



Pennsylvania's Most Reliable Source for  
All Things Energy and State Government



## Energy Events

### [DOE Webinar on Compressed Natural Gas Infrastructure](#)

Sept 16 from 3-4pm EST

The Energy Department will present a live webcast titled "Compressed Natural Gas (CNG) Infrastructure Overview" to overview the costs and design of CNG fueling stations. No advance registration required.

Audio: 888-807-9760; participant passcode: 3693493.

### [Climate Change Advisory Committee](#)

Sept 16, Harrisburg, PA

### [Energy 2030 Summit](#)

Sept 23, 8am-12:30pm, Dirksen Senate Office Building Room G50, Washington, DC

### [Duff Park BioBlitz 2014](#)

Sept 26-17, Murrysville, PA

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

Oct 13-14, Minneapolis, MN

### [National Bioenergy Day](#)

Oct 22

### [Collaborative Stove Design Workshop](#)

Nov 4-7, Brookhaven National Laboratory, New York

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

Feb 18-20, 2015, Grapevine TX

## Energy on the Agenda

The House and Senate return to Harrisburg next week for ten (Senate) or eleven (House) days of session before adjourning for the election October 15. By law, this session of the General Assembly, and members' terms end at midnight on November 30.

Legislative leaders have told ERG Partners that controversy will be minimized, and legislative focus will be on bills that are almost universally supported. Even some bills passed by both chambers with near unanimous votes are on the block because of differences between the House and Senate in terms of values and intentions. It is highly unlikely that the General Assembly will return after the election for a sine die voting session, although that possibility still exists, and a session day or two may be necessary to give final approval to actions taken before the election, and to hold caucus elections to determine leadership for the 2015-2016 session.

Despite the limited number of days on the calendar, a few energy related items are still on the agenda. Through this session, ERG has been tracking 215 separate pieces of legislation that would impact alternative and renewable energy in the Commonwealth.

On Monday, House Environmental Resources and Energy will meet to consider:

- HR 925, a resolution directing the Joint State Government Commission to conduct a study and report on the scale and impact of wind turbines in this Commonwealth.
- HB 1565, to amend the Clean Streams Law further providing for potential pollution.
- SB 1155, to amend the Surface Mining Conservation and Reclamation Act establishing the Aggregate Advisory Board.

On Tuesday, the committee will hold a public hearing on the EPA coal regulation in Harrisburg on Sept. 16. Their [Senate counterpart](#) held similar hearings on the EPA regulations in August.

On the electoral front, ERG Partners must note the whopping amounts of campaign cash flowing into both Corbett and Wolf gubernatorial campaigns. Through the early part of September, the two campaigns raised more than \$31 million. As an *Associated Press* story noted, "Of the \$13 million that Corbett has reported raising in 2013 and 2014, donors who gave at least \$10,000 accounted for two-thirds of that, or \$8.8 million, and of the \$18.1 million in donations that Wolf reported over the same period, the \$10,000 club,

[World Sustainable Energy Days](#)

Feb 25-27, 2015, Austria

Call for speaker deadline Oct. 10

[International Biomass Conference & Expo](#)

April 20-22, 2015, Minneapolis, MN

[International Fuel Ethanol Workshop & Expo](#)

June 1-4, 2015, Minneapolis, MN

[The Bakken-Three Forks Shale Oil Innovation Conference & Expo](#)

July 27-29, 2015, Grand Forks, ND

[International Congress and Expo on Biofuels & Bioenergy](#)

Aug 25-17, Valencia, Spain

## News Clips

[Airport coal fire illustrates costly cleanup across mine country](#)

[EIA: Marcellus production projected to exceed 16B cubic feet per day in October](#)

[Residents forced to evacuate after fire at western Pa. gas well pad](#)

[Va. climate change focus of meeting](#)

[Opening lands to renewable energy could make state a 'solar capital'](#)

[Hilcorp Energy drops Pennsylvania forced pooling request](#)

[Miles Driven now on upswing](#)

including himself, accounted for nearly all of it - \$16.6 million." Two polls released this week show Wolf with a more than 20 point lead over the Governor heading into the last 50 days before the election.

Meanwhile, requests for funds from all four legislative caucuses continue and expand, with dozens of fundraisers slated for the four weeks that the General Assembly will be in Harrisburg.

### CFA Approves More Than \$30 Million for Energy Projects

The Commonwealth Financing Authority on Tuesday approved more than \$30 million for grants and loans to energy projects in the state, including nearly \$10 million in grants for companies building or upgrading 22 fueling stations with compressed natural gas (CNG), with many along interstate corridors.

"We can help build out the infrastructure to try to address the chicken-and-egg situation," said Patrick Henderson, Gov. Tom Corbett's energy executive and deputy chief of staff. This brings the state grant totals for CNF and LNG stations to more than \$22 million. Record production from Marcellus shale has reduced natural gas prices, creating significant savings for commercial fleets if they can find fueling stations. Henderson said the Administration wants to help create those markets. There are currently 76 stations either in operation or under construction in Pennsylvania.

This week's grants under the Alternative and Clean Energy Program included five combined heat and power (CHP), two cogeneration projects, and three other hydropower, natural gas and fuel cell projects. Two high performance building grants were also approved by the CFA Board. ERG Partners' John Nikoloff said the continuing availability of these bond funds and successes of the program have reached well beyond the hopes of supporters when the program was conceived in 2008.

The CNG related funds awarded this week, came from the state's 2008 energy bond, which ERG Partners helped develop and promote. Since its first grant awarded, the Energy bond funds have delivered \$178,433,440 in grants and an additional \$35,897,585 in loans to Pennsylvania energy-related companies and projects. Of that total, \$53,568,270 in grants have supported solar projects, \$17,101,000 have supported geothermal or wind projects, and \$107,735,170 have been provided to other types of alternative and clean energy projects including biomass, biofuels, CHP and cogeneration projects, and various digester energy systems. The grants and loans from the program are available online [here](#).

### DEP to Host Listening Session on EPA Greenhouse Gas Reduction Rule Sept. 25

The state Department of Environmental Protection will host a listening session on Sept. 25 in Harrisburg to gather public comments on the EPA's proposed Clean Power Plan regulations to reduce greenhouse gas emissions prior to submitting the state's formal response to the EPA.

In April DEP submitted a white paper to EPA on this issue in an early round of comments solicited by EPA. Vincent Brisini, DEP Deputy for Waste, Air, Radiation and Remediation, also made a presentation to DEP's Citizens Advisory Council in July on the impact of the proposed rule on Pennsylvania.

Registered speakers at the listening session will be allowed up to 15 minutes to present

their comments to DEP on EPA's proposed Clean Power Plan rulemaking. To provide comments to DEP, contact Tammey Adams by sending an email to: taadams@pa.gov or call (717) 772-2725 by September 22.

### **New Natural Gas Fueling Station Opens in Philadelphia**

The first filling station for compressed natural gas (CNG) vehicles in Philadelphia opened to the public this week.

Gov. Tom Corbett joined officials from VNG Co. to announce the opening and to promote the use of natural gas vehicles in the region. While the state touts the second-largest energy field in the world, consumer demand has been slow to catch on.

Because natural gas is less expensive than gasoline and diesel, it is becoming increasingly popular with fleet businesses. VNG and Corbett hope that more availability to the general public will increase use all around.

"The convenience of a local CNG fueling station makes it possible for local governments, organizations, companies and residents to make the switch to this cleaner and affordable alternative fuel," Corbett said. "By harnessing natural gas, we are reducing greenhouse gas emissions, improving air quality and putting Pennsylvania at the forefront of American energy independence."

The VNG public fueling station was constructed in-part with a \$253,752 Alternative and Clean Energy (ACE) grant and \$169,150 ACE loan from Commonwealth Financing Authority (CFA) which is administered by the Department of Community and Economic Development (DCED). VNG provided matching funds of more than \$422,000.

VNG also received a \$270,000 grant from the Department of Environmental Protection to help buy 35 CNG vehicles for the company's partners – including Comcast and Aqua America – that have committed to fueling up at the new station.

### **Poll Fuels Severance Tax Debate**

During Tuesday's press conference, Gov. Corbett again addressed natural gas taxation, stating that he believes the public may be misinformed about how a severance tax on the natural gas would affect the state's drilling industry.

[A new poll from the University of Michigan](#) shows that most Pennsylvanians support a tax on natural gas production and do not believe that it would force the industry to leave the state. Corbett and many of his Republican counterparts believe the opposite to be true.

Corbett said that while he had not yet read the poll and therefore could not directly comment on it, that members of the natural gas industry have told him a tax could cut into profit margins that have already been sheared by low natural gas prices, forcing them to drill elsewhere.

"The low prices they're getting for the natural gas, they're going to go to the state that's the most competitive with the rigs," Corbett said. He went on to say that while he agrees that the industry will not leave completely, that a tax could slow down the pace of drilling, further limiting economic benefits.

This issue will likely be a major sticking point throughout the gubernatorial election this

fall, as the poll also found that 47 percent of Pennsylvanians surveyed gave Corbett a negative rating for how he has handled gas development. The state's Independent Fiscal Office had previously found Pennsylvania has one of the lowest effective tax rates on natural gas production in the country. However, Corbett argues that the industry already pays sales and corporate income tax, as well as an impact fee for every well drilled.

### **EIA: PA a Major Player in Record Production Levels**

On Monday, the Energy Information Agency reported that gas production from the Marcellus Shale will continue to reach record levels through at least October. The agency expects output to surpass 16 billion cubic feet per day in October, continue its climb from about 12 billion in at the start of this year. The majority of that production is from wells in Pennsylvania and West Virginia.

**Related News:** [Gas industry pushing back against severance tax](#)

### **State to Fund Study on Drilling Effects**

According to *StateImpact PA*, the state Department of Environmental Protection has approved a \$150,000 grant earmarked in the state budget for "independent research regarding natural gas drilling" to the Pittsburgh-based Shale Alliance for Energy Research (SAFER PA) which was formed as a partnership between industry and academia. Its board includes two representatives from Pennsylvania universities and five members from the oil and gas industry. SAFER PA's president, Patrick Findle, heads the Pittsburgh office of the Gas Technology Institute- an Illinois nonprofit that conducts research for gas companies. In 2012 Findle also served as the research committee vice chair of the Marcellus Shale Coalition.

The grant, according to DEP, is to include "a life cycle analysis of waste challenges related to shale development," and for creating "a web-based training module for erosion and sedimentation general permits associated with oil and gas development."

DEP spokesman Eric Shirk said, "They're going to be looking at waste trends from natural gas drilling, how much drill cuttings and water is produced. They're going to try to do some forecasting for the future -- what we can expect, landfill capacity, things like that. We're also going to look at having them involved in some training for us to increase efficiencies." [More...](#)

### **Penn State: Residual Hydraulic Fracturing Water Not a Risk to Groundwater**

Hydraulic fracturing – fracking or hydrofracturing – raises many concerns about potential environmental impacts, especially water contamination. Currently, data show that the majority of water injected into wells stays underground, triggering fears that it might find its way into groundwater. New research by a team of scientists should help allay those fears.

In a paper published in the current issue of the *Journal of Unconventional Oil and Gas Resources*, Terry Engelder, professor of geosciences, Penn State; Lawrence Cathles, professor of earth and atmospheric sciences, Cornell University; and Taras Bryndzia, geologist, Shell International Exploration and Production Inc., report that injected water that remains underground is sequestered in the rock formation and therefore does not pose a serious risk to water supplies. [More...](#)

### **State Announces 33 Incentive Grants for Alternative Fuel Vehicles**

Last week the state announced nearly \$4 million in Alternative Fuel Incentive Grants (AFIG) to 33 local governments, non-profit organizations and companies making the switch to compressed natural gas (CNG), propane, or electric, for medium to light-weight fleet vehicles.

The awarded AFIG grants will help pay for the conversion or purchase of 274 natural gas vehicles, 261 propane vehicles, and 23 plug-in hybrid or electric vehicles. An estimated 24 new fueling stations and 35 existing stations will be supported by these vehicles. AFIG grants are an annual solicitation, providing financial incentive for a variety of transportation projects with the result of reducing air emissions in Pennsylvania. Click [here](#) to view full list of AFIG recipients.

### **Farm Bureau Asks for Changes in PUC Alternative Energy Rule**

Pennsylvania Farm Bureau has submitted written comments to the Public Utility Commission in response to a proposal to revise the regulatory standards for implementation of the Alternative Energy Portfolio Standards Act of 2004.

Standards adopted by the PUC will impact the eligibility of on-farm electrical generating systems hooked to public supply lines to qualify for “net metering” treatment that provides farmers with greater economic return on surplus electrical supply.

In its comments, PFB expressed concern that PUC’s proposed standard to distinguish “customers” eligible for net metering from utilities and other “commercial generators” of electricity is unworkable for families using on-farm generators of electricity to manage their farm business operations.

“Farmers are not commercial electric companies. Their primary focus is making their farm business profitable, not earning a living through supplying electricity,” said PFB President Carl T. Shaffer. “Typically, farmers use alternative energy production to manage the high volume of energy needed to run their farming operations. Use of methane digesters, solar panels and wind farms, often play a critical role in proper environmental management of farms and farmers’ ability to meet environmental regulations. For many farmers, management of environmental impacts of agricultural production is the most important reason why the farmer installs and operates the alternative energy system.”

PFB specifically wants the PUC to reconsider its proposal that would prohibit farmers from being eligible for net metering if the generation capacity of the on-farm system exceeds 110 percent of the farmer’s actual use of electricity.

### **Regional News**

#### **Draft Legislation Would Bump up New Jersey’s Renewable Energy Goals**

By 2050, 80 percent of the electricity used in New Jersey should be generated by renewable energy, according to a bill being drafted by lawmakers.

The proposal, expected to be introduced as early as Monday, has been kicking around for months and would dramatically increase New Jersey’s reliance on cleaner sources of energy, such as solar and wind power.

While many details of the bill remain unknown, its backers say it would provide a much-needed boost to renewable energy in New Jersey, which already has a goal of having 22.5

percent of its electricity come from such sources by 2020. [More...](#)

### **New York Energy Planning Process Continues**

Advanced Energy Economy (AEE) has joined with the Alliance for Clean Energy New York and the New England Clean Energy Council to become active in New York's "Reforming the Energy Vision" (REV) process. This week, AEE noted that the New York Public Service Commission (PSC) is seeking to fundamentally transform the way the state's electric distribution utilities are regulated and do business – and how electricity is generated, bought and sold in New York.

With the release of a new straw proposal on August 22, the PSC is moving the vision toward reality. AEE says that the REV could unlock the potential of distributed energy resources (DER) to improve system efficiency, give customers more control over energy use and costs, and help meet New York State's energy and environmental policy goals, such as improved resiliency (think Hurricane Sandy) and greenhouse gas reduction. DER is shorthand for a range of advanced energy technologies and products such as energy efficiency, demand response, energy storage and distributed generation, including renewable energy systems, fuel cells, combined heat and power and other clean, efficient power generation options.

REV will entail making new investments in an intelligent, flexible distribution network that can readily integrate DER and take advantage of the desirable attributes of DER while minimizing the potentially disruptive effects of high DER penetration. It would require fundamental regulatory changes that incent utilities to seek out new solutions, instead of continuing to invest in traditional "poles and wires" solutions that add to the rate base and perpetuate the status quo.

Some of the key issues being considered by REV include performance-based regulation, ownership of DER, valuation of DER benefits, access to data and basic vs. value-added services.

It is not an overstatement to say that the success of REV is critical to the advanced energy industry. While New York is just one state, success (or failure) will reverberate across the country as other states seek to address the same underlying technology, market and policy drivers that are at work. As REV continues to unfold well into 2015, ERG Partners will continue to monitor these proceedings.

### **Report: NJ Lost Out on \$114 Million by Exiting RGGI**

According to a report released on by an environmental advocacy group earlier this week, New Jersey could have reaped \$114 million for clean energy projects had Governor Christie not yanked the state almost three years ago from a multi-state program designed to reduce greenhouse gases. [More...](#)

### **Federal News**

#### **Congress Taking on Energy Legislation**

US Senate Finance Committee Chairman Ron Wyden will hold a hearing next Wednesday on energy tax reform. Witnesses scheduled to testify include former Sen. Don Nickles, retired Lockheed Martin Chairman Norman Augustine, Bloomberg New Energy Finance's Ethan Zindler and David Kreutzer of the Heritage Foundation. The meeting is slated for 10:15am on Wednesday in the Dirksen Office Building.

The House Science Committee will hear from White House Office of Science and Technology Policy Director John Holdren and acting EPA air chief Janet McCabe on Wednesday as well. The two are slated to discuss the Obama Administration's climate plan. ERG Partners assumes they will be subject to some difficult questioning, as the hearing title calls the plan "failure by design."

### **Republican Governors Tell Obama Climate Rule Breaks the Law**

Fifteen GOP governors have sent President Obama a letter stating that the Environmental Protection Agency rule designed to curb carbon pollution from existing power plants "exceeds the scope of federal law." The EPA rule would require the nation's existing power plants to cut carbon emissions 30 percent by 2030.

In the letter, the governors argue that the EPA cannot regulate a source under two different sections of the Clean Air Act. They also take issue with the part of the agency's proposal that allows states to go "beyond the fence" to cut emissions.

"In attempting to regulate outside the fence, the agency's proposal not only exceeds the scope of federal law, but also, in some cases, directly conflicts with established state law," the governors write.

EPA chief Gina McCarthy maintains that the agency is acting within its full authority in the proposal, set to be finalized by summer of next year.

### **DOE Okes Natural Gas Exports at Two Locations**

The Department of Energy has granted approval for two facilities in Louisiana and Florida to export liquefied natural gas (LNG) to nearly any country. Sempra Energy's existing Cameron LNG project in southwestern Louisiana will be allowed to export 1.7 billion cubic feet of gas per day once the company installs the necessary equipment. The Carib Energy plant in Martin County, Fla., has been granted a license to export 40 million cubic feet a day.

The DOE is legally obligated to review every application to export LNG to countries with which the United States does not have a free-trade agreement, to determine whether the exports would be in the public interest. Under intense pressure from Congress to expedite the application process, the DOE is now only looking at facilities that have already completed environmental reviews, instead of conducting the public interest determination first.

### **Hillary Clinton: US Should Lead on Clean Energy**

Former Secretary of State Hillary Rodham Clinton said Thursday the U.S. should become what she called the world's 21st-century clean energy superpower, during remarks resembling both a campaign speech and a call to action at the annual National Clean Energy Summit in Las Vegas.

Clinton cast the threat of global climate change as real, and "the most consequential, urgent, sweeping collection of challenges" faced by the nation and the world.

"The data is unforgiving," the former New York senator and first lady said to a standing room crowd of more than 800 people at a Las Vegas Strip resort. "No matter what the deniers try to assert, sea levels are rising. Ice caps are melting. Storms, droughts and

wildfires are wreaking havoc... The threat is real but so is the opportunity," she said. [More...](#)

### **API Releases Economic Impact Study of Oil/Gas Energy Industry**

API this week released a report which surveyed suppliers, service providers, and other small and mid-sized businesses supporting the US oil and gas industry. The [report](#), titled *Oil and Natural Gas Stimulate American Economic and Job Growth* is a study that provides a list of nearly 30,000 American businesses located in every state and the District of Columbia that are contributing to and benefiting from the US oil and gas industry. The study noted 1,347 vendors in Pennsylvania that are industry-related, ranking Pennsylvania fifth in the nation with 339,000 industry-related jobs. According to the report, the Pennsylvania industry provides \$34.65 billion value added, and represents 5.8% of the state's economy.

Erik Milito, *Director of Upstream and Industry Operations* for the *American Petroleum Institute*, explained on a teleconference that these vendors and service providers are part of the often overlooked economic growth of American oil and natural gas. He said, "It's not just the operator or a producer that is involved in safe and responsible development. It is a larger team of companies and individuals that is really spread out across the country. It is all linked together by a tight chain that really gives us the oil and natural gas we depend upon every day to fuel our quality of life."

### **Report Praises State Renewables, Efficiency Policies**

Both red and blue states are making strides on green policies, according to a report out today co-authored by former Senate Energy and Natural Resources Chairman Jeff Bingaman and former Secretary of State George Shultz, among others. The report looks at a dozen state-level programs boosting renewables or energy efficiency, as well as DOE's State Energy Program - policies it says could work in other states. The list includes net metering policies in Texas and Vermont, energy-efficient building codes in Mississippi, energy savings performance contracts in Pennsylvania and on-bill repayment in Hawaii and New York.

"States truly are the 'laboratories of democracy' when it comes to renewable energy and energy efficiency, adopting groundbreaking programs and policies that could provide benefits around the country," Bingaman said. The report was commissioned by Stanford University's Steyer-Taylor Center for Energy Policy and Finance and Hoover Institution's Shultz-Stephenson Task Force on Energy Policy, with support from the William and Flora Hewlett Foundation. [More...](#)

### **Fueling Your Car with Farm Waste is Right Around the Corner**

Just down the road from the Wild Rose Casino in Emmetsburg, Iowa, the \$275 million Project Liberty factory opened that proponents predict will be the beginning of a "new era" in clean ethanol energy.

The plant, operated by ethanol producer POET and Royal DSM is the first of several to open this year to produce large-scale cellulosic ethanol. Cellulosic ethanol is made by converting waste or biomass like stover from corn plants that are typically left on a field after harvest. Grasses and wood are also used in the process. [More...](#)



\*

**Our mailing address is:**

ERG Partners

223 State Street

Harrisburg, PA 17101

*MailChimp.*

