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#### RFA National Ethanol Conference Feb 18-20, 2015, Grapevine TX

World Sustainable Energy Days Feb 25-27, 2015, Austria

# International Biomass Conference & Expo

April 20-22, 2015, Minneapolis, MN

# International Fuel Ethanol Workshop & Expo

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The Bakken-Three Forks Shale Oil
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July 27-29, 2015, Grand Forks, ND

# International Congress and Expo on Biofuels & Bioenergy

Aug 25-17, 2015, Valencia, Spain

## **News Clips**

#### Down to the Wire - Final Gubernatorial Debate Held in Pittsburgh

The third and final gubernatorial debate between Governor Tom Corbett and Democratic candidate Tom Wolf took place in Pittsburgh this week, with each fighting to differentiate himself and clarify his positions. Corbett and Wolf continued to clash on education funding as well as voter ID laws, marijuana, size of the legislature, taxation, and the death penalty.

Neither candidate directly addressed a question about tackling methane emissions from the natural gas industry during the debate, largely reverting to their usual rhetoric on the subject. Wolf reiterated his call for a 5 percent extraction tax on natural gas, which he said is projected to bring in as much as a billion dollars in revenue. Some of that money, he said, "should go to the Department of Environmental Protection to make sure that we have the right regulations, to make sure that we have the right number of people who will oversee the regulation of this industry so that we do have a clean environment."

In a questionnaire ahead of last May's primary, Wolf said that Pennsylvania must reduce its greenhouse gas emissions and vowed to "work with the private sector to promote the development of new technology that quickly and effectively detects fugitive methane emissions."

Gov. Corbett defended Pennsylvania's environmental laws and enforcement efforts, though he did not specifically address the issue of methane emissions. "The men and women who work at DEP have been out there on a regular basis, conducting the inspections, following up on those inspections. When necessary, we've been imposing the fines that are necessary to get compliance with those. There are always next steps in that, and I'll finish up when we get back to it."

On other subjects, the candidates agreed the state should enact legislation to bring gender pay equality to the workplace, and that the state should move away from the election of appellate judges – and that was where the Kumbaya time ended.

Corbett continued to beat on Wolf for his refusal to fully unveil his taxation plan; while Wolf continued to argue Corbett had failed to adequately fund schools.

Wolf also took this opportunity to take a few jabs at Corbett for breaking his no-tax pledge (Act 13 and transportation fund plan gas tax) and said that a failure to set appropriate management standards played a role in the recent pornographic email scandal rocking several in Corbett's senior leadership team. Corbett took offense to the suggestion.

Report: U.S. fuel economy reaches all-time high

Warren Buffett's big bet on renewables in Nevada

Energy for a rainy day, or a windless one

DEP Seeks \$4.5 Million Penalty from EQT Production Company for Major Pollution Incident in Tioga County

Judge dismisses suit against EPA climate rule

The debate explored new area of disagreement, including marijuana regulations and reducing the size of the legislature.

An array of pro-marijuana advocates, ranging from medical use, to tax-and-use recreation, to penalty reformers have stormed the Capitol for months, prompting the state Senate to consider the issue. Corbett said he favors only limited study of the drug for medical purposes, calling it a "gateway drug," while Wolf called for the immediate legalization of medical marijuana and decriminalization of possession of small amounts of the drug. Wolf said he would hold off on entertaining the idea of full decriminalization.

When it came to the merits of governing body size, Corbett supports a smaller legislature, while Wolf disagreed, saying that the larger body serves democracy best. Corbett has had an extremely difficult time pushing his agendas through the GOP controlled House and Senate, but the size and fulltime status of the legislature does make it an extremely costly entity that similarly sized states do not have.

Corbett said he would continue to sign appropriate death warrants; Wolf wants a moratorium on the death penalty. Corbett said he would sign another voter ID bill, defending the concept of guarding against voter fraud; Wolf said such attempts would disenfranchise voters and likely be tossed out in court.

Overall, both candidates seemed confident and comfortable during the debate. Despite polls that consistently have Wolf in the lead, neither candidate is acting like the race is over or that their candidacy is a sure bet.

Ultimately, it will come down to the voters' points of view as they head to the polls on Nov. 4.

Voter turnout is historically low on non-Presidential election cycles; however, a trip to the polls this fall will also determine dozens of House, Senate, and Congressional races that could easily shift the scales of partisan power in Pennsylvania and DC.

#### Legislative Session Nearing its End, Lame Duck Session for Pension Reform?

The House and Senate are scheduled to be in Session Tuesday and Wednesday next week, with the possible addition of Thursday, before returning home for last minute campaigning.

While it has not been ruled out, many legislators had not considered using their lame duck session privilege to enact legislation, but rather to return mid-November for housekeeping and caucus elections.

Rumors have been circulating that House Republican leadership will push for pension reform action this calendar year. Corbett has been asking Pennsylvanians to contact their legislators and demand pension reform – one of his most significant "to do" list items.

Rep. Mike Tobash (R-Schuylkill), author of the most popular pension reform option, said adding days to the calendar post-election is not "unwarranted" to move the reform forward.

Tobash told PLS reporters, "Certainly, any arrow that's left in the quiver needs to be

utilized at this point in time and there is the observation that it is indeed a potential, but probably not a favorite, strategy."

House GOP spokesman Steve Miskin confirmed that Tobash's proposal is "within striking distance" of the necessary 102 votes needed to pass the House. However, this is in contrast to comments House GOP members have made in recent days indicating that they do not believe the measure can pass without Democratic votes. House Democrats have gone on record as "strongly opposing" the Tobash plan on several occasions.

Adding another layer of complexity, Senate Majority Leader Dominic Pileggi (R-Delaware) reconfirmed this week that his caucus is not interested in lame duck action.

#### Energy Legislation Stalls in 2013-14 Session

Pension reform is by no means the only issue lost thus far in the 2013-14 legislative Session. The past two years have been largely disappointing for renewable energy and energy efficiency advocates. Many of these bills, along with several regarding oil and gas development (including protecting natural gas leaseholders) will now wait for 2015 and beyond for action.

The House this week did concur on Senate amendments to House Bill 1672, the State Agency Green Technology Implementation Act, which would provide for the testing of new, environmentally beneficial and energy efficient technologies within various state agencies.

Meanwhile, the Senate passed a measure to create Pennsylvania Grade Crude Development Advisory Council. The purpose of the Council is to examine and make recommendations regarding existing technical regulations related to oil and gas development as well as policies implemented by the Department of Environmental Protection that impact the state's conventional oil and gas industry. The Council would also develop a regulatory scheme that provides environmental oversight and enforcement specific to the conventional oil and gas industry. It is unlikely that the bill will pass through the House before Session concludes.

#### Committee Amends Clean Power Plan Legislative Oversight Bill

The Pennsylvania Greenhouse Gas Regulation Implementation Act (House Bill 2345) is scheduled on the Senate calendar after being amended in Appropriations Committee. Despite a call for a no vote by Senate Pro Tempore Joe Scarnati (R-Jefferson) and others, and amendment offered by Sen. John Rafferty (R-Montgomery) to "establish more legislative control and oversight" was adopted.

The bill, which already sought to provide the legislature with oversight of the state's clean power plan to meet EPA standards, will now require public hearings by standing committees and additional measures.

Many legislators from Western Pa are concerned that the EPA standards will close coal power plants in their region. Despite that fear, federal regulations seem certain and Pennsylvania must find ways to cope with the coming changes.

Sen. Jim Ferlo (D-Allegheny) said "we must take progressive steps forward" toward meeting federal standards and that "the biggest threat to coal is cheap, available, quantifiable natural gas."

Sen. Elder Vogel (R-Beaver) said that while Rafferty's amendment was well-intended, he believes the legislature should not spend its time approving an EPA plan. Other echoed the concern that the General Assembly is not an ideal body to conduct informed discussions on EPA standards.

Rafferty said the legislation is not trying to stifle the power industry, but is to reinforce the legislators' stewardship of the environment.

Earlier in the week, the Senate Environmental Resources & Energy Committee voted the bill out of committee as originated from the House. The Committee voted against an amendment offered by Sen. Ferlo to create a State Plan Implementation Advisory Committee and an amendment offered by Sen. Daylin Leach (D-Montgomery) inserting the a statement that would have set policy on man-made climate change. His language read, "The General Assembly agrees with the United States National Academy of Sciences in its statement that 'climate change is occurring, is caused largely by human activities, and poses a significant risk for a broad range of human and natural systems'."

#### Senate Amendments Would Give Lawmakers Final Say on RACPs

The Senate Appropriations Committee approved House Bill 2420, which would diminish the Redevelopment Assistance Capital Projects (RACP) program's borrowing capacity, and via committee amendments, shift the final sign off authority from the governor's office to the Commonwealth Financing Authority (CFA).

When questions about the intent behind the amendment, author Sen. Joe Scarnati said it has nothing to do with upcoming gubernatorial elections and everything to do with the CFA's expertise and ability to handle many programs.

The bill does not modify CFA structure, and still provides for the administration to have two appointees on CFA and for each caucus to have one appointee.

The move by Senate Republicans comes after years of resistance to Gov. Corbett's attempts to shift grant and loan programs to a new funding authority controlled by gubernatorial appointees. The CFA board can only approve funding for projects if the Administration and all four legislative caucus' appointees agree to the amount and terms of the grant or loan, which functionally gives each caucus a veto authority over CFA actions.

Corbett's original proposals, such as the Liberty Loan Fund, failed to gain traction and were pared down. House Bill 1550, which combines programs under PIDA, was also approved by the committee on Monday and later passed by the chamber.

RACP has long come under scrutiny as a mechanism for funneling money to pet projects, with Republicans noting former Gov. Ed Rendell's dramatic expansion of the fund and correlating project approvals.

House Bill 2420 is on the Senate Calendar, but it is unclear if the bill will receive a full Senate vote.

#### PA Treasury Launches Sustainable Energy Bond Program

The PA Treasury launched the state's Sustainable Energy Bond program September 30. The program will provide legal and technical assistance and low cost capital to the MUSH

(municipalities, universities, schools, and hospitals) for energy efficiency improvements. The Treasury Department announced that it will hold several education days across the state to educate potential end users how they can take advantage of the program.

Participating ESCOs will need to be approved by FREE/ Treasury. This program has the potential to fund a wide variety of technologies - combined heat & power, lighting, building envelope, HVAC, solar, biomass, waste water treatment, thermal storage, and many-many more. For additional information on this program launch, please refer to the <u>PA Treasury web site</u>.

#### DEP Secretary Resigns, Aunkst Named Acting Secretary.

A sexually explicit email scandal continues to rock Harrisburg, after Attorney General Kathleen Kane released redacted copies of emails sent or received by eight former employees of the AG's office while Corbett was responsible for the agency.

Two former prosecutors from the AG's office, Chris Abruzzo and Glenn Parno, resigned from the Department of Environmental Protection last week. Abruzzo had been DEP secretary and Parno a department oil and gas lawyer.

Abruzzo said he left his post as Secretary to avoid becoming a distraction to Corbett midst a tough re-election battle.

Corbett named Dana Aunkst acting secretary of the agency. Aunkst previously served as Executive Deputy Secretary for Programs, the number two position in the agency. As the Executive Deputy Secretary for Programs he planned, directed, integrated and evaluated all of the core environmental protection programs for the agency.

Aunkst has worked in environmental protection, in both the private and public sectors, for 30 years. He has also worked in private practice as a consulting environmental engineer, an industrial plant engineer, and for local government as a Public Works Manager. He holds a B.S. in Chemical Engineering from Penn State University and is a registered professional engineer in Pennsylvania.

Pennsylvania Supreme Court Justice Seamus McCaffery is also alleged to have participated in distribution of sexually explicit emails.

#### Commonwealth Court Takes Up Issue of Drilling in State Parks and Forests

The fate of expanded natural gas drilling in Pennsylvania's parks and forests is now in the hands of seven Commonwealth Court Judges. Governor Tom Corbett wants to lease 25,000 acres of additional state land to drillers in order to raise \$95 million to plug a hole in the 2014-2015 fiscal year's \$29.1 billion budget. The Commonwealth's seven judge panel heard arguments Wednesday from an environmental attorney challenging the Governor's authority to lease that land, and to use the proceeds for the general fund. More...

#### Range Resources Signs Lease to Drill in Allegheny County Park

Range Resources and Allegheny County on Thursday signed a lease that authorizes the energy company to drill for natural gas under Deer Lakes Park in West Deer and Frazer, according to a notice sent to county council members.

The county received \$4.7 million in bonus payments and the first \$600,000 installment of

a \$3 million Parks Improvement Fund on Thursday, county spokeswoman Amie Downs said.

County Executive Rich Fitzgerald told council members Tuesday that nearly \$3.2 million of the money would pay for improvements in the county's nine parks this year. Deer Lakes Park will receive \$2.13 million, and \$2 million will go into the county's reserves, Fitzgerald said.

The lease contains environmental and safety considerations and the promise of job fairs that Fitzgerald and council members had requested. Range Resources must coordinate with local school districts to minimize disruption of school bus traffic, take steps to reduce noise and light pollution and complete water testing that goes beyond the state requirements.

#### PUC Directs Further Hearings on Zoning Exemption Request by Sunoco Pipeline

The Pennsylvania Public Utility Commission (PUC) has remanded requests by Sunoco Pipeline L.P. for zoning exemptions to the PUC's Office of Administrative Law Judge (OALJ) for further proceedings. The Commission did not rule on the merits of the company's underlying zoning exemption requests. More...

#### FERC Approves Cove Point LNG Export Terminal Project

After more than a year of deliberation, the Federal Energy Regulatory Commission (FERC) approved Dominion's proposal to construct and operate liquefaction and export facilities at its existing Cove Point liquefied natural gas (LNG) import terminal located in Lusby, Md. More...

#### **Federal News**

### USDA Secretary: Bioeconomy Brings Big Opportunity to Rural America

USDA Secretary Tom Vilsack, Oct. 8, 2014

Today, small businesses and global companies alike have harnessed the power of America's farms to create new biobased products that are used all around the world. Everything from cleaning products to packing peanuts originates in rural America, and the potential to create even more new products derived from the crops grown in rural America is nearly limitless.

Yesterday, I visited the first-ever Bioproducts World Showcase, hosted by the Ohio Bioproducts Innovation Center at Ohio State University. At the Showcase, I had the opportunity to see the latest and greatest in cutting edge innovation in the bioeconomy and speak with leaders across the bioeconomy about emerging opportunities and challenges in the bioeconomy.

In conjunction with the event, USDA also released a new report, titled *Why Biobased?* The report is a precursor for a more comprehensive economic study to be released in the coming months that will capture the full economic impact of the biobased products industry in the United States. <u>More...</u>

#### **Fracking Study Extension Looming**

EPA is delaying the anticipated release of a draft final report on its comprehensive inquiry into hydraulic fracturing, ongoing since 2010. Originally expected later this year, the draft conclusions are now set for release early next year, an EPA spokeswoman said yesterday.

The scope of the study, which will undergo peer review, has drawn jabs from Republicans who fear EPA is on a 'witch-hunt to find a pretext to regulate' fracking more strictly on the federal level, as Rep. Chris Stewart (R-Utah) put it during a hearing last year.

Meanwhile, Food & Water Watch, Environmental Action and other groups are holding a press conference Friday to 'challenge' Administrator Gina McCarthy to reopen EPA's investigation into cases of alleged water contamination from fracking.

The event, part of a "Global Frackdown," will feature a resident of Dimock, Pa., whose water was tested by EPA. The groups also hope to get an EPA official outside to talk with them, and say they have been unable to secure a meeting with EPA on the issue.

#### Senate Dems Call for 'Strongest Possible' Fracking Regs

A group of Democratic Senators led by Ed Markey (Mass.) delivered a signed letter to Office of Management and Budget Director Shaun Donovan urging the OMB to issue the "strongest possible" safety standards for fracking on public lands.

The letter dovetails with fracking rules submitted by the Interior Department to OMB for final review.

"As OMB finalizes this rule we urge you to issue the strongest possible safeguards to ensure that public health, safety and our environment are protected," the letter states.

"As stewards of these lands and resources for the American people it is therefore critical that the final rule for hydraulic fracturing on public lands offers stringent protections for the safety of workers, our water, air, lands and public health."

The senators also ask that the final rules include "public disclosure of all chemicals and other additives" and a transparent and permanent database to document chemical disclosures. Neither measure is currently included in the draft rule.

The letter also highlights the need for strong requirements for "well constructions and integrity of wastewater management."

Methane release from natural gas drilling activities will continue to be an issue moving forward. Drillers say they are working to improve the issue, but EPA will surely weight in as part of the Obama administrations' climate control policy.

#### **State Funding**

# DEP Accepting Small Business Advantage Grant Applications for Pollution Prevention, Energy Efficiency Projects

The state Department of Environmental Protection is now accepting grant applications from manufacturers, retailers, service providers, agricultural businesses and other small businesses to finance pollution prevention and energy efficiency projects.

The Small Business Advantage 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.

Applicants must be a for-profit corporation, Limited Liability Corporation, partnership, sole proprietorship or other legal entity with 100 or fewer full-time employees. The grant-supported project must be located in Pennsylvania and be owned by the applicant. Eligible projects must save the business a minimum of \$500 and 25 percent annually in energy consumption or pollution related expenses.

Businesses can apply for 50-percent matching funds of up to \$9,500 to adopt or acquire energy-efficient or pollution-prevention equipment or procedures. Funding is eligible for those costs incurred between Oct. 6, 2014 and June 30, 2015.

<u>Applicants will be considered on a first come, first served basis</u>. Applications will be accepted until fiscal year 14-15 funds are exhausted or April 15, 2015, whichever occurs first.

Applications are available on DEP website at <a href="www.dep.state.pa.us">www.dep.state.pa.us</a>, select "Small Business Advantage Grant" button.

#### 2015 Environmental Education Grants Open

The DEP has opened the 2015 Environmental Education Grant program. Schools, colleges and universities, county conservation districts, nonprofit organizations, municipalities and businesses are encouraged to apply for the grant which will assist in the development of environmental education programs and projects.

The grants provide funding to develop programs and projects that support environmental education about issues including: watersheds, Chesapeake Bay watershed education, air quality, brownfields, energy, environmental literacy, and environmental education certification.

Grants are awarded for up to \$3,000. Application deadline is December 19. Applications are available on DEP website at <a href="https://www.dep.state.pa.us">www.dep.state.pa.us</a>.

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