



Alternative Energy Report

Don't forget – April 22 is Earth Day!

Energy Related Bills Moving on Legislature's Return

The House and Senate remain on a two week spring Holiday break, but several energy-related bills are teed up for their return.

A package of natural gas leaseholder protection bills authored by Senator Gene Yaw (R-Lycoming) passed the Senate and now goes to the House for consideration. SB 1236 authorizes royalty interest owners to inspect records of gas companies to verify proper payments, SB 1237 prohibits gas companies from retaliating against royalty interest owners by terminating their lease agreements, and SB 1238 requires gas companies to file with the county Recorder of Deeds office when a lease is terminated. Similar legislation has been introduced in the House by Rep. Garth Everett (R-Lycoming.)

In the House, a bill to amend air quality regulations by providing for the repeal of imposing low-RVP summer gasoline standards in the Pittsburgh region was amended and reported from the House Environmental Resources and Energy Committee. SB 1037, sponsored by Sen. Vogel (R-Beaver), was introduced to save customers in the region from having to pay more for the more expensive "summer gas," which is now only required in southwest Pennsylvania and a few counties in Maine. Gasoline prices in the seven-county region last summer ranged as much as 18.87 cents more per gallon because of the EPA mandate.

The bill would repeal the requirement for "summer gas" in the region from May 1 – September 15, and DEP would have to adjust volatile organic compound emission limits in other sectors to make up for the repeal. As amended, the bill would require DEP to start the process for amending the State Air Quality Implementation Plan within 60 days of the effective date of the act. Once the EPA approves the amended SIP, the Environmental Quality Board would have to adopt a regulation eliminating the low-RVP gasoline requirement in Western Pennsylvania.

Rep. Eli Evankovich (R-Westmoreland) said, "This long-standing policy has cost the people of southwestern Pennsylvania unnecessarily for too long." North

Carolina and Florida have recently passed repeals of similar requirements in those states, according to Committee Chairman Ron Miller (R-York.)

DCNR Releases Shale-Gas Monitoring Report

This week the Department of Conservation and Natural Resources (DCNR) released a report that gives “a snapshot” of the agency’s monitoring of shale-gas drilling activities and their impacts on economics and state forests in regard to water and air quality, recreation, plants and wildlife, soil, and other areas.

Private natural gas and oil wells in state forests pumped \$582 million into Pennsylvania budgets in five years, more than tripling the combined revenue of the prior 60 years, DCNR reported.

Royalty and lease payments for 2008 through 2012 came largely from 191 new drilling pads that tap into Marcellus and other shale gas reserves, according to the first Shale-Gas Monitoring Report from the Department of Conservation and Natural Resources.

The revenue matches Gov. Tom Corbett's hopes for natural gas development on public lands, said his energy executive, Patrick Henderson. He said Corbett projects about \$120 million in ongoing royalties for the 2014-15 budget year and wants to raise \$75 million more through new forest leases that would not be permitted to disrupt additional public surface area.

The report comes weeks before the General Assembly begins serious talks on budget must-haves and ways to generate new revenue. During Governor Corbett’s budget address in February, he proposed expanding drilling in and beneath state parks and forests. One option, that his administration feels could generate up to \$75 million in new revenue. During her testimony before House and Senate Committees, DCNR Secretary Ellen Ferretti was careful to note that the proposal is limited to no new or additional surface disturbance on state lands.

The report is “a first iteration of our measurements and is intended to represent a snapshot in time. Future reports are anticipated as more data are collected and analyzed and more trends are observed. Monitoring is a long-term

Energy Events

[Advanced Energy 2014](#)

April 28-29, Albany, NY

[Heating the Midwest Conference & Expo](#)

April 29-May 1, Green Bay, WI

[North Country Clean Energy Conference 2014](#)

June 4-6, Lake Placid, NY

[International Fuel Ethanol Workshop](#)

June 9-12, Indianapolis, IN

[HydroVision International](#)

July 22-25, Nashville, TN

[National Advanced Biofuels Conference](#)

October 13-15, Minneapolis, MN

Email info@pa-erg.com to submit an event.

News Clips

[Brad Koplinski signs anti-fracking pledge, first candidate for statewide office to do so](#)

[EPA moves toward possible methane emission rules](#)

effort and one that the department is committed to continue,” DCNR Deputy Secretary of Parks and Forestry Dan Devlin wrote in the preface to the report. Click [here](#) to review the full reports.

Related News:

Bipartisan Legislators call for Severance Tax

Citing a projected budget deficit, a bipartisan group of lawmakers from the House and Senate joined today to call on their colleagues to pass a Marcellus Shale gas drilling tax. [More](#)

Study: Methane releases from natural gas drilling higher than EPA estimates

Natural gas drilling at some sites in southwestern Pennsylvania released 100 to 1,000 times the amount of methane as the Environmental Protection Agency (EPA) has estimated for such operations, according to a new study. [More](#)

House GOP Policy Committee Holds Hearing on Smart Meters

Rep. Kerry Benninghoff (R-Centre) said he requested the hearing based on concerns raised by constituents.

At the hearing, held Monday, Terrence Fitzpatrick, President and CEO of the Energy Association of Pennsylvania testified that smart meter technology will provide customers information on energy use and prices, and that it became a priority of utilities through Act 129 of 2008. He noted that smart meters are being used throughout the nation, not just in Pennsylvania. Regarding concerns raised related to customer privacy and data security, Fitzpatrick told the committee that utilities can only make that data available to third parties with the customer’s consent.

Rep. Mike Reese (R-Westmoreland) prime sponsor of legislation that would remove the language in Act 129 that mandates smart meter installation, said he thought the mandate was an overstep of government to force it on companies and individual consumers.

Representatives of the Stop Smart Meters in Pennsylvania Coalition told lawmakers, that they believe

[Economics may hinder Berks County gas-to-liquids plant](#)

[ACEE Says Ohio Poised To Take a Big Step Backwards With SB 310](#)

[Ohio Geologists Link Small Quakes To Fracking](#)

[Officials voice concern about a severance tax on gas drilling](#)

smart meters are not safe and will continue to cause fires. One witness said more than 30 fires have been caused by smart meters in Pennsylvania, but at least one of the fires attributed to smart meters was found to be an electrical fire in a territory where smart meters have not been installed.

The Committee also heard from John Coleman, Jr., Vice Chairman of the PUC, who provided an overview of Act 129 and the installation of smart meters. He pointed out that the PUC mandated that the installed smart meters must have the ability to remotely disconnect and reconnect power; upgrade as technology advances; and communicate outages and restorations. Coleman also noted, "At a minimum, smart meters must be provided upon customer 'request' (if customer pays); in all 'new' building construction in a given service area; and to all other customers within 15 years." According to Coleman, the benefits of smart meters include elimination of meter reading costs, faster detection of outages, reduction in customer billing disputes, prevention and detection of theft of service, and the fostering of innovative products by third parties.

Coleman said the PUC had been notified in 2012 by PECO regarding some issues with its smart meter installation including overheating and property damage that was possibly caused by the smart meter installation. He noted that PECO halted its smart meter installation program while the PUC reviewed the program and how the issue was resolved. He added, "The PUC is not aware of any significant overheating incidents since the corrective actions were implemented." Coleman concluded, "The PUC is confident that the plans in place to install smart meters...are well-prepared and appropriately address any risk of hazard or damage."

Clean Energy Should Use Bond Financing

State and local bond financing could serve as a new model of financing for clean energy as federal subsidies decrease, the Brookings Metropolitan Policy Program argues in a paper just released.

"The time has come to explore a more decentralized, and potentially more durable, model for financing clean energy development," the paper says. "Bond finance is a

widespread, effective finance tool that begs for much more testing in the clean energy sector. The nation's development finance agencies, after all, know how to achieve financial scale in other infrastructure finance sectors and know how to sell financial instruments to Wall Street. The clean energy community should therefore link up with the development finance community and apply bond finance tools to a new national challenge." [More](#)

Shell Holds Public Meeting on Ethane Cracker Plant

On Wednesday Shell held public meetings in Beaver County to discuss its proposed ethane cracker plant. Although Shell first announced its interest in building a multi-million dollar petrochemical plant in Pennsylvania over two years ago, the company is still weighing its options, and had previously stated that a final decision could be years off.

The cracker plant would convert ethane from natural gas into more profitable chemicals which are then used to produce plastics, tires and other products. While the Corbett administration has been very supportive of the move, Shell wanted to reach into the community. Over 1,000 people attended the two meetings. Shell did not give a formal presentation, but rather had about 30 staffers to handle questions one-on-one.

PSU to Complete in Collegiate Wind Competition

The Pennsylvania State University will be one of 10 colleges to participate in the U.S. Department of Energy's Collegiate Wind Competition to be held next month in Las Vegas.

The Collegiate Wind Competition challenges undergraduate students from multiple disciplines to design, build, and test a wind turbine to perform according to a customized, market data-derived business plan; and to deliver formal presentations demonstrating their knowledge of key market drivers and deployment acceleration opportunities. Click [here](#) for more information, or to follow the competition.

Energy Efficient Solar Panels to Power Kreider Farms

Kreider Farms in Lancaster County is launching a solar power project that will increase energy efficiency for its

four Manheim chicken houses. The \$2 million project is set to begin this month and be completed by mid-summer. The solar panels will generate almost one megawatt of usable energy.

Kreider Farms has partnered with MBC Development of Schuylkill Haven and A1 Energy of Manheim, to install solar panels onto the roofs of its four chicken houses. The chicken houses, each of which measures about the size of a football field, will utilize 100 percent of the power from the solar panels for its needs, which encompass everything from fans and conveyors to lighting.

Pennsylvania Makes Energy Pitch to Texas

From the Forth Worth Star-Telegram: It's not often in Texas that you hear from an outside group who wants to brag about their state's energy industry. But a team from Pennsylvania visiting Dallas/Fort Worth did just that last week and with pretty good reason.

The group, on a tour that included the Fort Worth Chamber of Commerce and a Dallas gathering of site selection pros, was led by Alan Walker, Pennsylvania's secretary of community and economic development. No, they weren't on a corporate relocation mission like the ones Texas Gov. Rick Perry has undertaken in recent years. But it was corporate recruitment of a fashion.

Aside from the fact that the Keystone State is where the U.S. oil business started — Col. Edwin Drake drilled the first well in 1858 in Titusville — Walker has a pretty good story to tell. Pennsylvania is the nation's No. 4 coal producer and is No. 2 in electricity generation.

But the burgeoning Marcellus Shale has really put the state on the energy map. The natural gas field has zoomed past the Barnett as the nation's largest. And while the pipeline infrastructure didn't exist to immediately move that gas, an average of 8.5 billion cubic feet moved out of the field every day in 2013.

And that leads to one of Walker's best-selling points: Pennsylvania, he notes, is within an eight-hour drive of 50 percent of the population of North America. His point is that the customers for all that gas and whatever it's used to make are pretty close.

Walker's pitch to Texas companies, he said, was that it's a good spot for manufacturing and chemicals production. In just about his only dig at the Lone Star State, he politely pointed out that Pennsylvania has plenty of water.

DEP Urges EPA to Consider State Differences When Developing Framework for Emissions Guidelines for Existing Fossil Fuel-Fired Power Plants

The DEP has submitted a white paper to the U.S. Environmental Protection Agency, urging them to consider state differences and needed flexibility when developing emissions guidelines addressing carbon dioxide (CO₂) standards for existing fossil fuel-fired power stations.

"Under Governor Tom Corbett's leadership, Pennsylvania is continuing to make great progress in its efforts to position the state as a world leader in the new energy economy while ensuring that we continue improving our air quality and protecting public health," DEP Secretary Chris Abruzzo said. "A key part of this plan is maintaining the stable and diverse supply of electricity vital to our economy and national security."

President Barack Obama, as part of his Climate Action Plan, directed EPA to develop carbon dioxide pollution standards for both new and existing power plants. EPA released proposed standards for new power plants in January and is expected to release its proposal for existing power plants in June with a final rulemaking due by June 2015.

The department's white paper presents an innovative and flexible framework for achieving lower CO₂ emissions from existing fossil fuel-fired power plants and urges the EPA to preserve the authority and discretion of states in the development and implementation of emission control programs. To read the entire white paper, visit www.dep.state.pa.us, and click on "Air," then "Bureau of Air Quality."

Federal News

Court Upholds EPA Air Pollution Rule

A federal appeals court has upheld the Obama

administration's standards for curbing mercury and toxic air pollution from power plants. The U.S. Court of Appeals for the District of Columbia Circuit rejected a challenge to the rule, which was completed by the Environmental Protection Agency in 2011 and set the first national limits on air pollution emitted by coal and oil-fired power plants, specifically mercury, arsenic and acid gases. The agency estimates that the rule will prevent 11,000 premature deaths, 4,700 heart attacks and 130,000 asthma attacks annually.

Report: Oil, Gas Production on Federal Property Decreases

According to a Congressional Research Service report, crude oil and natural gas production has fallen on leased federal land and water over the past six years.

The report from the nonpartisan agency of Congress said oil production declined 6 percent from 2009 to 2013 on federal lands, while gas production decreased 28 percent. In that same time, crude oil production increased 61 percent on nonfederal land and gas production grew 33 percent, the CRS said in the report, which the House Energy and Commerce Committee released Wednesday.

The CRS partially attributed the difference in federal and nonfederal production to the fact that major gas shales are primarily on nonfederal land.

Renewables, Nuclear Must Triple to Save Climate, UN Says

The world needs to triple the energy it gets from renewables, nuclear reactors and power plants that use emissions-capture technology to avoid dangerous levels of global warming, United Nations scientists said.

Investments needed to keep climate change within safe limits would shave a fraction of a percent off annual global growth, the UN said yesterday in the third part of its most comprehensive study on warming. A delay in stemming rising greenhouse gases will cut chances to limit the global temperature increase, add to costs and lead to increasingly reliance on unproven technologies, they said.

"The longer we wait to implement climate policy, the

more risky the options we'll have to take," Ottmar Edenhofer, a co-chair of the 235 scientists who drafted the report, said in a phone interview from Berlin. "We need to depart from business as usual, and this departure is a huge technological and institutional challenge."

The UN said governments must accelerate efforts to build wind farms and solar parks and provide incentives to develop carbon capture and storage technology, or CCS, for fossil-fuel plants by making it more costly to emit carbon. The study aims to guide envoys from 194 nations next year as they devise a new accord to slash greenhouse gases. [More...](#)

Energy Grant and Loan Funding Announcements

New P3 to Boost the Home Energy Loan Market - Facilitate \$100 Million Program

Kudos to the State Treasury Department and AFC First Financial Corporation for their activity that led to an innovative national public-private partnership (P3) that could make it even easier to find lower-cost loans for home energy efficiency improvements. A national financing platform will for the first time bring low-cost, large-scale capital to government and utility-sponsored residential energy efficiency loan programs – which can be utilized by homeowners in states that participate.

The Warehouse for Energy Efficiency Loans (WHEEL) opens the residential energy efficiency finance market to large institutional investors – bringing low-cost capital to loans for home energy efficiency improvements. Loans will be made to consumers and the investment grade securities available to institutional investors.

WHEEL is the product of a years-long collaboration between leaders in the worlds of finance and energy, including Citi; the Pennsylvania Treasury Department; Renewable Funding; the Energy Programs Consortium; National Association of State Energy Officials and the U.S. Department of Energy. In addition, key financial support for the project was provided by Energy, Ford, Rockefeller, Surdna and William Penn Foundations.

"WHEEL makes financing programs simple for states,

utilities, contractors, and homeowners. Approved local contractors will offer low-cost financing directly to consumers. The loans will be purchased by Renewable Funding with a credit facility provided by Citi and the State of Pennsylvania Treasury.

WHEEL builds on Pennsylvania's successful Keystone HELP Loan program. The State of Pennsylvania has supported low-rate loans for energy efficiency improvements since 2006. These loans, originated by AFC First Financial Corporation, an energy efficiency lender, have helped more than 13,000 homeowners reduce their energy use – and provided the robust performance data necessary to launch the national WHEEL program.

"WHEEL demonstrates that innovative thinking by government, especially in partnership with the private investment sector, can save homeowners money, help the economy, create jobs, and reduce greenhouse gases," said Pennsylvania Treasurer Rob McCord, one of the architects of WHEEL. "WHEEL, which will increase access to low-cost capital for energy efficiency investments, is the culmination of a careful strategy by the Pennsylvania Treasury to develop a national capital market for energy efficiency loans. Capital market resources will now provide more loans to homeowners to improve their homes, save money, and reduce their energy bills."

The Pennsylvania Treasury Department is the custodian for more than \$100 billion of public funds on behalf of the Commonwealth of Pennsylvania. Since 2006, the Department has provided capital to the Keystone Home Energy Loan Program, which serves as a model program for WHEEL.

Founded in 1947 and based in Allentown, Pennsylvania, AFC First is a national leader in energy-efficiency and renewable energy lending and program management. It operates its EnergyLoan® program, in partnership with states, utilities, manufacturers and municipalities. Programs are offered through a network of over 5,000 approved contractors. AFC First is the nation's first private, non-utility Home Performance with ENERGY STAR sponsor, and the original approved originator and

servicer for WHEEL.

SEF Announces Zero Percent Financing for Energy Efficiency/Renewable Energy Projects

The Sustainable Energy Fund is inviting Pennsylvania not-for-profit and governmental entities to apply for a limited number of loans or leases at zero percent financing to complete energy efficiency or renewable energy projects.

Projects must reduce energy consumption of non-sustainable resources or generate energy from sustainable resources. Total available funding through the Sustainable Energy Finance Program is \$425,000 with funding ranging from \$5,000 to \$85,000. All applications will be graded using a merit-based matrix.

The Request for Applications will be available beginning Sunday, April 13, 2014 and can be downloaded at <http://www.theseef.org>. The deadline for submission is Monday, June 30, 2014 at 4:00 p.m. EST. Successful applicants will be announced on Thursday, July 31, 2014. Projects may include solar photovoltaic, lighting retrofits, HVAC upgrades and building envelope improvements, among others.

“Every dollar a not-for-profit or governmental organization spends on energy is one less dollar they have to further their mission,” commented John Costlow, Director of Technical Services, in making the announcement. “The Sustainable Energy Finance Program creates a low-cost opportunity for not-for-profits to reduce their energy consumption and reclaim those dollars in support of their programs.”

\$4B in Green Energy Support

The DOE has issued a draft request for applications of renewable energy and energy efficient projects, offering up to \$4 billion in federal loan guarantees to projects that reduce or capture greenhouse gas emissions.

The agency is looking for projects that will help advance electric grid integration with renewable sources, create more compatible biofuels and turn waste into energy. Projects that help enhance and extend the life of existing energy efficient facilities or that focus on improving the

efficiency of technologies that reduce pollution will also be considered.

The funding announcement opens a 30-day public comment period and a series of public meetings at DOE. The process is slated to for finalization this summer. The last renewable energy loans were offered in 2011.

\$10 Million for Technologies to Produce Advanced Biofuel Products from Biomass

The DOE has announced up to \$10 million in funding to advance the production of advanced biofuels, substitutes for petroleum-based feedstocks, and bioproducts made from renewable, non-food-based biomass, such as agricultural residues and woody biomass. This supports the Department's efforts to make drop-in biofuels more accessible and affordable, as well as meet the cost target equivalent of \$3.00 per gallon of gasoline by 2022.

Advancing and commercializing cost-competitive biofuels will help the Department work toward its goal of reducing current petroleum consumption in the United States by approximately 30%, and, in turn, enhance U.S. national security and reduce carbon emissions. For more information and application requirements, visit the [Funding Opportunity Exchange website](#).

DOE Announces \$15 Million to Help Communities Boost Solar Deployment

The Energy Department announced \$15 million to help communities develop multi-year solar plans to install affordable solar electricity for homes and businesses. Total U.S. solar energy installations reached 13 gigawatts last year. As the cost of solar energy continues to decline, more states and local communities are deploying solar energy projects to meet their electricity needs.

As part of the Department's SunShot Initiative, the Solar Market Pathways funding opportunity aims to help communities develop solar deployment plans that focus on cutting red tape, building strong public-private partnerships to deploy commercial-scale solar. Communities will establish innovative financing mechanisms and launch creative community-based initiatives, such as shared solar programs. Shared Solar

Programs give families and businesses the opportunity to own, lease, or purchase electricity from a share of a larger solar project – reducing overall costs and giving more consumers access to renewable power. More information on the Solar Market Pathways funding opportunity and application requirements are available [here](#).

\$4.4 Million to Support Next-Generation Advanced Hydropower Manufacturing

The DOE has announced \$4.4 million to support the application of advanced materials and manufacturing techniques to the development of next-generation hydropower technologies. Significant advancements in manufacturing over the past decade, such as the use of advanced materials, computer-aided design, and additive manufacturing technologies, have the potential to boost the performance of new, cost-effective hydropower technologies built to operate at small, distributed hydropower facilities. For more information on funding opportunities for water power research, development, testing, and deployment see the [EERE Water Power Program's financial opportunities Web page](#).

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