass, landfill gas and trash combustion.

Hosted by the German firm Freesen & Partner GmbH in conjunction with Pittsburgh's Steel City Biofuels, Pennsylvania State University and USDA, the three-day international EBW event provided a variety of speakers, forums and displays designed to provoke dialogue on the economic and environmental benefits of various energy conversion technologies.

Energy Investments – State Role Has Changed

The Wall Street debacle has undercut the value of shares in solar and wind power companies, biofuels companies and other renewable energy stocks significantly – in some cases, percentage drops have been even more than the market average. But this decline in market value has no real basis in the records or the potential of renewable and alternative energy companies – it appears to be more driven by the fears of investors in general. The concern from this end is that the market crisis may create longer term difficulties in getting commitments for ongoing investments in renewable energy. When there is nationwide – worldwide uncertainty over the ultimate cost of borrowing, investments tend to be even more closely vetted and less easily locked in.

The current credit crunch is problematic across the economy, particularly so for many renewable energy – whether solar, wind or biofuels - where the vast majority of the

cost is upfront capital. This makes the cost of capital even more important to any kind of reasonable ROI, and that can make the difference between success and failure of an otherwise viable project.

As recently as this summer, with gas and oil prices soaring to near \$140 per barrel, wind farms were even more appealing – guaranteed electricity prices appeared to be a sure thing for investors, but more recently, it's a different story – a senior vice president of a major investment firm, FBR Capital Markets, was quoted in the New York Times today: “Natural gas at \$6 makes wind look like a questionable idea and solar power unfathomably expensive.”

In the renewable and alternative energy field, investments normally come in stages – ERG was formed in recognition of this fact. Companies involved with advanced technology operations, new processes, community based systems, and facilities have traditionally found early money in their key partners, but then had to find second and third stage funding before qualifying to incur major debt to finish pilot projects, take products commercial, or build facilities that cost hundreds of millions of dollars.

The volatility in the market has made commitments to future funding difficult, and in the short term, made financial benchmarks for early stage firms difficult to reach.

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PEDA Grants Announced

After years of inactivity, Governor Rendell reactivated PEDA in 2005 to help spark innovation and economic development in Pennsylvania's energy industry. Since that time, PEDA has approved 105 grants and loans totaling more than \$44 million for clean energy projects.

Earlier this week, nearly \$12 million in alternative clean energy projects that will create at least 1,200 full- and part-time jobs and attract nearly \$118 million in private investment were announced.

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

ASTM Issues Four New Biodiesel Quality Assurance Standards

Four standards are now available from ASTM International provide quality assurance for biodiesel. The specifications define properties and controls critical to the viable use of biodiesel blends in the marketplace and should lead to confidence among consumers and engine manufacturers that biofuels will perform properly.

New standards include specifications for 5 percent blends for on and off road diesel applications as well as home heating and boiler applications, blends of between 6 (B6) and 20 (B20) percent for on and off road diesel applications and B100 quality prior to blending with conventional diesel fuel.

The widely used ASTM International diesel specifications have been in existence for decades with only minor changes to their contents. The Energy Independence and Security Act of 2007, which signed into law last December, as well as the US Environmental Protection Agency, both mandate certain ASTM specifications. Ethanol has been part of the gasoline specifications for years, but this is the first time biodiesel is part of the diesel fuel specifications.

Petroleum corporations, biodiesel manufacturers, engine companies, military representatives, government representatives, researchers and academics participated in the standards' development. And, more than 2,000-member ASTM D02 committee, which includes representatives from 52 different countries, reviewed and voted on the standards.

Marcellus Committee Formed

The Pennsylvania Oil & Gas Association and the Independent Oil & Gas Association

of Pennsylvania have announced the formation of a joint Marcellus Shale committee.

According to the organizations, the committee will represent the oil and gas industry in Pennsylvania on matters pertaining to the acquisition, exploration, drilling and development of the Marcellus Shale natural gas resource, as well as present a unified voice government and regulatory bodies. The committee includes small independent producers with historical expertise in the Pennsylvania oil and gas fields and larger national companies. The exact makeup of the committee was not revealed in a press release.

The Marcellus Shale formation covers roughly two-thirds of Pennsylvania and has about 150 trillion cubic feet of gas, according to the state Department of Environmental Protection. The United States uses 23 trillion cubic feet of natural gas a year.

GRANTS

DEP Accepting Applications for 2009 Environmental Education Grant Program

Applications are now available for the Department of Environmental Protection's 2009 environmental education grants, which support projects and programs that increase environmental awareness and understanding in Pennsylvania's communities.

Grants will range from \$3,000 to \$20,000 and support programs that promote environmental education in Pennsylvania. The deadline to submit a pre-application form for the grants is Dec. 12. Beginning Jan. 16, DEP will notify approved pre-applicants to prepare a full application to submit to the department by March 6.

EVENTS

[Energy Coordinating Agency's Annual Energy Services Conference](#), Oct. 24, Philadelphia

"Conservation is Survival" is the theme of the annual Energy Services Conference. Highlights include a discussion of the new statewide energy conservation programs for all homeowners, interactive demonstrations of energy audit equipment and a look at how the end of electricity rate caps will affect homeowners. The \$30 fee includes breakfast.

[Pennsylvania Wind Energy Symposium](#), Nov. 17-18, State College

Economic development professionals, industry representatives, business owners, research and community groups can learn more about the business case for wind-energy industry; key technical and development challenges in harnessing wind energy; the supply chain needs of the industry; workforce required; the role of renewable energy sources in addressing the need to reduce greenhouse gas emissions and more.

NEWS CLIPS

[Small businesses grants to improve energy efficiency announced](#)

[Pickens right about wind energy](#)

[Energy diversification best for US](#)

[Clean Air Council chief says new electricity transmissions lines would accelerate climate change](#)

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