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“I doubled my staff”

Before the ink is dry on the energy funding and renewable fuels bills that the governor signed this week, the incentives they create will make a difference in the lives of some Pennsylvania businesses, workers and families.

How big a difference? Ben Wooten of Keystone Biofuels put it this way, “I doubled my staff.”

On the fourth of July, the General Assembly passed a renewable energy funding package that provides a production incentive for producers of biodiesel, like Ben, and requires a growing portion of transportation fuels to be made with renewable materials. This package will rescue Pennsylvania’s fledgling biodiesel industry, which was withering in the face of a flood of low-cost, out-of-state biodiesel coming from subsidized producers in the Midwest.

The first bill requires that each gallon of diesel sold in the state includes a percentage of biodiesel, starting at two percent content and rising to ten percent content, based on levels of in-state production. The bill also requires that gasoline sold in the state contain 10 percent cellulosic ethanol once Pennsylvania production of the new fuel reaches 350 million gallons. That puts Pennsylvania farmers firmly in the race to bring cellulosic ethanol to market.

The second bill extends the Alternative Fuels Incentive Grant Program (AFIG) to include incentives for Pennsylvania biodiesel producers. The AFIG program helps, according to Ben Wooten, “to level the playing field.” Some Midwestern states are already paying their biodiesel producers a production incentive of \$1.50 per gallon. The bill passed in Pennsylvania on July fourth provides our own biodiesel producers with a \$.75 per gallon incentive

“We were looking at going out of business,” said Ben. “Now we’re hiring back people we laid off and we’ll be adding positions over the next few months.”

The Clean Energy Funding bill, passed the same day, created \$650 million in funding for renewable energy and energy conservation, including \$180 million for solar.

Almost as soon as the legislation passed, PennFuture started receiving calls and emails from homeowners who want to install solar energy systems. One caller wants to install a solar system on every house in a small development and the adjacent two farms, and create a co-op to sell excess power. Most homeowners just want to know when they can get help to install single-residence solar power systems.

Judging by the response we got, the market for residential-scale solar systems is incredibly robust. The energy funding bill will provide \$100 million for installation of solar power systems on homes and small businesses paying up to 35 percent of the cost. The other \$80 million will go to larger, commercial solar projects

and help build an industry in Pennsylvania that makes the components for solar power systems of all sizes.

Pennsylvania’s wind industry will also benefit from incentives contained in the energy funding legislation. Iberdrola Renewables, the world’s largest renewable energy company, identified at least one area where extra financial help could spur wind development.

“In areas with sufficient wind, Pennsylvania’s abandoned mine lands offer a great opportunity to build wind farms on land that might not otherwise have a beneficial use. Unfortunately, building foundations on reclaimed mine land is considerably more expensive than conventional foundations, so state funding can really help us evaluate such areas,” said Iberdrola’s Eric Thumma.

And of course, Iberdrola and Gamesa, the two global leaders of wind energy who have located their North American operations in Pennsylvania, now have every reason to stay – and expand.

Every kilowatt of electricity that is made from renewable resources offsets electricity made from fossil fuels, especially coal. The people going to work to install the residential solar systems and build the wind farms are working everyday to cut global warming pollution and the air pollution that sickens and kills thousands of Pennsylvanians each year.

Every gallon of biodiesel and cellulosic ethanol produced from Pennsylvania crops is a gallon of fuel that does not come from the Middle East or other hostile territories. Those dollars stay here – they do not go to foreign governments that are antagonistic to the United States. Homegrown fuels make us more secure and will eventually help keep the price of transportation fuels down.

These are great achievements. However, one important piece of work has been left undone. The Senate failed to act on energy conservation legislation. The development of new renewable energy is essential to move us to a clean energy future. However, the cheapest and fastest way to reduce our reliance on fossil fuels to generate electricity is to stop wasting it, and to conserve as much as possible.

The Senate did not act on HB 2200, which would have created significant energy conservation programs in all parts of Pennsylvania. It would also require utilities to provide all customers with a smart meter and flexible pricing plans to give consumers greater control over their energy use and the price they pay for it.

Creating our clean energy future is like trying to put together a giant, complex jigsaw puzzle. We have filled in important pieces with the energy funding and biofuels legislation. The piece that’s missing is the most commonsense one – energy conservation. The Senate should act on it as soon as it returns from summer vacation.

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