

COMMENT RESPONSE DOCUMENT

THE PENNSYLVANIA ENERGY DEVELOPMENT PLAN

**DEPARTMENT OF ENVIRONMENTAL PROTECTION,
PENNSYLVANIA ENERGY DEVELOPMENT AUTHORITY**

March 28, 2008

LIST OF COMMENTATORS

- 1. Pennsylvania Waste Industries Association (PWIA)**
- 2. Ben Franklin Technology Partners (BFTP)**
- 3. American Wind Power & Hydrogen, LLC (AWP&W)**
- 4. Ms. Anne Pratt (Resident of Bedford County)**

Comment: Commenter 1 notes that the term “renewable energy” is used very differently by various people and groups. The commenter suggests that the term “renewable energy” be defined in the final Pennsylvania Energy Development Plan (Plan) to be consistent with the Alternative Energy Portfolio Standard (AEPS) Act.

Response: The Authority has endeavored to avoid confusion in The Pennsylvania Energy Development Plan (Plan) by referring to this varied, emerging sector mainly as “clean, advanced energy.” Most references to renewable energy are made in the context of the AEPS Act’s Tier I resources, which we believe are well-defined by statute. The Authority believes that this should prevent confusion in terms.

Comment: Commenter 1 states that only two examples of alternative fuels for transportation are noted in the draft Plan. Commenter 1 further states that there are a number of gaseous fuels derived from biologically-derived methane gases. The commenter believes that it would be beneficial to either expand the list of alternative fuels for transportation to include additional fuels known to be in use or development, or to specify generally applicable criteria for determining whether any fuel would qualify as an alternative fuel for transportation.

Response: The Authority did not intend the mention of bio-diesel and ethanol as alternative fuels for transportation to be an exhaustive list of all possible alternative fuels. We have revised the discussion of alternative fuels in the Plan to more clearly reflect the Authority’s intention to consider a variety of innovative clean, alternative fuels.

Comment: Commenter 1 also suggests clarifying in what cases alternative fuels, outside of the transportation sector would qualify for PEDDA funding. The commenter states that most examples of “energy” in the draft Plan pertain to the generation of electrical energy. The commenter suggests that the Authority clarify that the Plan includes liquid fuels as well as electric energy.

Response: The Authority intends the Plan to encourage a wide variety of clean energy technologies, fuels and measures. As noted above, alternative fuels certainly are included, and the discussion of alternative fuels has been clarified to more clearly reflect the broad scope of possible fuels. The Plan seeks to describe the broad scope of the clean, advanced energy sector, without unduly limiting the types of fuels, technologies and measures that are, or may become, a part of it.

Comment: Commenter 1 notes that the Plan lists three classes of priority for funding: advanced energy manufacturing, behind the fence projects and the deployment of clean, advanced energy systems. The commenter suggests that these three areas are equal priorities and that there is no preference between classes and suggests that the Plan should state so clearly.

Response: The Authority encourages projects in each of the three investment priority areas in keeping with its policy goals and objectives and seeks to create a balance among them in projects its selects for funding. However, the listing of investment priorities is

intended to communicate a priority for projects that can have the greatest effect on the clean energy market as a whole. Fundamentally, PEDDA's mission is to help this market grow, and the creation or expansion of clean energy manufacturing facilities is the most direct way to make that happen.

Comment: Commenter 2 recommends adding language that would suggest that clean energy, alternative energy and energy savings-related companies that are currently receiving investments from Commonwealth agencies/funded initiatives would be afforded priority consideration in the awarding of PEDDA funds.

Response: The Authority believes the insights and guidance of other Commonwealth programs and agencies are helpful in evaluating projects. However, the Authority must consider each project's individual merits in light of the criteria set forth in this Plan and the Guidelines of the particular solicitation before it can award funding. We do not believe setting a formal priority category is necessary in the evaluation process.

Comment: Commenter 2 suggests adding some language indicating that existing due diligence capabilities within the Commonwealth would be examined/evaluated prior to instituting and paying for new mechanisms that may be redundant.

Response: The Authority agrees that it should take advantage of, and coordinate with, existing Commonwealth due diligence capabilities in order to maximize efficiency and minimize cost. The Authority's staff works closely with the Office of Energy & Technology Deployment's technical staff to evaluate all proposed projects. These technical staff members evaluate proposals under all Department energy programs, including the Energy Harvest and Alternative Fuels Incentive Grant programs. The review processes include technical review of each project by several different reviewers in order to ensure completeness and fairness. In addition, the Authority works closely with the Department of Community and Economic Development (DCED), which has particular expertise in business and financial due diligence.

Comment: Commenter 3 states that the Plan fails to recognize the potential for hydrogen to be a major factor in providing a solution to the [energy] problems that need to be dealt with. This commenter cites a number of examples of significant hydrogen projects and support.

Response: The Authority believes that hydrogen has significant potential and has supported some projects specifically focused on hydrogen. Hydrogen is specifically recognized on page 6 of the Plan. However, the purpose of the Plan is not to focus on any one technology or fuel, but rather to encourage the growth of a diverse variety of technologies and fuels. Fostering energy diversity is an important goal of the Authority and is integral to moving Pennsylvania toward greater energy security.

Comment: Commenter 4 requests the data for the assertion on page 7 of the draft Plan that Pennsylvania has the potential for 5400 MW of developable wind capacity.

Response: The American Wind Energy Association was the source of this data. A more recent AWEA estimate places Pennsylvania's the wind potential at 5120 MW, and the Plan will be revised to reflect the newer estimate. The information may be found at <http://www.awea.org/projects/projects.aspx?s=Pennsylvania>.

Comment: Commenter 4 observes that on page 10, the draft notes that all projects must provide a one-year follow-up report which will include environmental performance data. The commenter asks whether this requirement applies to wind power projects that are planned and also to those that have been developed.

Response: The one-year follow-up reporting requirement applies to all projects, including wind energy projects that receive funding from the Authority. The one year follow up is intended to provide information resulting from the completion and operation of all projects receiving Authority funding.

Comment: Commenter 4 asks whether the statement on page 12 of the draft, that efficiency considerations must become integrated into thinking about energy, applies to the efficiency of wind turbines.

Response: The efficiency to which the Plan refers on page 12 is the conservation and efficiency that will enable Pennsylvanians to use less conventional energy. However, the Authority considers the cost effectiveness and technical merits of each individual project in the evaluation process. The efficiency of the proposed technology certainly would be considered in that evaluation.