

ENVIRO-NEWS BULLETIN



FROM THE DESK OF ...

REP. CAMILLE "BUD" GEORGE

MAJORITY CHAIRMAN

HOUSE ENVIRONMENTAL RESOURCES AND ENERGY COMMITTEE



A Report from the House Environmental Resources and Energy Committee

Energy, environmental issues at top of 2010 agenda

State Rep. Camille "Bud" George, head of the state House of Representatives' Environmental Resources and Energy Committee, says Pennsylvania needs to move forward on crucial energy and environmental concerns in 2010.

"The decade begins with the Commonwealth facing massive changes and challenges regarding energy and the environment," said Rep. George, D-74, of Clearfield County. "We have a natural gas-drilling boom in Pennsylvania's Marcellus Shale deposit, and one of the state's largest utilities increased electric-generation charges by 30 percent on Jan. 1, despite the dismal economy.

"Pennsylvania must meet these challenges promptly and effectively."

REP. GEORGE SAID THE FOLLOWING MEASURES WOULD PROTECT PENNSYLVANIANS:

House Bill 1489

The Natural Resource Severance Tax Act

House Bill 1489 would ensure a fair return for taxpayers for the extraction of a natural resource owned by citizens and requiring use of taxpayer-paid infrastructure and Commonwealth natural resources to extract.

"My severance tax legislation recognizes that extraction of any natural resource comes at a cost, and those costs should be shared by the drillers," Rep. George said. "Pennsylvania is the only state among the top 15 gas-producing states not to have a severance tax to pay for the extraction, its toll on state and local infrastructure, and to protect air and water."

House Bill 1489 calls for a 5 percent tax on the gross value of gas extracted and 4.7-cents for every 1,000 cubic feet of gas produced. The tax would not apply to smaller wells producing 60,000 standard cubic feet a day or less.

Rep. George said the tax eventually would generate hundreds of millions of dollars annually for state and local governments, environmental stewardship, and cleanups at hazardous waste sites.

"A severance tax would be welcome relief for Pennsylvania taxpayers unfairly shouldering the tax burden during the worst economic downturn since the Great Depression," Rep. George said.

Rep. George discusses pressing issues as majority chairman of the House Environmental Resources and Energy Committee. The Clearfield County lawmaker says progress on four fronts – a severance tax on natural gas drillers, electric-generation charges, property rights and sludge – is crucial for the Commonwealth to move forward in the new decade.

House Bill 2213

The Land and Water Protection Act

Rep. George said House Bill 2213 would reduce adverse and widespread environmental impacts from gas drilling.

"Pennsylvania must keep pace with the extraordinary drilling boom being experienced across the state," Rep. George said. "The legislation would mitigate the risks to our land and water."

The legislation would:

- Require the state Department of Environmental Protection to inspect Marcellus well sites during each drilling phase;
- Extend to 2,500 feet, from 1,000 feet, the presumed liability of a well polluting a water supply;
- Require full disclosure of the myriad of chemicals used in the hydraulic fracturing – fracking – of the natural gas from the earth;
- Update bonding requirements to cover the costs of decommissioning a well;
- Clarify local governments' traditional authority to regulate oil and gas activities.

House Bill 2214

The Lessor's Royalty Protection Act

House Bill 2214 would protect landowners' royalties in oil and gas leases. Leases have prompted considerable litigation stemming from gas companies' attempt to deduct post-production expenses from royalties paid to landowners.

"The legislation would exclude all post-production expenses, which have been loosely defined to include processing, transportation and marketing costs, when calculating royalty payments," Rep. George said. "Pennsylvania's landowners deserve to receive the full value of their properties."

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Contact information is available online at www.pasenategop.com for Senate Republicans and www.pasenate.com for Senate Democrats.

House Bill 1909

The Commonwealth Energy Procurement and Development Act

House Bill 1909 would create an independent Commonwealth Energy Procurement and Development Agency to buy power, spur new generation and serve the Commonwealth's 12.5 million citizens and businesses.

"Most of PPL Electric Utilities' customers are now paying rates 29 percent above last year's," Rep. George said. "The economic repercussions are real, and will only spread as more rate caps expire next year."

The public agency, representing citizens, business, industry and agriculture, would:

- Buy power as cheaply as possible from the wholesale market;
- Enter into long-term agreements to secure lower prices and promote construction of state-based power plants;
- Build or buy power plants to create real competition;
- Distribute rebates from formerly regulated power plants, which have been charging high prices even though ratepayers already paid for the plants.

Rep. George issued a detailed report on electric deregulation and its ramifications for Pennsylvania. The report, "Failed Experiment," may be downloaded from Rep. George's legislative Web page, www.pahouse.com/george.

Pennsylvania utilities, representing more than 80 percent of the state's electric customers, and their rate-cap expirations, are:

- PPL, Dec. 31, 2009;
- Allegheny Energy, Dec. 31, 2010;
- FirstEnergy/Penelec, Dec. 31, 2010;
- FirstEnergy/Met-Ed, Dec. 31, 2010;
- PECO, Dec. 31, 2010.

House Bill 1341

The Sewage Sludge Testing Act

House Bill 1341 would help local governments be able to assure citizens that the substances applied around their homes are safe.

"The Sewage Sludge Testing Act would enable local governments to have tests done on sludge properties with the costs paid by the entity that applied the sewage sludge, the sludge transporter, or the landowner," Rep. George said. "The measure also would enable the state Department of Environmental Protection to test sludge sites when a written complaint is received."

Under H.B. 1341, DEP would be required to catalog the complaints and the test results.

"Pennsylvanians have been ignored for far too long on this issue as more questions about the safety of sludge are being raised," Rep. George said.

News 'n' Notes

C2P2 Grants

Applications for 2010 Community Conservation Partnerships Program Grants will be accepted until April 21. The grants through the state Department of Conservation and Natural Resources can be used for a variety of programs, including community recreation, land trusts, river conservation and recreational trails.

All grant applications must be submitted online through the Environmental eGrants System available at www.grants.dcnr.state.pa.us. Grant assistance is available by calling the Customer Service Center toll free at 1-800-326-7734 or by e-mail at dcnr-grants@state.pa.us. Information about guidelines, workshops and past grant awards also is available through the Web site.

Community projects

The Water Resources Education Network – WREN – has up to \$5,000 available to help launch community projects. Eligible projects include watershed education projects that build awareness and educate Pennsylvanians about their role as environmental stewards to protect, improve, or remediate the watershed from the impacts of polluted runoff or nonpoint source pollution.

Eligible applicants include watershed associations, civic groups, community/public water systems, schools or universities, local governments, advisory councils and municipal authorities. A municipality is required as a partner.

The application deadline is March 26. More information is available online at <http://palwv.org/wren/grants/local.html>.