



Senate Environmental Resources and Energy Committee

Senator Mary Jo White
Chairman

Patrick Henderson, Executive Director

Room 169 • State Capitol Building
Mailing address: Senate Box 203021 • Harrisburg, PA 17120-3021
Phone: 717-787-9684 • FAX: 717-787-6088 • energy@pasen.gov

June 10, 2009

Thomas K. Fidler
Deputy Secretary for Waste, Air & Radiation Management
Department of Environmental Protection
16th Floor Rachel Carson Building
Harrisburg, PA 17105

Dear Deputy Secretary Fidler:

We are writing on behalf of the Senate Environmental Resources and Energy Committee to share with you the Committee's comments regarding the draft Pollution Control Technology Grant Program Criteria Guidelines. As you know, the Alternative Energy Investment Act (Act 1, S.S. 1 of 2008) provides \$25 million to assist electric generating units and co-generation units meet state and federal pollution reduction requirements.

We note for the Department's consideration that the Senate Environmental Resources and Energy Committee first proposed the concept of utilizing a portion of the bond proceeds authorized under the Act for pollution control technology assistance. As such, we are very interested in the implementation of the program as envisioned by the General Assembly.

Eligibility

Our intent in crafting the pollution control technology assistance provision was to provide compliance assistance to smaller, marginal coal-fired generating facilities that otherwise may be unable to meet new federal and state requirements concerning mercury emission reduction and similar mandated reductions contained in the federal Clean Air Interstate Rule (CAIR). As such, the legislation was amended to limit eligibility to units with an installed capacity of less than 500 megawatts. To this extent, we agree with the comments previously submitted to the Department by Sunbury Generation LP that urge the Department to construe the reference to "units" in the Act as a compendium or grouping of units within a single plant or facility with less than 500 megawatts of total installed capacity.

Plan Approval Date

Our understanding is that the Department intends to limit eligibility for financial assistance to those facilities which have obtained a plan approval after July 9, 2008, which is the effective date of the Act. We strongly disagree with this date, as it is arbitrary and significantly limits the pool of eligible applicants for the funds available under the Act. Furthermore, this date penalizes those facilities which took early action to receive plan approval and install pollution

control technology. Therefore, we encourage the Department to consider the proposal put forth by the Electric Power Generation Association (EPGA) that a plan approval must be issued on or after January 1, 2006 but not later than December 31, 2009.

Scope of Criteria Guidelines

The comments submitted by EPGA outline several instances where receipt of funding under the Act would or may be contingent on installation or operation of equipment not required by existing state or federal regulations. To this end, we urge the Department to review and revise its guidelines to ensure that receipt of grant funds is not contingent on implementing regulatory or control technologies which are more stringent than those required by state and federal regulation at the time the Alternative Energy Investment Act was enacted.

Thank you for your consideration of the Committee's comments and recommendations.

Sincerely,



Mary Jo White, Chairman
Senate Environmental Resources
& Energy Committee



Raphael J. Musto, Democratic Chairman
Senate Environmental Resources
& Energy Committee