



## Alternative Energy Report

### **Corbett Budget – “Strategic Investment”**

Gov. Tom Corbett presented his \$29.419 billion 2014-15 General Fund budget proposal on Tuesday, which reflects a \$926 million increase over the current fiscal year. The Governor said his budget would “drive the values of strategic investment and prudent fiscal management to address the commonwealth’s core funding needs.”

“This commonwealth is the sixth-largest economy in the United States,” Corbett said. “And we’ll be running at full strength as long as we concentrate on three priorities: A great education for every child, a private sector where every business large and small can grow and hire, and a healthcare and human services system where everyone has choices and everyone is covered.”

The overall state budget includes invests \$12.01 billion in state funding for students in Pennsylvania’s early, basic and postsecondary education systems, an increase of \$387 million over last year’s budget. It also spends more than \$34.4 billion in total funds for health and human services programs.

Democrats, responding to the budget address, called the budget a “campaign budget, filled with one-year fixes.” They called for Medicaid expansion with federal funds now, and increases in public education and minimum wage. Democrats would finance the increases with a severance tax on natural gas, closing state tax loopholes on corporations, and cigar and roll your own tobacco sales taxes among other sources.

### ***Energy***

On the subject of energy, the Governor said, “in the space of a few years, our

state has also become the nation's second-largest producer of natural gas. Shale gas offers our country a chance at energy independence and greater economic security – and it's part of the all-of-the-above strategy we've put in place. Our state is energy-rich, and we need to harness all our resources – coal, wind, solar, nuclear, hydro and gas. [More...](#)

### **Topper Wins Special Election**

Republicans retained the Bedford County House seat vacated with the death of the late Rep. Dick Hess last week. Jesse Topper won the special election in the 78th District Tuesday and is now the new representative from the Fulton-Bedford-Franklin county-based district. A United Methodist Minister, Topper served on the Bedford Borough Council and as an officer of the county's Chamber of Commerce. He defeated Democrat Barbara L. Barron, a retired teacher from Everett, by a 4-1 margin. With Topper's election, the House is now controlled by the GOP with 111 members, to the Democrat's 92.

### **Wind Credits Expire and So Does Gamesa's Second State Plant**

Gamesa, Spain's largest wind-turbine manufacturer, announced plans to close a blade factory in Pennsylvania as a cost cutting measure, noting that much of their business has moved to the west and south. This comes just a month after the U.S. Congress failed to extend the production tax credit for wind power. Industry experts say that the close of the tax credit will likely slow demand for wind-energy equipment. The move set off a she said/he said round of political chatter and [news stories](#) from Democratic gubernatorial candidates Katie McGinty and John Hanger, and Governor Corbett's Energy Executive Patrick Henderson.

### **Voith Completes PPL Hydro Expansion Project**

German company Voith Hydro has completed a \$440m expansion of PPL Generation's Holtwood Hydroelectric facility located along the Susquehanna River. This project is expected to boost US hydro-electric capacity from

### **Energy Events**

#### [National Ethanol Conference](#)

February 17-19,  
Orlando, FL

#### [International Biomass Conference & Expo](#)

March 24-26,  
Orlando, FL  
\*Early Bird  
Discount ends  
Monday, Feb 10

#### [International Fuel Ethanol Workshop & Expo](#)

June 9-12,  
Indianapolis,  
Indiana

#### [National Advanced Biofuels Conference & Expo](#)

October 13-15,  
Minneapolis,

108MW to more than 230MW. The upgrades to the 100-year-old-plant will allow easier passage for fish traveling up or downstream.

“Holtwood is a terrific example of how hydropower development can not only provide jobs and clean energy but improve the environment and surrounding habitats at locks and dams that have existed for decades,” said Voith Hydro president Kevin Frank. “We are proud to have provided the fish-friendly turbines, generators and automation equipment for this historic expansion of an iconic hydroelectric facility.”

### **Elk County Well to Take Fracking Wastewater**

Seneca Resources Corp. has received federal approval to operate a new drilling wastewater injection well in Elk County, and more of those deep injection wells for the disposal of Marcellus and Utica shale gas drilling wastewater are on tap for Pennsylvania. [More...](#)

### **Governor’s Office: Regulatory Agenda**

The Governor’s Office published a list of agendas of regulations under development or consideration that represents the Administration’s present intentions regarding future regulations. The full list can be found in the [Pennsylvania Bulletin](#).

### **Federal News**

#### **Congress Passes Farm Bill**

On Tuesday, the U.S. Senate approved the conference report for the 2014 Farm Bill by a vote of 67 to 32, following swift passage of the bill from the House in late January. President Obama is scheduled to sign the bill Friday during a ceremony at Michigan State University. The final pen stroke will end the nearly three-year process to enact a new five-year Farm Bill.

“Today, in a strong bipartisan vote, the U.S. Senate came together to pass a comprehensive Farm Bill – legislation

Minnesota

Email [info@pa-erg.com](mailto:info@pa-erg.com) to submit an event.

### **News Clips**

[Rep. Vitali: Pa shirks duty on climate change plan](#)

[Corbett hopes to raise \\$75M through natural gas leases in state forests. parks](#)

[Greens hit Obama on energy plan](#)

[Energy Department Offers \\$3 million to find new geothermal sources](#)

that will build on the historic economic gains in rural America over the past five years, create new jobs and opportunities, and protect the most vulnerable Americans,” Obama said in a statement issued by the White House.

“This bill provides certainty to America’s farmers and ranchers, and contains a variety of commonsense reforms that my administration has consistently called for, including reforming and eliminating direct farm subsidies and providing assistance for farmers when they need it most. It will continue reducing our deficits without gutting the vital assistance programs millions of hardworking Americans count on to help put food on the table for their families. And it will support conservation of valuable lands, spur the development of renewable energy, and incentivize healthier nutrition for all Americans. As with any compromise, the Farm Bill isn’t perfect – but on the whole, it will make a positive difference not only for the rural economies that grow America’s food, but for our nation.”

Several biofuel, bioenergy and agricultural associations have spoken out in support of the Senate’s vote. Click [here](#) for more information on Energy Titles.

### **Changes Expected in Energy Committees**

The Senate on Thursday approved Montana Sen. Max Baucus's nomination to be ambassador to China. Baucus retirement is expected to help change the dynamic of the US Senate race in that state this fall, as the Democratic governor can now appoint a US Senator, perhaps Democratic Lt. Gov. John Walsh, who will then run as an incumbent this fall for a seat that was expected to turn Republican.

Baucus's confirmation may also result in revolving door chairmanship changes, with Energy and Natural Resources Chairman Ron Wyden of Oregon taking over Baucus's seat as Chairman of the Finance Committee, and Sen. Mary Landrieu of Louisiana assuming the

Chairmanship of the Energy and Natural Resources Committee. This would be seen as an advantage for Landrieu, who is also facing a difficult re-election run this November.

Meanwhile, two senior House Democrats said that they want to succeed Henry Waxman as the top Democrat on the powerful House Energy and Commerce Committee, setting up an intraparty battle to defend policies from carbon reduction and climate change to Obamacare.

Reps. Frank Pallone (D-N.J.) and Anna Eshoo (D-Calif.) both announced plans to seek the chairmanship. And former Chairman John Dingell (D-Mich.), now 87, hasn't ruled out a run at getting back the chairmanship he held for more than 25 years.

The committee has the broadest portfolio in Congress, ranging from health care and telecommunications to energy and environment. The top Democrat on the panel will be responsible for defending the Affordable Care Act if Republicans retain control of the House next year, along with President Barack Obama's climate change strategy.

Pallone, the No. 3 Democrat on the committee behind Waxman and Dingell, has developed bipartisan relationships while serving as a party messaging master on the House floor. Eshoo is the No. 5 Democrat, but she has a strong ally in Democratic leader Nancy Pelosi. According to Politico, Rep. Mike Doyle (D-Pa.) who had helped Dingell battle to keep the post in 2008, said he didn't think he would try for the slot. "I think I would have been called by now if he was going to do it," Doyle said.

Pallone, who is now the top Democrat, opposite Chairman Joe Pitts (R-Pa.) on the Health Subcommittee, began reaching out to fellow Democrats shortly after Waxman announced he is retiring after this term.

Eshoo, like Waxman, has close ties to Pelosi, a fellow

Californian, and may have her support. Eshoo said she told Pelosi of her plans during halftime of Sunday night's Super Bowl game "and she was very excited for me." She represents a Silicon Valley region, which has both tech and biotech interests.

### **State of the Union: All of the Above Energy Policy**

President Obama highlighted natural gas and other "fuels of the future" in his State of the Union address last week, and pledged to set new efficiency standards for trucks and "cut red tape" to help businesses build factories that use natural gas.

Businesses plan to invest about \$100 billion in such factories, Obama said, challenging Congress to help by "putting people to work" building natural gas fueling stations, shifting vehicles away from foreign oil.

He called for an end to the \$4 billion a year in tax breaks for "fossil fuel industries that don't need it, so we can invest in more fuels of the future that do." Obama said his administration will work with industry to encourage job growth while protecting air, water and communities.

The president called climate change a fact, and touted carbon pollution reduction in the US over the past eight years, which he said was greater than any other nation. But he said Congress and the country should "act with more urgency," citing the droughts in the West and coastal communities dealing with floods.

The official Republican response from Rep. Cathy McMorris Rodgers, R-Wash. Called for lower energy costs for consumers. Sen. Mike Lee, providing a response sponsored by the Tea Party, said the President was blocking thousands of middle-class jobs in the energy industry as a favor to partisan donors and radical environmental activists."

### **Keystone XL Pipeline Comment Period Opens**

Just hours after the State Department released its environmental impact assessment, and opened the public comment period for the Keystone XL pipeline's National Interest Determination, several groups announced "comment drives" on the project, one environmental organization sued to get documents related to the project and at least 28 people ended up in the slammer.

### **EPA Hears From Public on Rule for New Power Plants**

EPA held a public hearing Thursday on its proposed rule on greenhouse gas emissions from future power plants. Supporters and opponents were equally aggressive in their remarks on issues including whether carbon capture and sequestration technology is really at the point EPA says it is; whether the 2005 Energy Policy Act contains language legally blocking EPA from promulgating this rule; and what the impact on coal jobs, particularly in Appalachia, will be. The hearing is scheduled to run 11 hours at EPA's headquarters in Washington, DC.

### **EPA to Reconsider 2013 Cellulosic Standard**

The U.S. EPA has announced it is granting petitions for reconsideration of the cellulosic biofuel volume requirement under the 2013 renewable fuel standard (RFS). On Jan. 23, EPA Administrator Gina McCarthy issued two similar letters to the American Petroleum Institute and American Fuel & Petrochemical Manufacturers stating that the EPA has determined that their respective petitions demonstrate that "the statutory criteria for granting a petition for reconsideration are satisfied."

According to the EPA, API filed its petition Oct. 11, while the AFPM filed its petition Oct. 10.

In the letters, McCarthy notes that the API and AFPM identified relevant information in their petitions that became available after the public comment period closed, but within the time period specified for judicial review. That information cited in the letter refers to KiOR Inc.'s Aug. 8

announcement reducing its expected cellulosic fuel production for 2013. According to the EPA, that information justifies reconsideration of the 2013 cellulosic biofuel standard.

As a result, the EPA will reexamine the 2013 cellulosic standard. Within the letter, McCarthy said the EPA will initiate a notice and comment rulemaking to reconsider the cellulosic portion of the final 2013 RFS rule.

The petitions filed by the API and AFPM also asked for reconsideration of other aspects of the 2013 RFS. According to the letter, the EPA will respond to those components of the petitions at a later date.

The EPA published the final rule for the 2013 RFS standards in August, setting a cellulosic standard of 6 million gallons. Renewable identification number (RIN) data recently published by the EPA for 2013 indicates that approximately 422,740 cellulosic biofuel and 695,777 cellulosic diesel RINs were generated last year.

### **EPA Names Landfill Gas Projects of the Year, Includes Pa Project**

Through its Landfill Methane Outreach Program, the U.S. EPA has recognized three U.S. landfill gas-to-energy projects as being exceptional projects of 2013. LMOP describes its project-of-the-year designation as exhibiting innovation and creativity while contributing to job creation, providing energy savings and generating green power.

One of Pennsylvania's own, the Blue Ridge Renewable Energy Plant, received the 2013 Project of the Year award. Under this partnership, landfill gas supplier IESI Blue Ridge Landfill, power purchaser Borough of Chambersburg, and project developer PPL Renewable Energy worked together to bring a 6.4-MW LFG electricity project on line after seven months of construction.

Other award winners include the Gaston County Solid

Waste and Recycling Division in North Carolina, which was named the 2013 Community Partner of the Year for its Eco-Industrial Park, and the Seminole Road Landfill Renewable Fuels Facility in Georgia which was also named a 2013 Project of the Year.

As of July 2013, there were 621 operational landfill gas-to-energy projects and 450 sites with potential, according to LMOP. Generation of electricity from LFG makes up about three-fourths of the currently operational projects in the U.S.

### **SunShot Initiative Offers New Opportunities for Solar Stakeholders**

The Energy Department's SunShot Initiative has just announced two new opportunities for solar energy stakeholders to get involved in SunShot's work.

DOE is seeking feedback from solar industry stakeholders on the net internal and external costs and benefits of distributed solar photovoltaics (PV), including costs and benefits delivered to and from the electrical grid. DOE is also seeking input about innovative, cost-effective solar PV deployment models, such as shared and community solar.

Feedback will be used to help DOE identify additional ways to lower costs, expand access to ready markets, and aid in the development and dissemination of effective and replicable practices for distributed solar PV deployment. While this is strictly a request for information (RFI) and not a funding announcement, it builds on DOE's existing [SUNRISE program](#). Please see the [request for information](#) and [download a copy](#) of the questions .

DOE has released its official notice of intent that it plans to release a new Funding Opportunity Announcement soon for the second round of its [Solar Manufacturing Technology \(SolarMat\)](#) program.

## Events

### **Lessons from the Wellhead: Marcellus Shale Recent Legal and Industrial Developments**

The series is targeted at lawyers and non-legal professionals with an interest in the oil and gas industry. The events are open to the public.

- **February 10** – Royalty Owners' Rights and Lessor/Producer Relations with speakers Michael Joy and Joseph Scipione
- **March 21** – Trade Secret Protection and Fluid Chemical Reporting with speakers John Carroll and Andrew Bockis
- **April 25** – Capstone: The Global Field with invited Speakers: Elizabeth Ames-Jones, Tom Murphy, Pat Henderson, and Ross Pifer

They will be held in the Greg Sutliff Auditorium of the Lewis Katz Building in University Park, the Apfelbaum Family Auditorium and Courtroom of the Lewis Katz Hall in Carlisle, and the Penn State Extension Allegheny Office in Pittsburgh (also available via webcast). Click [here](#) to register.

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#### **ERG Partners**

223 State Street, Harrisburg PA 17101

(717) 233-8606 | [info@pa-erg.com](mailto:info@pa-erg.com) |

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