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Energy Events

[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

[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

[Renewable fuels standard spurred](#)

Legislature Preparing for End of Session

With only a few Session days remaining in its 2014 schedule, the General Assembly passed the \$2 per pack cigarette tax for Philadelphia school funding, debated gun control, moved a medical marijuana bill, and took steps to pass a new capital budget authorization. House and Senate leadership are still unable, however, to agree on major initiatives including pension reform or modernization/sales of the state liquor system.

On Wednesday, Gov. Corbett signed a bill adding \$2 per-pack tax on cigarettes sold in Philadelphia to help fund its schools. The law which takes effect immediately is expected to raise an additional \$55 million per year for the Philadelphia School District. The initiative had been in the works for nearly two years, but was not included in this year's budget as talks deteriorated.

The House voted out legislation to reduce the borrowing ability of the Redevelopment Assistance Capital Project (RACP) program, with legislation that would reduce the debt ceiling by \$50 million per year beginning in 2018, until the cap goes below \$3 billion. The bill now goes to the Senate.

At the same time, the House moved legislation that included authorization for funding of hundreds of capital projects, many of which will fall under the RACP program.

The Senate broke new ground with a historic vote to allow the use of medical marijuana. However, despite the vote, there is virtually no chance the House will take up the bill this fall.

The upper chamber passed Majority Leader Dominic Pileggi's bill to strengthen the state's Open Records law by, among other items, greatly expanding the information available from state-related universities, improving the appeals process for information requests, and establishing a new fee structure for commercial requests.

The Senate also passed legislation that would protect individuals from prosecution if they contact emergency services for an overdose victim. This bill previously passed the House and will now go to the Governor for his signature.

Last but not least, the Senate unanimously approved a bill to overhaul Act 47, the state's program for financially distressed municipalities. The legislation would impose a five-year limit for municipalities to leave the Act 47 program and allow a three-year extension, if needed.

[ethanol breakthroughs](#)

[Christie won't budge on RGGL - A lawmaker responds](#)

[GE to give Penn State \\$10M for gas drilling center](#)

[Consol. Noble spinoff raises \\$385 million in IPO](#)

[Climate for change: The U.S., China and others must act together](#)

[Aging natural gas lines pose hidden threat across U.S.](#)

[In Iowa, Biden Urged to Clarify Disturbing Reports about His Role in Renewable Fuel Backtrack](#)

[US to give \\$15M for methane reductions](#)

[GUEST COLUMN: To counter climate change, Pennsylvania must embrace 'renewables', phase out fossil fuels](#)

Corbett, Wolf Face Off in First of Three Debates

The two gubernatorial candidates faced off in front of 1,900 guests and PCN TV in their first of three debates at Monday's state Chamber of Business and Industry dinner. Media and veteran observers credited Corbett with a decision, but not a knockout in the debate, as Wolf repeatedly refused to provide specifics to questions ranging from education funding to his tax plans for Pennsylvania, and Corbett appeared confident and in command of the stage.

The political reality is that there is little incentive for Wolf to discuss actual policy plans, which would provide new targets. Public opinion polls continue to show Wolf with a solid if narrowing lead over the Governor. The former 20 plus percentage point gap between Corbett and Wolf among registered voters, now ranges between eight and 18 percent in the most recent polls. Franklin & Marshall's latest poll shows Wolf leading Corbett 49 to 31 and a Magellan Strategies poll shows Wolf leading Corbett 48.6 to 40.

During the debate, Corbett took every opportunity to discuss his expansion of education funding and the need to solve the state's pension debt crisis, but he admitted that no solid solutions are on the table. Wolf touted his business experience and need for fair taxation, but refused to explain what "fair" would mean, and avoided questions about specifics.

Corbett and Wolf have consistently differed on the need to implement a severance tax on natural gas. Corbett has said the idea will push industry away from Pennsylvania, and cited the hundreds of millions of dollars in taxes the industry is already paying in impact fees, corporate income taxes and payroll taxes, along with income taxes of employees. Wolf is campaigning hard on using an assumed \$1 billion in severance tax money to fund education.

As for that prospect, Senator Pileggi this week told a local news source that "it [a severance tax] is coming sooner or later." Addressing Governor Corbett's refusal to consider such a tax, "Love him or hate him, the governor kept his word," Pileggi said.

House Passes Resolution to Study Wind, Other Energy Sources in Pa

Last week the House approved House Resolution 925 sponsored by Rep. Kathy Rapp by a 181-11 vote. The Resolution directs the Joint State Government Commission (JSGC) to conduct a study and report on the scale and impact of wind turbines in Pennsylvania.

In a prior action, the resolution was amended in the House Environmental Resources & Energy committee to require the JSGC to review current regulation and similar requirements and report on the progress of wind energy in relation to the state's Alternative Energy Portfolio Standards Act.

Several Democrats on the committee opposed the amendment and resolution, with Minority Chair Greg Vitali expressing concern over analyzing energy derived from wind turbines in a "vacuum".

Rapp said she is not opposed to wind energy. She is concerned that federal regulations on the coal industry could have a negative impact on the grid, in which case, the state needs to know if alternative energies are penetrating the grid and could fill part of the gap

left behind when traditional energy sources like coal generating plants are forced to be decommissioned.

Vitali proposed an amendment for the JSGC to provide comparison with other types of energy, providing for a more comprehensive study. The amendment was adopted.

The committee also discussed the option of drafting another resolution to study the grid, or the possibility of holding hearing on grid reliability.

Senate Appropriations Approves Energy Efficiency Bill

The Senate Appropriations committee unanimously approved The State Agency Green Technology Implementation Act, which provides for testing of new, environmentally beneficial and energy efficient technologies within various state agencies.

The secretary of the Department of General Services is authorized to direct a state agency, with the approval of the governor, to test certain technology, products or processes that promote energy conservation or efficiency on a trial basis.

House Bill 1672, sponsored by House Environmental Resources & Energy Chair Ron Miller, was approved by the House (Vote Y: 189/N: 8) last year.

EPA Clean Power Plan Subject of State Hearings

Both the Senate and House Environmental Resources & Energy Committees have held hearings on the EPA Clean Power Plan. While the legislature and DEP have received several comments from industry, the public has remained largely untouched because there is no uniformed understanding of how residential electric rates will change – however, most experts anticipate a significant financial impact at all levels.

During an afternoon panel at the PA Environmental Council Policy Conference, panelists encouraged the state to review methods that would maximize benefits while minimizing costs in order to meet both EPA and state needs. One such method would be to join RGGI – the Regional Greenhouse Gas Initiative. Most northeast states (New York to Maine) are currently engaged in the program. Each state is having success while trading tons of carbon via different methods. Pa could also create its own carbon cap and trade program similar to California.

Experts also suggested that Pa diversify its portfolio by updating its Alternative Energy Portfolio Standards (along with necessary changes to recovery costs mechanisms), create stronger energy efficiency measures, implement a carbon tax, and convert coal power plants to natural gas.

There was also criticism for House Bill 2354, crafted by Rep. Pam Snyder to grant the state legislature approval oversight of the state's Clean Power Plan prior to DEP's submission to the EPA. One legislator offered that approval of this measure would unnecessarily politicize the issue, while an environmental lawyer argued that enactment of the bill could be viewed as a legislative veto in which case the EPA reserves the right to create and implement a plan that the state would be forced to following in order to meet federal emissions reductions standards.

Energy & Environmental Policy Forecast

The Republican and Democratic Chairs of the House and Senate Environmental

Resources & Energy Committee took to the stage last week during the PA Environmental Council's (PEC) first Policy Conference in Harrisburg. The four officials discussed their outlooks on the remaining Session days of 2014 and their wish lists for the future.

Natural gas exploration and production, impacts, and economic benefits were a major theme of the discussion. Sen. Gene Yaw (R-Lycoming) touted the positive impacts of the extraction tax has had on communities across the state and discussed joint legislation with Rep. Garth Everett (R-Lycoming) that would protect lease and landowners from unfair drilling practices or retaliation by drilling companies.

Sen. John Yudichak (D-Luzerne) agreed that the extraction tax has been great for local communities, but said he opposed Act 13 because it did not include a severance tax. While both Senators said they will fight any efforts to kill or change the extraction tax, the severance issue is one that will surely get more play depending on the outcome of the gubernatorial election.

Rep. Ron Miller (R-York) would like to see House Bill 343, a water well construction standards bill, pass before he retires this falls. It is estimated that 40 percent of wells in Pennsylvania don't meet specs. But recent reports from Duke University and others say that natural gas drilling is not to blame. The bill passed the House in June and is currently in the Senate ER&E Committee.

Miller is also concerned with grid integrity, water quality, and meeting Chesapeake Bay standards.

With the House under Republican control, Rep. Greg Vitali (D-Delaware) said that Democrats were forced to play defense. But if Wolf is elected, Vitali sees a more positive climate for meaningful environmental and energy legislation.

Vitali's wish list was extensive, including increasing AEPS levels, renewing the PA Solar Sunshine Act, addressing climate change, ensuring oil and gas lease funds are property applied, enacting a natural gas public health protection act, addressing fugitive methane, and implementing a moratorium on state forest drilling leases.

Landmark Fracking Study Finds No Water Pollution

Associated Press – The final report from a landmark federal study on hydraulic fracturing, or fracking, found no evidence that chemicals or brine water from the gas drilling process moved upward to contaminate drinking water at a site in western Pennsylvania.

The Department of Energy report, released Monday, was the first time an energy company allowed independent monitoring of a drilling site during the fracking process and for 18 months afterward. After those months of monitoring, researchers found that the chemical-laced fluids used to free gas stayed about 5,000 feet below drinking water supplies. [More...](#)

Bill Expanding Natural Gas Availability to Consumers Approved by House Committee

The House Consumer Affairs Committee this week approved a bill designed to help extend natural gas delivery to unserved or underserved areas.

The cost of adding gas service to a neighborhood can currently exceed \$20,000 per

home, a cost that must be paid in advance of service being completed. House Bill 2393 extends payment terms to allow greater affordability for consumers who want access to natural gas.

The bill also requires natural gas utilities to file a plan with the Public Utility Commission proposing a pilot or permanent program to extend natural gas distribution service to unserved and underserved areas of the Commonwealth.

"This common-sense reform will make natural gas line extension projects more affordable to consumers without placing additional financial burdens on existing ratepayers," bill sponsor Rep. Warren Kampf said.

3 FirstEnergy Utilities Issue RFP for Solar Alternative Energy Credits

FirstEnergy Corp. has announced a Request for Proposal to be issued to purchase 48,500 Solar Photovoltaic Alternative Energy Certificates annually over a two-year period on behalf of three of FirstEnergy's Pennsylvania utilities – Pennsylvania Power Company, Pennsylvania Electric Company, and Metropolitan Edison Company. The RFP process will be conducted by The Brattle Group and will take place in October and November, with qualifying applications due by October 16 and bids due by November 6. More information is available on [FirstEnergy's website](#).

PUC to Hold Second Combined Heat & Power Technology Hearing Oct 7

The Public Utility Commission will hold an en banc hearing on the use of combined heat and power (CHP) technology on October 7 at the University of Pittsburgh. This is the second hearing in a series that began in May to explore CHP economics, social costs and benefits, and regulatory policies that impact the application of the technology. The second hearing will focus largely on current issues and regulatory policies impacting the greater adoption of CHP technologies in Pennsylvania. Click [here](#) to view the full agenda.

PENNVEST, DEP Announce Results of Forward Nutrient Credit Trading Auction

The Pennsylvania Infrastructure Investment Authority (PENNVEST) and the Department of Environmental Protection (DEP), along with financial information services company Markit, have held the third "forward" auction in 2014 for the sale and purchase of nutrient credits in Pennsylvania's Chesapeake Bay watershed.

A "forward" auction means that the certified credits sold on Sept. 10 will be delivered later and applied to the 2014-15 compliance years. The auction affords wastewater treatment plants and other regulated entities the opportunity to purchase credits to meet their nitrogen and phosphorus discharge limits for these compliance years.

PENNVEST hosts the auctions to encourage the trading of nutrient credits in the Susquehanna and Potomac watersheds. DEP's nutrient credit trading program offers a cost-effective way for facilities that are subject to nitrogen and phosphorus limits to meet those limits by working with other facilities, non-point sources or both.

This was a two-round auction. In the first round, the following credits were bought and sold: Susquehanna phosphorous, 2014: 1,456 credits for \$2.00 per credit. In the second round, the following credits were bought and sold: Susquehanna phosphorous, 2014: 2,000 credits for \$2.00 per credit.

[PENNVEST's next auction is scheduled for Nov. 5](#). This will be a "spot" auction of verified

credits to be applied towards meeting nutrient discharge limits during the 2014 compliance year. The enrollment period for that auction is expected to begin on Sept. 22 and close on Oct. 15.

Federal News

EPA Administrator Delivers Keynote Speech on the Economics of Climate Change

ERG Partners participated in Resources for the Future (RFF) Policy Leadership Forum and covered EPA Administrator Gina McCarthy's keynote address on the economic need for acting on climate change.

McCarthy's remarks focused on how the U.S. can turn its climate challenge into an opportunity to modernize its power sector, lay the foundation for a low-carbon economy, and fuel growth for decades to come.

The reaction to the Obama Administration's climate change initiatives has been varied, and will surely become more controversial as states create and implement their own plans in response to the proposed Clean Power Plan (CPP). This initiative has the power to touch almost every aspect of our daily lives, from health to jobs to utility costs.

To put things into perspective, McCarthy said: "Forty years ago, scientists at the University of California uncovered a global crisis. Chemicals in our hairspray, refrigerators, and air conditioners were destroying our ozone layer, the Earth's protective shield against the sun's cancer-causing radiation. The world needed a solution. It needed a leader. The United States didn't temper its resolve, despite the hesitation of other nations. American science identified the problem. American industry innovated the solution."

She made it very clear that her agency feels that American innovation will again be the solution.

"The key to making our plan ambitious and achievable is flexibility," she said. "We used section 111(d) of the Clean Air Act to allow states to choose their own low-carbon path forward. Flexibility means more choice, and more ways to invest. That sends a powerful market signal that unleashes innovation."

When asked companies and legislators hoping to outlive her tenure as EPA administrator, McCarthy challenged that neither the issue nor the necessary actions were going to change. In essence, everyone needs to bring solutions to the table today because "the most expensive thing we can do is nothing."

Between rising costs due to storm destruction and health care, the EPA estimates in fully implementing the CPP, \$93 billion dollars in climate and health benefits could be reached by 2030.

When asked why the U.S. should act if other major players aren't stepping up to the plate, McCarthy said she attended this week's climate summit and it was clear that U.S. leadership is spurring action around the globe.

House Passes Bills to Increase Domestic Energy

Last week the House again passed a consolidated package of bills (HR 2) to boost domestic energy. The legislation includes previously approved measures including go-

ahead for construction of the Keystone XL pipeline, fracking, expedited natural gas exports and limited environmental regulations.

The package also includes bills that would require the Department of Energy to study the impact of thermal insulation in federal buildings and prohibit the EPA from implementing select regulations.

The GOP said that the bills will create jobs and keep energy prices low, while Democrats contend that the proposals will harm the environment.

Regardless, since the action occurred on the last day of Session until after elections, time has essentially run out. And even if the Senate approved the measure post-elections, the White House has already issued a veto threat, saying the package “purports to promote and increase the nation’s energy security, but... would undermine energy security and endanger human health and the environment.”

Senate Finance Committee Talks Energy Tax Reform, EPA Extends Comment Period, and No Review for Demand Response Ruling

As Congress returned to session focused on passing a continuing resolution to keep the government funded through December 11, the Senate Finance Committee held a hearing on energy tax reform, the Environmental Protection Agency (EPA) extended the comment period on its proposed Clean Power Plan, and the D.C. Circuit Court of Appeals declined to review a ruling on a Federal Energy Regulatory Commission (FERC) demand response regulation. [More...](#)

Congress Moves on Energy

The stop gap spending measure President Barack Obama signed Friday included provisions to allow the Energy Department to cover additional costs at the Waste Isolation Pilot Plant in New Mexico and spending for programs under the Uranium Enrichment Decontamination and Decommissioning fund – with requirements to keep Congress apprised of the spending above previous appropriation rates.

The chambers also passed three other energy measures before clearing out of town for final campaign pushes.

Clean Energy Future Act Introduced

Representatives Earl Blumenauer (D, OR) and 17 other members of Congress, including PA Congresswoman Allyson Schwartz have introduced HR 5559, the “Bridge to a Clean Energy Future Act of 2014.” The bill would extend incentives to provide market certainty and to strengthen investment in clean energy such as extending the Production Tax Credit for wind energy through 2016, offering parity with the Investment Tax Credit enjoyed by solar energy investments, and granting the solar industry the same access to credits at the start of a project’s construction that the wind industry has.

CBO: GOP Coal Bill Would Cost \$97M

A Republican-backed bill aimed at protecting the coal industry by restricting the Environmental Protection Agency’s (EPA) permitting ability for water pollution would cost the government \$97 million, the Congressional Budget Office (CBO) said.

The cost over the next five years would come because the bill would also require the EPA to hold additional public hearings and write new analyses, the budget agency predicted.

The bill would add about \$2 million to cost of each of the 10 relevant pollution reviews the EPA completes per year.

“The provision in H.R. 5077 requiring additional analyses related to employment and economic activity prior to issuing guidance and regulations would increase EPA’s costs,” the office wrote in a Thursday [report](#). [More...](#)

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