



Alternative Energy Report

October 29, 2009
Volume 3, Issue 9

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

PENNSYLVANIA POLLING

Don't forget to Vote on November 3!

CFA Grinds to a Halt over Alternative Fuels Blending

The Commonwealth Financing Authority Board met on October 21, but failed to take action on any projects, after DCED Secretary Cornelius announced that they board did not have a quorum to conduct business. Under the rules of the CFA, unless the Administration and all four legislative caucuses are present, business cannot be conducted.

Senate and House Republicans have refused to participate in further CFA deliberations until the Rendell Administration agrees to fund improvements and construction for storage and blending of alternative fuels under the Alternative and Clean Energy Program. Without their participation, the CFA can take no action to approve grants or loans under any of its programs.

The Administration has taken the position that unless a facility actually manufactures ethanol or biodiesel, it does not qualify for ACE program funding. Led by Senate President Pro Tempore Joe Scarnati, the caucuses are insisting that the clear legislative intent of the bond program was to provide these funds.

The biodiesel volume standards have created an unfunded mandate for investment in biodiesel infrastructure now, rather than when the marketplace might have dictated. Overall investments by the storage, blending and distribution sector in Pennsylvania will be in excess of \$200 million to comply with state and federal requirements for renewable fuels. The terminal, storage and distribution companies have only three alternatives - invest, lose sales or lose their on-road diesel business.

ERG first proposed this funding in March of 2007 after meeting with biofuels and oil companies, anticipating the need for blending and storage if alternative fuels blends were to be successfully distributed to end users. Hopefully the Commonwealth will recognize this contribution and provide additional support and matching funding to alleviate some of this financial burden.

Approvals of grant applications for High Performance Buildings, Solar Energy and Building PA Fund Managers Projects were all blocked due to this latest stalemate between the General Assembly and the Governor.

If the impasse is resolved, the CFA Board will next meet November 10 to consider the above programs as well as new applications for the Alternative and Clean Energy program and the state Renewable Energy Program, which funds wind and geothermal projects.

Upcoming CFA Meetings and deadlines:

November 10 - Renewable Energy (Geothermal and Wind); ACE; Building PA Fund Managers Projects

December 17 - High Performance Buildings; Solar Energy; Building PA Fund Managers Projects

January 21 - ACE; Renewable Energy Programs (Geothermal and Wind) - Applications due Nov. 23

February 17 - Solar and High Performance Buildings - Applications due December 18

March 18 - ACE and Renewable Energy; Applications due January 15

Applications must be received 60 days prior to the meeting at which it will be considered.

Pennsylvania to Receive More Than \$233 Million for Smart Grid Technology

This week, the federal government announced that Pennsylvania will receive more than \$233 million under the American Recovery and Reinvestment Act to create a more efficient and reliable electrical system. The United States plans to invest \$3.4 billion in smart grid technology nationwide.

In Pennsylvania, the funding will be directed to five energy companies to support a broad range of projects to strengthen and upgrade electrical transmission and encourage conservation.

The electric grid delivers electricity from points of generation to consumers. "Smart grid" technology uses wireless sensor networks, software and computers to enable utilities to determine how much and where energy is being consumed, and if there are problems or blackouts in the network. Homeowners will be able to see how much energy they have consumed and adjust their consumption habits accordingly.

The largest award among Pennsylvania recipients is \$200 million to PECO Energy of Philadelphia to distribute "smart meters" to all 600,000 customers, upgrade its communication infrastructure to support a smart meter network, install 7 "intelligent" substations, and accelerate deployment of more reliable and secure smart grid technologies to reduce peak energy load and increase cost savings.

Click [here](#) to view other grantees.

Climate Bill Debate - Can the Dems Pull Together?

The climate change bill has a long way to go before final passage, and the road got a little longer this week as Sen. Max Baucus (D-Mont.), who's also chairman of the Senate Finance Committee, criticized the legislation sponsored by the environment committee's chairwoman, Sen. Barbara Boxer (D-Calif.), and Sen. John Kerry (D-Mass.), saying he had "overall concerns" about the proposal.

"We cannot afford the unmitigated impacts of climate change, but we also cannot afford the unmitigated effects of legislation," Baucus said during the first in a series of climate change hearings this week before the Senate committee.

As one of the Senate's most powerful moderate Democrats, Baucus is a particularly influential voice in the climate debate, as Democrats from coal and manufacturing states have raised concerns that the legislation unfairly favors electric utilities serving the coasts. And as Finance Committee chairman, Baucus has a major stake in the financing of a cap-and-trade proposal. His committee plans to hold hearings on the legislation.

[MORE...](#)

Draft Global Warming Bill Released

Late Friday, Sens. John Kerry and Barbara Boxer released a complete draft of their global warming bill, with details on how emission allowances would be distributed around the economy in a mandatory cap on GHGs, setting the stage for Boxer to move the measure through the Senate Environment and Public Works Committee quickly.

Click [here](#) to read a summary of changes. Click [here](#) to read the bill.

25x'25 Recommends Improvements to Kerry-Boxer Legislation

This week, the National 25 x '25 Alliance, with a goal of getting 25 percent of our energy from renewable resources like wind, solar, and biofuels by the year 2025, called S 1733 (the Kerry-

Boxer Climate Change bill) "a work in progress that will need serious modification" before it can maximize the role of farms, ranches and forestlands in reducing the nation's carbon footprint and combating global climate change.

The Alliance said that S. 1733 fails to explicitly exclude the U.S. agriculture and forestry sectors from rules that cap emissions, and to allow the sectors to deliver quick, low-cost, greenhouse gas (GHG) emission reductions in a volume significant enough to help meet the national goal established in the bill, which starts at 20-percent below 2005 emission levels by 2020.

According to 25 x '25, the offsets title of S. 1733 falls far short of ensuring a viable program that is a key opportunity for the agriculture and forestry sectors to contribute and benefit. Lawmakers must address the entire set of biological sequestration offset issues inherent to a cap-and-trade regulatory system. Biological offsets can only be delivered in the quantity expected and at the prices desired if the program is designed to be operationally efficient.

25 x '25 also said that any cap-and-trade system must address operationally and environmentally acceptable duration (the so-called "permanence" issue); leakage; the potential for reversal and program risk management mechanisms; liability immunization for both offset buyers and sellers; and offset-to-allowance (one-for-one exchange equivalence, also known as fungibility).

[MORE...](#)

REPORT: Renewable Energy Standard Supports Farming and Forestry Sectors

University of Tennessee's Bio-Based Energy Analysis Group announced findings of a research project focused on a national renewable energy standard, stating that such a measure would create significant market opportunities for biomass from the agricultural and forestry sectors, and have a positive effect on farm income. Click [here](#) to read the study.

Shipping Industry Fights EPA Proposal to Cut Emissions

An Environmental Protection Agency proposal that would compel vessels on the Great Lakes to burn cleaner fuel and upgrade their engines has sparked a furious behind-the-scenes lobbying effort -- with lawmakers allied with Midwestern and Alaskan shippers pressuring the EPA to back down and protect jobs, The Washington Post reports.

The outcome of the battle - which has delayed consideration of the EPA's budget - has implications for a region battered by unemployment and one of the Obama administration's key environmental strategies. Large vessels rank second only to power plants as to the health risk their air pollution poses, and the EPA estimates the proposal will produce more health benefits than those it has applied to off-road vehicles, diesel trucks and other sources. Great Lakes shipping industry officials say the cost of the new fuel and the engine overhauls needed to burn it would undermine their competitive edge and shift commodity transport to rail and truck.

GRANTS

PA Green Energy Works! Now Open to Applications for Large-Scale Solar Projects

The PA DEP Green Energy Works! Program is now accepting applications for \$7 million in federal American Recovery and Reinvestment Act funds to finance large-scale solar projects. All projects must create jobs, be shovel-ready within six months, and be completed within 24 months and before April 30, 2012. Eligible applicants are businesses, non-profit organizations, colleges or universities, local governments, rural electric cooperatives, and economic development organizations.

The application deadline for solar projects is November 6, 2009. Applications for all Green Energy Works! projects must be submitted via the Environmental eGrants system [here](#).

Environmental Education Grants Available

The PA DEP recently announced an environmental education grants program available to schools,

universities, county conservation districts, nonprofit organizations and businesses for 2010 grant awards. The funds underwrite environmental education projects promoting sustainable energy sources and technologies, air quality, watersheds and wetlands, Chesapeake Bay watershed nutrient and sediment load reduction, and carbon capture and storage. Grants range from \$7,500 to \$20,000.

Applications are due by December 18th. Click [here](#) for more information and an application form.

EVENTS

Fuel Cells Durability and Performance, December 8, Washington, D.C.

The 5th Annual Conference in the Knowledge Foundation's Fuel Cells Durability & Performance series will provide an interdisciplinary discussion forum for fuel cell developers, manufacturers and suppliers working in the fields of fuel cells. Click [here](#) for more information.

Mountain States Hydrogen Business Council to organize hydrogen energy conference at Energy & Environment Week, Pittsburgh, April 13-15, 2010

The Mountain States Hydrogen Business Council, a non-profit trade association, will develop and conduct the hydrogen energy conference at EEW. The EEW will include four topical conferences: hydrogen, bioenergy, recycling and energy efficiency. The EEW is designed to raise the profile and intensity of renewable energy in the United States.

The EEW Hydrogen Conference will include a two day program of speakers, panel discussions and a moderated debate of the critical issues in hydrogen today. The program, under development, will be posted shortly. Highlights include: keynote speeches from energy experts of the NETL, Carnegie Mellon University and a special seminar by the WVU Alternative Fuel Training Center. The program also includes demonstrations of hydrogen fueled vehicles and fuel cells.

The Energy and Environment Week (EEW) includes five days of site tours, conference sessions, interactive workshops and exhibits. The focus is on the commercialization of hydrogen and fuel cells, energy and materials recovery from waste and biomass, and the potential of energy efficiency technologies for climate protection and cost cutting. More information: www.ee-week.com

15th Annual National Ethanol Conference (NEC), February 15-17, 2010, Orlando, FL. NEC is the premier conference dedicated to delivering the most accurate and timely information on marketing, legislative, and regulatory issues impacting the ethanol industry. Registration for the event is \$550 for RFA members, \$650 for nonmembers. Click [here](#) for more information.

NEWS CLIPS

[Specter, Casey keep coal in mind](#)

[Solar roofer to open plant in Montgomery County](#)

[DOE and National Labs Release New Data on Commercial Building Energy Goals](#)

[Local wind projects come to standstill](#)

[First Energy-Producing Windmill Up in Greene County](#)

[FERC chairman offers Capital Hill briefing on competitive electricity markets](#)

[Microgrids Will Attract Investment of \\$7.8 Billion by 2015, According to Pike Research](#)

[Nuclear energy becomes pivotal in climate debate](#)

[Business Roundtable urges greenhouse gas reduction](#)

[DOE Releases New Versions of EnergyPlus and OpenStudio](#)

We're on the Web!
See us at :
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