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July 30, 2015

NEWS CLIPS

[Winter Will See a Surplus of Natural Gas](#)

[PES Looking to Acquire Bakken Industry Assets](#)

[New PA Coalition: It's Time for Clean Energy's Star Return \(blog\)](#)

[Can WV Get Energy Development Right? \(oped\)](#)

[What the New Energy Efficiency Rules Mean for MD \(blog\)](#)

[Wall Street Journal Op-Ed Gets it Wrong on RPS \(blog\)](#)

[Advanced Energy Economy Blog: A Win and a Threat for the Keystone State](#)

[Feds Warn Railroads They Must Continue to Comply With Crude Regulations](#)

EVENTS

August 4
Environmental Justice Board Meeting
Harrisburg, PA
Contact (484) 250-5818

August 18
Environmental Quality Board (EQB) meeting

The more things change...

Last week after a three hour budget negotiating session, it appeared that a minor thaw was coming for the discussions on crafting a state budget acceptable to all parties - all parties said the meeting was "productive." On Wednesday, Governor Wolf's Chief of Staff Katie McGinty resigned - with the Governor naming his Legislative Secretary Mary Isenhour to the post, changing the dynamic of budget discussions (see stories below). Then last Thursday, Gov. Wolf took the 90-minute drive to State College area to talk Senate Appropriations Chairman Jake Corman and House Majority Leader Dave Reed about the budget impasse.

But despite the staff changes, relative lack of attack ads and social media charges after the two meetings, the parties remained a long distance apart. ([MORE](#))

Regional News

Federal News

More State News

Isenhour Named Wolf's Chief of Staff

Gov. Tom Wolf's on Thursday named Mary Isenhour as his chief of staff, a move welcomed by leaders in both parties who have known her for more than 15 years.

In making the appointment, Wolf said, "Mary Isenhour is one of my closest advisors, and she has served as a valuable part of my administration. Mary has earned respect from Republicans and Democrats, and she has vast and diverse experience in government that will help to guide my administration." ([MORE](#))

Wolf's Pipeline Task Force Holds First Meeting

Governor Tom Wolf's Pipeline Infrastructure Task Force (PITF), led by Department of Environmental Protection Secretary John Quigley, held their first meeting at the DEP South Central Regional Office last week.

"We are in the midst of a wave of energy development that is unlike any other in

Harrisburg, PA
Contact (717) 783-8727

August 25
Oil & Gas Technical
Advisory Board meeting
Harrisburg, PA
Contact (717) 772-2199

August 27
Conventional Oil & Gas
Advisory Committee
meeting
Harrisburg, PA
Contact (717) 772-2199

October 18-20, 2015
Renewable Energy
Markets 2015
Hilton Crystal City
Washington, D.C.
[Register here](#)

October 26-28
National Advanced
Biofuels Conference &
Expo
Hilton Omaha
Omaha, NE
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the state's history. The Marcellus shale and shale gas resources generally - including the upcoming Utica play - presents an immense economic opportunity for the commonwealth," said Sec. Quigley in his opening remarks addressing the 48 member task force. "Governor Wolf wants this industry to succeed and recognizes that the infrastructure challenge is a major one and we need to work together to find the win-win opportunities to connect these wells to markets."

In addition to the members of the task force, there are also 110 additional volunteers on 12 workgroups. The workgroups will present recommendations to the task force on subjects such as agriculture, natural resource protection, workforce and economic development, emergency preparedness and end-users of natural gas products (a full list of workgroups can be [found here](#))

"As you look at the density of development that is occurring... there are profound environmental and community impacts that we need to take into consideration," said Quigley.

The PITF will deliver a report of best practices for pipeline development to Governor Tom Wolf by February 2016. Archived livestream of the meeting can be found at the Pipeline Task Force

Fewer Wells Being Drilled in PA's Forests

DCNR Secretary Cindy Adams Dunn last week updated members of the Natural Gas Advisory Committee on the department's ongoing efforts to monitor natural gas extraction and management on DCNR lands.

The number of wells approved declined from 79 in 2013 to just 47 while the number of drill pads dropped by half down to 8.

More than half of the state's 2.2 million acres of forest lies above Marcellus, Utica and other shale formations. Almost all of that land above the shale formations has been leased for drilling. ([MORE](#))

McGinty for Senate?

As noted above, last Wednesday, after a couple weeks of speculation and a courtship by national Democratic leaders, Governor Wolf's Chief of Staff Kathleen McGinty resigned from her post. McGinty is expected to announce she will challenge former US Rep. Joe Sestak for the Democratic nomination for the state's US Senate seat in the 2016 primary.

McGinty, 52, served as head of the Council on Environmental Quality during President Bill Clinton's administration and then served as Secretary of Environmental Protection during the Rendell administration and through passage of the state's renewable energy plan and bond issue. After a stint with investment firms and still focused on environmental and energy issues, in 2014 she ran for the Democratic nomination for governor, finishing last in a four-candidate race, but maintained the respect of Democrats and has been recruited by the Democratic Senate Campaign Committee and Emily's List in recent weeks. ([MORE](#))

Fattah Indicted

U.S. Rep. Chaka Fattah (D, Philadelphia) and four others were indicted Wednesday on 29 counts of racketeering, fraud and conspiracy after a two year

long investigation. Fattah is accused of bribery schemes and the misuse of hundreds of thousands of dollars in federal, charitable and campaign funds.

Mr. Fattah was first elected to Congress in 1994 after serving 12 years in the Pennsylvania State House and Senate.

"Congressman Fattah and his associates embarked on a wide-ranging conspiracy involving bribery, concealment of unlawful campaign contributions and theft of charitable and federal funds to advance their own personal interests," Assistant Attorney General Leslie R. Caldwell said in a statement.

Fattah, complying with House Rules, has agreed to step down from his leadership position on the House Appropriations Committee after the Wednesday announcement of the indictment. But the Democrat's replacement on the powerful committee, Democratic California U.S. Rep. Mike Honda, is himself facing an ethics probe.

DEP Accepting Applications for Small Business Grants

The Department of Environmental Protection (DEP) is inviting manufacturers, retailers, service providers, agricultural businesses, and other small businesses to apply for a Small Business Advantage Grant to finance pollution prevention and energy efficiency projects.

The grants provide funding to projects that include auxiliary power units deployed as anti-idling technology for trucks, HVAC and boiler upgrades, high-efficiency lighting, solvent recovery systems and waste recycling systems. ([MORE](#))

Regional News

Delaware Launches Electric Vehicle Incentive Program

Delaware has started its own version of "Dump the Pump." Gov. Markell recently announced a new incentive program, called the Delaware Clean Transportation Incentive Program, which offers rebates and grants for the use of electric, propane and natural gas vehicles.

Funding for the program is set at \$2.7 million and consists of three rebate programs for consumers and two grants that provide incentives for constructing new alternative fueling infrastructure. Rebates will be capped at \$20,000 and grants will not exceed \$500,000.

"I think what this program embodies is providing people with a bit of an incentive to make a different choice in terms of their lifestyle and reducing their impacts on the environment," said David Small, secretary for Delaware Natural Resources and Environmental Control.

This is just the next step in the State's efforts to reduce greenhouse gas emissions. It has already reduced vehicle miles and increased its use of electric vehicles. The State Department of Education has instituted a fleet of propane powered school buses.

The US Department of Energy shows that over the past decade, Delaware has reduced emissions by 30 percent, which is more than any other state.

NJ on Target to Meet Energy Goals

The State's Board of Public Utilities (BPU) says New Jersey is well on its way to achieving the goals outlined in its 2011 Energy Master Plan.

In a recently filed notice of the BPU's intent to hold a series of public hearings on an update to the Plan, they identified several key issues that need to be addressed in what they hope will be a new section of the plan.

These issues include a focus on protecting critical energy infrastructure; improving electric utilities emergency preparedness and response; increasing distributed generation resources to produce power locally; and developing a long-term financing mechanism to fund resiliency projects.

According to the BPU, the 2011 Plan's main goal was to reduce high energy costs, a goal which it says it has achieved...to some degree.

"The state has fallen from a high energy-cost state -- somewhere in the range of 10 most expensive in the nation -- to a range that falls within the national average for total energy costs (electricity, natural gas, fuel oil, and gasoline)," the BPU says.

However, the goal to develop more than 1,000 megawatts of offshore wind energy by 2020 is far from being realized. The agency has yet to approve a single offshore wind project.

WV Triples Natural Gas Production in Two Years

A study by the West Virginia Geological and Energy Survey shows that natural gas production from Marcellus and Utica shale tripled between 2012 and 2014.

"Over those couple of years, we added a bunch of pipelines. There were wells drilled, but because of the lack of pipelines, we weren't getting the gas to market," West Virginia Oil and Natural Gas Association Executive Director Corky Demarco said. "Now, with more pipelines, we can get it where it needs to go."

In Ohio County, where Wheeling is located, natural gas production rose from 2.7 billion cubic feet in 2012 to 33.5 billion cubic feet last year.

Similar booms are taking place in counties to the south of Wheeling. Marshall, Wetzel and Tyler counties produced a combined total of 121.1 billion cubic feet in 2012 to 300.7 billion cubic feet in 2014.

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Federal News

Congress Moving Energy Bills Before Recess

House and Senate committee leaders moved ahead Wednesday with proposals that would represent the broadest update to energy law in nearly a decade. The bills unveiled this week emerged after months of intense public hearings and delicate backroom deal-making. That was the easy part. Now, lawmakers on both sides of the Capitol will have to decide whether they can set aside some of the most controversial fights of the Obama era - over hot-button controversies such as

energy exports, the Keystone XL pipeline and tough climate change regulations - in order to find consensus on narrower policy overhauls that experts say are long overdue.

Senate Energy Policy Modernization Act Moving Forward

The Senate Energy and Natural Resources Committee released a [draft energy bill](#) this week. Comprehensive energy legislation has not been enacted since 2007.

The 357-page bill includes sections on efficiency, infrastructure, supply, accountability and conservation. The legislation avoids controversial issues including opening up the Arctic National Wildlife Refuge and lifting the ban on crude oil exports.

The bill also includes several measures from bipartisan energy efficiency legislation authored by Sens. Jeanne Shaheen and Rob Portman, as well as provisions aimed at reforming DOE's loan guarantee program, modernizing the electric grid, codifying DOE's role in cybersecurity and bolstering FERC's role in hydropower permitting. The bill also permanently reauthorizes the Land and Water Conservation Fund. A one-page summary is available online [here](#).

House Energy and Power Subcommittee Draft

Last week the Energy and Power Subcommittee of the House Energy and Commerce Committee also approved its own [energy bill](#). The Subcommittee on Energy and Power unanimously approved a draft of its long-awaited energy package, an effort to modernize our laws to reflect America's energy abundance and take full advantage of our potential to be an energy superpower in the 21st century.

The House markup comes after weeks of bipartisan negotiations to put together the building blocks of a comprehensive energy bill that brings our nation's energy policy out of the scarcity mindset of the 1970s and into the 21st century. The bill that unanimously passed the subcommittee is seen as a positive first step in taking advantage of America's energy potential and energy abundance.

The committee held seven legislative hearings and received testimony from nine government witnesses, including the Secretary of Energy, and 38 private sector organizations and experts. All of this feedback has gone into refining the comprehensive bill into four titles - modernizing energy infrastructure, 21st century workforce, energy security and diplomacy, and energy efficiency and accountability.

US Senate Committee Passes Tax Extenders Package

The Senate Finance Committee last week passed a tax extenders package with a two-year extension of a wide variety of tax credit extensions, including a two-year extension of the renewable production tax credit. The credit can be claimed as a 2.3 cent per kWh tax credit for renewable electricity, or an alternative 30 percent investment tax credit. The credits, which expired at the end of last year, would be extended through the close of 2016.

The bill extends tax credits for biodiesel and renewable diesel for two years, through 2016. The extension would apply to the \$1-per-gallon credit for biodiesel

and renewable diesel, and the 10-cent-per-gallon small agri-biodiesel producers' credit. And it contains a provision extending the \$1.01 per gallon production tax credit for cellulosic biofuels, which expired at the end of last year, through 2016. ([MORE](#))

Senate Energy Committee Approves Elkind Nomination

On Tuesday, the Senate Committee on Energy and Natural Resources approved the nomination of Jonathan Elkind to be Assistant Secretary of Energy for International Affairs by a vote of 17-5.

Elkind has been the Principal Deputy Assistant Secretary for the Office of International Affairs, and served as the Principal Deputy Assistant Secretary for the Office of Policy and International Affairs from 2009 to 2013. Prior to joining the Energy Department, Mr. Elkind worked as a senior fellow at the Brookings Institution, focusing on energy security and foreign policy issues. From 1998 to 2001, Mr. Elkind served on the staff of the U.S. National Security Council as Director for Russian, Ukrainian, and Eurasian Affairs. Between 1989 and 1998, he served in a variety of other government positions on the National Security Affairs staff of the Vice President of the United States, at the U.S. Department of Energy, and at the Council on Environmental Quality.

Casey Seeks Increased Biodiesel Volume in RFS

PA Senator Bob Casey, Jr. last week joined 35 other U.S. senators from across the country urged the Obama administration July 20 to strengthen biodiesel volumes in a pending renewable fuel standard (RFS) proposal from the EPA.

"While the proposal is a positive step for biodiesel, we remain concerned that the proposed biodiesel volumes for 2016 and 2017 fail to adequately recognize the domestic biodiesel industry's production capacity and its ability to increase production," the senators wrote in a [letter](#) to EPA Administrator Gina McCarthy and other administration officials.

"Biodiesel is the first EPA-designated advanced biofuel under the RFS to reach commercial-scale production nationwide. It is exceeding the goals that Congress envisioned when it created the RFS with bipartisan support in 2005, while creating jobs, generating tax revenues, reducing pollution and improving energy security. We urge you to support continued growth in the domestic biodiesel industry by making reasonable and sustainable increases in the biodiesel volumes for 2016 and 2017 in the final rule."

House and Senate Send Letter to OMB on EPA Power Plant Rule

House Energy and Commerce Committee Chairman Fred Upton (R-MI), Senate Environment and Public Works Committee Chairman Jim Inhofe (R-OK), House Energy and Power Subcommittee Chairman Ed Whitfield (R-KY), Senate Clean Air and Nuclear Safety Subcommittee Chairwoman Shelley Moore Capito (R-WV), Representative Morgan Griffith (R-VA), and members of both the House and Senate today sent a [letter](#) to Howard Shelanski, Administrator at the Office of Management and Budget's (OMB) Office of Information and Regulatory Affairs (OIRA). The letter to Administrator Shelanski raises concerns regarding the extraordinary legal and economic aspects of the EPA's proposed 111(d) rule for fossil fuel-fired power plants. ([MORE](#))

Major Refineries Ask Congress to Lift Ban on Crude Export

Executives from Exxon Mobil, Chevron, BP and Shell sent letters to the House

and Senate energy committees in support of repealing the ban on export of US crude. Bottom line, according to these major companies, it will lead to a stronger economy that would benefit the consumer.

Smaller refineries in the Philadelphia area say lifting the ban will have the opposite effect and would ultimately raise fuel prices for consumers. These refineries include Philadelphia Energy Solutions, Alon USA Energy Inc, PBF Energy Inc, and Delta Air Lines Inc which is a subsidiary of Monroe Energy.

The bill, S 1312, was introduced by Sen. Lisa Murkowski, Chairman of the Senate Energy Committee in May.