

LEGISLATIVE UPDATE

ENERGY environment

STATE SENATOR LISA BAKER

20TH SENATORIAL DISTRICT

One of the most pressing needs today is to provide consumers with access to alternative energy sources not bound to volatile markets and foreign production.

The General Assembly has used the 2007-2008 Legislative Session to launch an aggressive, fiscally sound initiative to make Pennsylvania a leader in the development and use of alternative energy and fuels.

As always, you can visit my website for more information or to contact me.

Historic Alternative Energy Investment Without New Taxes

The General Assembly recently approved the \$650 million Alternative Energy Investment Act, a measure to boost renewable energy development and reduce energy consumption without increasing taxes.

The Alternative Energy Investment Act supports research and development of alternative energy technologies, helps municipalities and businesses implement clean-energy projects, and provides assistance to consumers to cover up to 25 percent of the cost to purchase and install certain energy-saving equipment.

It also boosts funding for the Low-Income Home Energy Assistance Program (LIHEAP) and provides rebates for the purchase of hybrid vehicles.

The Alternative Energy Investment Act includes:

- Loans to businesses and loans or grants to counties, municipalities and school districts for clean energy projects, as well as loans and grants to businesses that support alternative energy production through the Commonwealth Financing Authority.
- Loans, grants and rebates of up to 35 percent of the purchase and installation costs of solar and solar photovoltaic panels.
- Consumer grants, loans, rebates and reimbursements of up to 25 percent of the purchase and installation cost for consumer energy conservation projects.
- Loans and grants for alternative energy production projects related to solar energy.
- Tax credits to increase alternative energy production.
- Funding for research and development of alternative energy technologies through the Ben Franklin Technology Development Authority.
- Funding for loans and grants for geothermal and wind energy projects.
- Grants for pollution-control technology at small coal-fired power plants.

Applications for these programs will be available later this year.

For more information, visit my website and click on the "Alternative Energy Investment Act" button, or contact any of my offices.



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Incentives for Alternative Fuels Become Law

Alternative fuels emit no particulate matter, less carbon monoxide and fewer pollutants that contribute to smog than conventional gasoline.

That's why I am pleased that legislation to encourage the use of alternative fuels was signed into law. Act 2 of the Special Session on Energy Policies will improve and expand Pennsylvania's Alternative

Fuels Incentive Fund, which is aimed at reducing air pollution and encouraging the production of alternative fuels, such as biodiesel and cellulosic ethanol, right here in our commonwealth.

The law authorizes an incentive of 75 cents per gallon for biodiesel producers in Pennsylvania who generate more than 25,000 gallons per month, up to a total of \$5.3 million annually. Individual producers could receive no more than \$1.9 million. The law also increases the incentive for producers of ethanol from 5 cents to 10 cents per gallon.

This law also expands an existing rebate program for individuals who purchase hybrid vehicles to include plug-in hybrids and other vehicles which run on alternative fuels.

- The Senate passed legislation clarifying Pennsylvania's alternative energy portfolio standards law to recognize biomass and low-impact hydropower energy resources. The measure awaits action in the House of Representatives.



- Pennsylvania will also steadily increase the amount of solar energy used in our state through 2020 under legislation enacted last year, Act 35 of 2007.



H2O PA Plan Now Law

H2O PA, a plan to provide \$800 million in funding for critical water and sewer projects, is now law. Now Act 63 of 2008, H2O PA will also provide funding for storm water projects, flood control projects, and high-hazard dam repairs.

Providing adequate funding to maintain and improve our infrastructure is one of the biggest challenges facing communities throughout our state. It has been estimated that the cost of modernizing Pennsylvania's existing water and sewer systems could be more than \$11 billion. H2O PA represents a good down payment toward meeting that need. The bond will be paid off with revenue from existing taxes, meaning no tax increase was needed.

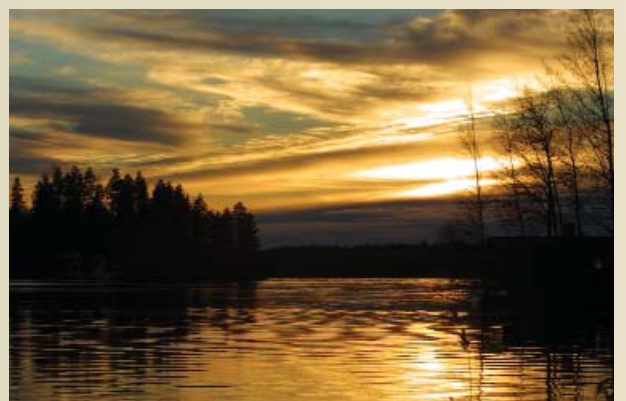
To be eligible for funding, a project must be owned by a municipality or authority, and must include local matching funds. Priority will be given to projects which are subject to a court order or agency order, or consent decree. The Commonwealth Financing Authority will evaluate applications, with technical reviews and assistance from the Department of Environmental Protection and the Pennsylvania Infrastructure Investment Authority.

Legislature Passes PA Climate Change Act

Climate change presents a host of challenges, and a new law I co-sponsored will help meet those challenges while exploring "green" economic opportunities in Pennsylvania. The Pennsylvania Climate Change Act created a stakeholders group to advise the state on climate change issues.

By March 2009, the Climate Change Advisory Committee will issue a report on the potential impact of climate change in Pennsylvania, including the possible effect on our health, the economy, agriculture, wildlife, and tourism. By October 2009, the committee will issue a climate change action plan. Both of these reports will then be updated every three years.

The committee's 21 members include the Secretary of Environmental Protection, the Secretary of Community and Economic Development, the Chairman of the Public Utility Commission, and 18 other individuals chosen based on their interest, knowledge and expertise regarding climate change issues.



Protecting Our Nuclear Facilities

Pennsylvania is home to five nuclear facilities, which generate nearly 25 percent of our electricity. Act 31 of 2007 will ensure that the Department of Environmental Protection and the Pennsylvania Emergency Management Agency have the tools and resources they need to safeguard our nuclear facilities and ensure communities take steps to implement plans should an emergency situation ever arise.