



## Alternative Energy Report

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**Power Politics**  
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### And so it Goes...

Pennsylvania remains without a final budget or funding for state-related institutions, two months after a "budget" was signed into law. Appropriations have still not been finalized, and legislation establishing table games to fund these items, remains in limbo.

House Democrats announced Thursday that they did not have the votes necessary and that they would return to continue work on Monday. The House is now scheduled for voting sessions December 14-19. Democrats did not have enough members in town to get the 102 votes they need to move the legislation on Thursday, and there are reports of some division in the Democratic ranks over what the final legislation should look like.

House Republicans had tried to get votes on the appropriations bills to fund state-related universities, but on a series of very close votes, those motions were defeated. The GOP also noted that several of those universities are prepared to send out supplemental tuition bills for students to make up for the lack of state funding.

Governor Rendell said this week that given the current ongoing monthly revenue shortfalls, there could be midyear budget cuts or freezes, and that rolling layoffs were a possibility, and called for the table games legislation as a precursor to university funding. Earlier in the week, the House Democrats said holding off funding for the universities until the table games bills were passed would give them leverage in negotiations with Senate leadership.

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### Legislative Agenda Items

With only a week or two before the New Year, a few energy-related items of interest are on still on the legislative agenda:

- The Senate Agriculture Committee has scheduled a hearing on Dec. 15 to consider the nomination of Russell C. Redding as Secretary of the PA Department of Agriculture.
- Rep. Greg Vitali (D, Delaware) held a press conference Monday regarding a vote on House Bill 80, and is hoping to move the bill before the Holiday break. The bill amends the Alternative Energy Portfolio Standards Act, but with more than a dozen amendments already filed, it is uncertain if the bill will be called up for a vote, or if it is, what form the final bill might take.
- House Bill 20, which with amendments, would have required utilities to offer payment-deferral plans to their customers appears to be on permanent hold. The Governor had called for "some sort of phase-in" of rate increases, and said he had asked legislative leaders to address the issue. The deferral plan outlined in McCall's amendment would allow consumers to opt to spread any increase in electric rates over three years.

### State Announces Green Energy Works! CHP Grant Recipients

\$12 Million in Recovery Act Funds Leverages \$15.7 Million for Nine Combined Heat, Power Projects

Nine new large-scale heat and power projects announced this week by Governor Rendell will create enough energy to power 180,000 homes for one year and slash carbon dioxide emissions equal to 180,000 passenger vehicles while creating jobs and stabilizing power distribution networks.

The combined heat and power, or CHP, projects will receive more than \$12 million from the American Recovery and Reinvestment Act through Pennsylvania's Green Energy Works! Grant program.

Combined, the nine projects will create nearly 15 megawatts of power capacity and generate more than 1.8 million megawatt hours of electricity over their lifetimes - enough to power 180,000 homes for one year. Putting the generated power to more efficient use onsite reduces electricity draws and increases the stability of local power distribution networks. The projects will reduce carbon dioxide emissions by more than 1.1 million tons - the equivalent of the annual greenhouse gas emissions from 180,000 passenger vehicles.

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### **US Congressman Asks DEP for Info Regarding Marcellus Shale Drilling**

U.S. Rep. Joe Sestak (D-Media), a candidate for the U.S. Senate, wrote to state Department of Environmental Protection Secretary John Hanger seeking copies of all inspection reports for Marcellus Shale drilling, including reports of all leaks and spills. The congressman also urged the department to make the reports and any related data "available and easily accessible to the public."

Sestak said the information will help him develop and evaluate legislation like the Fracturing Responsibility and Awareness of Chemicals Act, a House bill he has co-sponsored that would bring the hydraulic fracturing of natural gas wells under the regulation of the federal Safe Drinking Water Act. Sen. Bob Casey introduced a companion bill in the Senate in June.

Sestak said he sent the letter after DEP told his staff it would provide the reports and then did not.

"We know they have the information and I don't think there's any reason we shouldn't have it out there," he said. "There shouldn't be this delay at all."

Hanger said DEP "certainly also agrees that the public must have this information." He explained that data about inspections is public information and is posted online in a summarized form. Full inspection reports, as well as records of spills and accidents, are also public information unless the department is in the midst of an investigation, he said.

Asked about delays in providing the data, the secretary said the department does its "level best to respond promptly."

### **Gubernatorial Candidates Call for Natural Gas Production Tax**

According to the Pittsburgh Post Gazette, two Democratic candidates for governor issued calls this week for a tax on the burgeoning natural gas production anticipated in the state over the next few years. Such a tax was considered by the Legislature during this year's lengthy budget battle, but the governor and lawmakers decided to hold off on the tax in 2009. Although such levies are common in other gas-producing states, a variety of Harrisburg leaders said they were reluctant to tax an infant industry before it was firmly established in the state.

Businessman Tom Knox proposed a fee aimed at producing \$100 million annually as part of a series of energy policy recommendations. Montgomery County Commissioner Joe Hoeffel coupled his call for a 5 percent tax on the value of gas production with a series of proposals to guard against environmental degradation from the nascent but growing industry.

### **State Creates Green Energy Revolving Loan Fund**

Governor Rendell announced Thursday that the commonwealth will use up to \$12 million in American Recovery and Reinvestment Act funding to create a new revolving loan fund to support energy-saving projects and develop clean, renewable energy.

Because applicants must provide matching funds, the initiative will attract about \$18 million in private investments. The revolving loan fund will finance energy efficiency upgrades that will save at least 25 percent of the total energy consumption of an entire building or facility, and develop and install onsite energy technology that generates electricity from renewable resources, and create and retain jobs.

The state is seeking a qualified loan fund manager who can demonstrate experience in lending for energy efficiency and renewable energy projects; and the level of matching capital leveraged for the fund beyond the minimum requirement.

For more information, contact DEP's Office of Energy and Technology Deployment at 717-783-8411.

### **Copenhagen Climate Conference**

The 12 day United Nations Climate Change Conference (COP15) got underway this week in Copenhagen with a goal to establish a new global treaty to reduce greenhouse gas (GHG) reductions. The Kyoto Protocol is set to expire in 2013.

High hopes for the meeting were dashed a few weeks ago when some world leaders decided not to seek a binding climate change agreement in Copenhagen. Hopes have risen since then as two of the world's largest emitters, China and the U.S., have set emission reduction targets.

Climate talks came closer to failure last month after email leaks alleged that some climate scientists at Britain's East Anglia University manipulated data, which indicates to skeptics that climate research is flawed or even concocted. Scandal aside, most agree that the biggest point of contention among developed and developing countries will be how to fund measures to curb emissions and protect developing countries.

The United Nations hopes the agreement includes targets for developed countries, and a fund to help poor nations adapt, but even the host nation concedes the meeting may have to resume in six months to sign a new treaty to replace the Kyoto Protocol.

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### **January Deadline for GHG Data Collection Nears**

On January 1, 2010, the U.S. Environmental Protection Agency will, for the first time, require large emitters of GHGs to begin collecting data under a new reporting system. This new program will cover approximately 85 percent of the nation's GHG emissions and apply to roughly 10,000 facilities.

EPA Administrator Lisa P. Jackson said EPA's new reporting system will provide a better understanding of where GHGs are coming from and will guide development of the best possible policies and programs to reduce emissions. The data will also allow businesses to track their own emissions, compare them to similar facilities, and provide assistance in identifying cost effective ways to reduce emissions in the future. This comprehensive, nationwide emissions data will be used to develop further federal policies.

Some source categories included in the proposed rule are still under review. At this time, electronics manufacturing, ethanol production, fluorinated GHG production, food processing, magnesium production, oil and natural gas systems, SF6 from electrical equipment, underground coal mines, industrial landfills, wastewater treatment, and Suppliers of coal are not subject to the rules.

EPA is not including any facility that has an aggregate maximum rated heat input capacity of the stationary fuel combustion units of less than 30 mmBtu/hr and no other emission sources within their boundary. Stationary combustion units include among others boilers, combustion turbines, engines, incinerators, and process heaters.

### **President Obama Announces More Key Energy Appointments**

This week President Obama announced his intent to nominate Patricia A. Hoffman as Assistant Secretary for Electricity Delivery and Energy Reliability, Department of Energy.

Hoffman was named Principal Deputy Assistant Secretary for the Office of Electricity Delivery and Energy Reliability at the United States Department of Energy in November 2007. The focus of her responsibility is to provide leadership on a national level to modernize the electric grid, enhance the security and reliability of the energy infrastructure and facilitate recovery from disruptions to the energy supply both domestically and internationally. Hoffman has 14 years of experience at the Energy Department developing and

managing technology research programs critical to the electric sector for the Office of Electricity Delivery and Energy Reliability as well as the Office of Energy Efficiency and Renewable Energy.

## **GRANT ANNOUNCEMENTS**

Nearly \$20 Million in Federal Funding Available to Spur Wind Energy Projects, Generate Orders for Manufacturers

This week the state announced that \$19.8 million in American Recovery and Reinvestment Act funding is now available for large-scale wind projects that will generate clean energy, spur new orders for the Keystone State's green energy manufacturers, and put Pennsylvanians back to work.

In describing the importance of supporting clean energy technologies, the Governor said this latest investment builds upon Pennsylvania's stature as one of the fastest growing states for wind energy in America.

"Pennsylvania has been recognized for the growth of our wind energy sector, with three new wind farms beginning operation this year and additional projects coming on-line in the near future," continued Governor Rendell. "Pennsylvania now has 595 megawatts of wind generation capacity, enough to power more than 178,000 homes."

The state ranked second in the nation for wind industry growth during the second and third quarters of this year. The Green Energy Works! Wind program is open to projects located in Pennsylvania that use grant funds matched with private investments for wind energy systems of at least 3 megawatts of capacity and use Pennsylvania goods and services to the greatest extent possible.

Funds may be used to purchase and install equipment for producing wind energy or distributing energy by covering interconnection costs and network upgrades. All proposals must be for a minimum of \$250,000 and may not exceed \$19.8 million. All projects must create jobs and be completed by April 30, 2012.

Guidelines and application materials are available at [www.recovery.pa.gov](http://www.recovery.pa.gov). Under the heading "Where is Your Money Going?" click on "Energy Independence." Applications must be submitted to the Department of Environmental Protection Grants Center-Green Energy Works-Wind, 15th Floor Rachel Carson State Office Building, 400 Market St., P.O. Box 8776, Harrisburg, PA 17105-8776. The application deadline is 4 p.m. on Dec. 31.

## **EVENTS**

Click [here](#) for a list of energy events...

## **NEWS CLIPS**

[Will U.S. get ahead of clean energy curve or will it miss its shot?](#)

[DOE places emphasis on algae development](#)

[Email leaks hang over Copenhagen Climate Conference](#)

[Copenhagen Climate Conference Praises EPA Carbon Dioxide Decision](#)

[Obama Pressed by Companies to Back 10-Year CO2 Peak](#)

[US says China must make cuts](#)

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