

Promoting Wind and Solar

The AEPS could do a lot to promote new wind and solar power, but certain technical language issues need to be addressed to make this work effectively:

- The compliance fee for solar is set too low to be an effective incentive. The success in New Jersey's solar share has been attributed by the state to their setting the fee above the cost of solar production (at \$300/MWh), so that energy suppliers don't simply opt to pay a fee rather than develop solar as the legislation intends. New Jersey outlines the need for this on their website: http://www.njcep.com/srec/docs/Alt_Compliance_Pay_Order.pdf
- Coal-mine methane, a fossil fuel, belongs in Tier II, so that it doesn't compete with wind.

Promoting In-State Development

There is enough existing generation in the PJM grid that the portfolio standards can easily be filled up with out-of-state existing generation, leaving little room for new in-state generation. For wind power and other new renewables to benefit, they cannot be made to compete with the large amount of existing alternative energy supply in the ever-expanding multi-state Regional Transmission Organization. It would violate the Interstate Commerce Clause to treat in-state generation differently, but – like our waste importation problem – this problem can be legally handled by sizing the portfolio to the state's capacity. A 30% cap on existing supply in Tier I will ensure that new generation can compete, while still allowing existing supply (including reasonable amounts from out-of-state) to be used to meet the AEPS requirements.

Consumer Protections

- The credit-trading system ought to be public and transparent. Some of the language added is from Maryland's recently-passed RPS law.
- Alternative Compliance Payment moneys should be administered by a publicly-managed clean energy fund, not to Sustainable Development Funds. Not all territories have Sustainable Development Funds, making it difficult to calculate distribution of funds.
- Clean Energy Funds should be dedicated to granting the money to Tier I technologies needing the most financial support. Solar technologies need the most support and would have the best political impact, since grants for solar would involve many small and distributed applications that would impact many political districts throughout the Commonwealth. If the funds are to be used for more than solar, the solar compliance fees must be kept separate so that the solar share compliance fees are used for solar development.
- Additional Double-counting measures are needed to avoid fraud and to protect green pricing programs.

Sustainable biomass

- Senator Erickson’s original language that specifically excludes the burning of municipal solid, industrial, residual or any hazardous waste should be retained.
- Landfill gas contains many toxic compounds in addition to methane. Pottstown and many other Pennsylvania communities must deal with the toxic exposure from landfill gas burning. To help these communities while still allowing for electric generation from burning landfill gas, the toxins ought to be filtered out of landfill gas before the gas is burned if it is to be considered renewable.
- The “pallets, crates, and drainage” term should read “pallets, crates, and dunnage.” Dunnage is external packing material. Drainage is a typo.
- Agricultural sources should include only “vegetative agricultural sources” so that it’s not construed to apply to direct incineration of animal wastes. This may seem like a small point, but there is a proposal for a large poultry litter incinerator in eastern Maryland, that would be a major source of arsenic pollution (arsenic is used in poultry feed and ends up in the waste). Poultry litter incineration was included in the Maryland RPS, but with serious restrictions so as not to harm the poultry litter pelletization market, which is a more environmentally-sound solution to poultry litter management. Since Pennsylvania doesn’t have a comparably large supply of dry, burnable animal wastes, there are no proposals for electricity-generating animal waste incinerators in Pennsylvania. The Pennsylvania RPS should not contain unqualified support for technologies that a neighboring state has sought to limit.
- A more explicit definition for biomass energy crops seemed necessary to prevent certain abuses that could present toxic hazards to Pennsylvania communities.
- Digesters should be limited so that they don’t help proliferate the highly-controversial confined animal feeding operations proposed in the state.

Other Technology Definitions

- Ocean and lake energy sources are upcoming technologies that should be included
- Pumped storage of hydroelectric should not be included, since it contradicts the low-impact hydroelectric definition
- Coal-mine methane needed to be defined so that it only applies to legitimate actual mines.
- Facilities under PURPA contracts should not be included.
- Combustion technologies are not legitimate energy efficiency technologies. Energy efficiency should be limited to the purpose of the bill, which is for electric demand reduction.
- To ensure that energy efficiency is cost-competitive, the cost issues should be defined in the legislation, not by the PUC.
- Fuel cells, especially if they are to be included in Tier I, must use clean fuel sources.