

# Conservation Committee Report

Volume 10 Issue 12

By Jack Walters, ACSL Conservation Chair

December 2008



## The Conservation Pledge

I give my pledge as an American to save and faithfully defend from waste, the natural resources of my country; the soil, the water, the air, the minerals, the plant life and the wildlife.

This is my Pledge!

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## Consumers Cautioned About Heating Fuel Contracts; Consumers Urged to Report Problems

Attorney General Tom Corbett is cautioning Pennsylvania consumers to carefully review their options concerning any long-term heating fuel contracts they may have authorized.

"With the unusual swings in heating oil prices that we have seen over the past year, a growing number of consumers are questioning their long-term fuel delivery contracts," Corbett said. "It is important for consumers to understand the options and limitations of various contracts, and to report problems involving deceptive or misleading practices to the Attorney General's Bureau of Consumer Protection."

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## DEP SECRETARY RECOMMENDS MEASURES TO SAVE ELECTRICITY CONSUMERS \$500 MILLION BY 2013, AVOID FULL EFFECTS OF RATE SPIKE

Acting Department of Environmental Protection Secretary John Hanger offered the Pennsylvania Public Utility Commission suggestions to ensure that consumers can realize the greatest amount of savings—up to \$500 million by 2013 and \$800 million annually thereafter—from the state's new energy efficiency and conservation law.

He also said that with electricity rates for a majority of Pennsylvanians set to spike as much as 60 percent in the near future, it is important that the commission act quickly to implement guidelines so programs have time to take effect and benefit ratepayers.

"By reducing electricity consumption, especially during the 100 most expensive hours of the year, power consumers can save more than \$250 million a year be

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## Consumers Cautioned About Heating Fuel Contracts (continued)

Corbett said that consumers who are concerned about the price they are paying for heating fuel should carefully review the details of any delivery contract they have signed.

Some contracts call for the delivery of a certain number of gallons of fuel, for a fixed price, which was set when the contract was signed. Other contracts set a maximum price that consumers will be charged for each gallon of fuel, but allow prices to adjust downward if the current price is lower. A third type of contract does not limit the price for fuel, but simply extends winter fuel bills over a 12-month period, allowing consumers to budget a fixed payment every month.

Corbett said that if the current price for heating fuel is lower than the price in your contract, consumers should carefully review the terms of their agreement to see if the price can be adjusted downward. Consumers may also want to contact their heating oil supplier to see if their contract can be re-negotiated.

Consumers who are having difficulties with fuel companies honoring delivery contracts, disputes over delivery prices and concerns about misleading or deceptive price advertising, should contact the Attorney General's Consumer Protection Hotline at 1-800-441-2555 or file an online consumer complaint at [www.attorneygeneral.gov](http://www.attorneygeneral.gov).

Source: PA DEP

*AVOID FULL EFFECTS OF RATE SPIKE*

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ginning in 2011 and \$800 million annually by 2013,” said Hanger. “We can reduce the price increases that will hit consumers when rate caps expire statewide two years from now, but we must act decisively to ensure the conservation plans put in place produce verifiable, cost-effective results. There is much work to do and little time to do it.”

During his testimony, Hanger also reiterated a call to fast-track implementation of advanced meters, also known as smart meters, that allow consumers to respond to higher prices during periods of peak demand by shifting their consumption to times when power prices are lower. Act 129, which Governor Edward G. Rendell signed last month, requires that utilities must provide their customers with smart meters within 15 years. “To achieve Act 129’s important goals, the Department of Environmental Protection recommends that smart meters be fully deployed within 10 years,” said Hanger. “Smart meters and time-sensitive price plans effectively use market forces to reduce consumption, shift some uses to cheaper times of day, save consumers money, and provide system-wide benefits to all consumers.”

Act 129 requires utilities to adopt and implement cost-effective plans to cut electricity use 1 percent by 2011 and 3 percent by 2013. Utilities must also implement plans to cut energy use 4.5 percent during peak demand periods when prices are highest—typically the hottest days of summer and the coldest days of winter—by 2013. Electric utilities that fail to meet the law’s requirements may face steep penalties. In order to have the conservation plans up and running ahead of the rate cap expirations, Act 129 calls for the plans to go into effect by November 2009.

The PUC is charged with creating standards for the energy efficiency and conservation program, including an evaluation process. Because the cost of the energy efficiency and conservation plans will be recovered from the ratepayers, Hanger said the process for creating and evaluating the plans demands accountability.

Hanger submitted detailed written answers on behalf of DEP to specific questions on how to implement the program. His responses are available at [www.puc.state.pa.us](http://www.puc.state.pa.us).

Act 129 is part of the Energy Independence Strategy Governor Rendell launched to spur the development of alternative energy resources; create good-paying, skilled jobs for Pennsylvania’s hard-working men and women; and protect consumers from higher energy prices.

The Governor signed other pieces of the strategy into law in July that will increase the production of clean energy and homegrown biofuels and will help consumers implement energy conservation and efficiency measures to cut energy costs. For more information, visit [www.depweb.state.pa.us](http://www.depweb.state.pa.us) and click on the “Fueling Energy Savings” icon.

Source: PA DEP

## Environmental Groups Oppose Rendell Plan To Use DCNR Funds To Balance State Budget

15 environmental groups and the Conservation and Natural Resources Advisory Council this week sent letters to Gov. Rendell opposing his plan to use \$174 million in revenue from the Department of Conservation and Natural Resources to help balance the state's budget.

The funds were from leasing State Forest lands to companies drilling for natural gas in the Marcellus Shale formation.

The 15 groups included: 10,000 Friends of Pennsylvania, Audubon Pennsylvania, Citizens for Pennsylvania's Future, Foundation for Pennsylvania Watersheds, Lancaster Farmland Trust, Natural Lands Trust, PennEnvironment, Pennsylvania Environmental Council, Pennsylvania Land Trust Association, Pennsylvania Recreation and Park Society, Preservation Pennsylvania, Sierra Club Pennsylvania Chapter, The Nature Conservancy, Western Pennsylvania Conservancy and the Chesapeake Bay Foundation.\*

The groups urged Gov. Rendell to respect nearly sixty years of precedent and reinvest revenue from drilling in the State Forests into the state's green infrastructure – a move that will create jobs and real value.

However, there is precedent for taking DCNR funds to balance the budget in recent years.

In 2006 Gov. Rendell proposed making a "one-time" diversion from DCNR's Keystone Recreation, Parks and Conservation Fund to balance the budget. The final budget included a \$52.7 million diversion from that Fund.

In 2007, Senate Republicans and Gov. Rendell agreed to use \$40 million from the Keystone Fund to again balance the budget, but environmental groups were successful in defeating that attempt and there was no diversion.

In the last seven years, over \$784 million in environmental funding from DCNR and the Department of Environmental Protection (including the recently proposed \$174 million) has been diverted to either balance the budget or to provide funding for programs that could not get funding on their own. (*See [11/24/08 PA Environment Digest](#)*)

So far this budget year, Gov. Rendell also announced additional cuts to the budgets for DEP and DCNR totaling \$18.4 million, including cutting two-thirds of the funding for DCNR's Infrastructure Mapping Project. (*[A list of the cuts is available online.](#)*)

This week's letter from the environmental groups said in part, "For more than a century, Pennsylvania's governors, senators and representatives have invested in Pennsylvania's future by building and maintaining a magnificent state park and forest system. When the General Assembly created the Oil and Gas Lease Fund in 1955, they committed a funding stream to reinvest in the magnificent system of public conservation lands they inherited from their predecessors. They showed respect for the generations yet to come, who deserved to inherit more than just empty gas and oil wells and degraded public lands.

"In 1955, Pennsylvania's elected leaders recognized that when government allows oil or gas to be extracted

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## Environmental Groups Oppose Rendell Plan (continued)

from the state forests owned by the people of the Commonwealth, the government should reinvest the resulting revenues in our future – not in daily operations. They recognized that the revenues should be invested in green infrastructure to mitigate the environmental damage done from extracting drilling. They adopted a farsighted policy of taking the money from the sale of nonrenewable oil and gas resources owned by the state and reinvesting this money into public conservation assets that would last for generations.

“Through seven recessions and more than half a century, the Oil and Gas Lease Fund has been used to reinvest in Pennsylvania’s green infrastructure. It would be a great loss for the Fund to now be diverted to pay for day-to-day operations.”

The Commonwealth’s green infrastructure is a significant economic driver. It includes highly visited State Parks and trails and other outdoor recreational areas that support the state’s huge eco-tourism industry. In addition to generating tourism revenue, these amenities are free and available to the citizens of the Commonwealth.

“We strongly believe that the gas leasing revenues from our publicly-owned conservation areas should be dedicated to conservation purposes consistent with the intentions of the Oil and Gas Act and the needs brought about by the present recession to make capital investments in Pennsylvania’s future,” the letter continued.

The groups recognized “the very tough budgetary situation facing the Commonwealth,” but urged the governor to use the money from Marcellus Shale drilling to invest in jobs and protect the state’s natural beauty, building on the “successful work done by the 1930’s Civilian Conservation Corps and more recently, the Pennsylvania Conservation Corps.”

The groups emphasized that investing in the green infrastructure would not only protect the environment, but would also grow the economy.

“Our economy would benefit from the construction work and the associated jobs that would be created. The Commonwealth’s tourism, sporting and recreational businesses would also benefit preserving many retail and service sector jobs. ... This important work would also supplement the investments that you’ve already made through the Growing Greener II bond program,” they reminded the governor.

The environmental leaders also included a list of proposed investments and unfunded projects under the Department of Conservation and Natural Resources, as part of their suggestions to the governor.

In closing, the environmental leaders said, “We look forward to working with you and members of the General Assembly to find the best solutions to the current financial crisis and to help get Pennsylvania’s economy back on track by investing in our green infrastructure and putting people to work.”

Clifford C. David, Jr., Chair of the DCNR Conservation and Natural Resources Advisory Council, also sent a letter to Gov. Rendell on behalf of Council saying that by law the proceeds from the sale of mineral rights on State Forest lands must be placed in DCNR’s Oil and Gas Lease Fund to be used by DCNR.

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## Environmental Groups Oppose Rendell Plan

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"The Conservation and Natural Resources Advisory Council (CNRAC) recognizes the Commonwealth's fiscal problems that the Governor and Legislature presently face. We believe that it is acceptable for portions of this \$190 million to be re-directed from traditional Fund uses and to be used by DCNR to augment operational expenses during this time of economic hardship.

"We have heard of proposals to use \$174 million of this Fund to offset some DCNR operational shortfalls, and we understand that this would be a temporary adjustment for this year only. However, we appeal for a significantly larger amount of these funds to be used and kept within the specifically-defined parameters of the Oil and Gas Lease Fund.

"Infrastructural improvements, environmental protection measures, key land acquisitions, etc., all remain for DCNR to address with diminishing sources of alternative funding. Delaying attention to these key issues will only cause the cost of such attention to increase with time. A well-considered balancing of present budgetary needs with traditional Oil and Gas Lease Fund project implementation is needed.

"Finally, we stress and strongly recommend that the language and the integrity of the Oil and Gas Lease Fund be maintained and upheld throughout any future discussions about the best use of the funds generated from this year's Marcellus Shale gas lease sale on state forest lands."

Copies of the [environmental groups' letter](#) and the [Advisory Council letter](#) are available online.

**NewsClips:** [Rendell Blasted For Eyeing Green Funds](#)

[Groups Blast Plan To Divert Lease Funds](#)

[Editorial: Taking From Conservation Fund Threatens State's Environment](#)

[Editorial: Gas Lease Revenues Packed With Potential, But](#)

[Plan To Use Park, Forest Money Alarms Green Groups](#)

[Environmental Groups Critical Of Rendell Plan To Ease Deficit](#)

[Editorial: Mine Reclamation Another Piece Of Recovery Puzzle](#)

[Rendell: Use Drilling Fees to Plug Hole In Budget](#)

[Rendell Says State Will Get \\$900 Million In Federal Aid](#)

[Rendell Unveils Plan To Deal With Rising Deficit](#)

[Rendell Plans To Close \\$1.6 Billion Budget Deficit](#)

[Rendell Details Plan For Plugging \\$1.6 Billion Gap](#)

[Governor Reveals Plan To Fill Looming Deficit](#)

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[Rendell's Goal, Avoid Layoffs](#)

[Rendell Discusses Plans To Close \\$1.6 Billion Budget Gap](#)

[Scarnati Stands Ground On Fending Off New Taxes](#)

[Scarnati Vows No Tax Increases](#)

\*Updated 12/15/08 Adding Chesapeake Bay Foundation

Source: PA Environment Digest

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**FOURTEENTH HUMAN WEST NILE VIRUS CASE CONFIRMED**

State officials confirmed an additional human case of West Nile Virus for 2008 with a disease onset date of Sept. 28. The new case is from Philadelphia.

There are now 14 confirmed human cases in Pennsylvania this year, with one fatality.

The 2008 WNV mosquito season ended with the first hard frost; therefore, no further public health action is needed.

## **Environmental Quality Board Approves New Marcellus Shale Drilling Fees To Cover Increased Inspection, Permitting Costs**

The Environmental Quality Board approved a Department of Environmental Protection request today to impose new fees for Marcellus Shale drilling permits that will replace the flat \$100 permit fee with a variable fee structure based on well depth.

The new fee structure will help ensure adequate funding to cover program expenses for permit reviews and well site inspections. The fee increase will also allow the department to hire additional staff in Meadville, Pittsburgh and Williamsport to process permits and monitor drilling activities in the north-central and northeastern areas of the commonwealth.

“Due to technological advances in drilling and rising natural gas prices, gas exploration in the commonwealth has increased significantly with 40,000 new drilling permits anticipated during the next three years,” Environmental Protection acting Secretary John Hanger said. “Despite this substantial increase in workload, including permit review and inspection of oil and gas well sites, the department has not increased the \$100 permit fee for oil and gas well permits since 1984.

“These permit fee increases will allow us immediately to hire additional staff to properly review Marcellus Shale permit applications and monitor drilling activities to ensure that our regulations are being enforced and our natural resources are being protected.”

Pennsylvania’s oil and gas act established a \$100 permit fee for oil and gas well permits in 1984 and gives the department the authority to increase that fee to cover the cost of regulating the drilling industry.

The new fee structure sets a base permit cost of \$900 for all Marcellus Shale wells up to 1,500 feet deep, and imposes an additional cost of \$100 for every 500 feet of depth past 1,500 feet. The increased fees will take effect in early spring.

Permit applications for Marcellus Shale gas wells must be thoroughly evaluated before a permit can be issued. Extracting natural gas from the Marcellus Shale formation requires significant amounts of water to hydraulically fracture the shale formation.

The department requires permit applicants to submit water management plans that outline how and where the water will be gathered, how it will be stored at the site, and how waste water will be processed and treated.

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## Environmental Quality Board Approves New Marcellus Shale Drilling Fees

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“With nearly 8,000 drilling permits issued so far this year and drilling taking place in areas of the state outside our traditional oil and gas region, we need to make sure that we have sufficient personnel to properly manage development of Pennsylvania’s Marcellus Shale natural gas reserves,” Hanger said.

Among other actions taken at today’s meeting, the Environmental Quality Board:

- Approved a separate proposed rulemaking for public comment that revises fees for Marcellus Shale and traditional oil and gas wells.
- Approved a final rule to strengthen public notification requirements for community water systems to notify the public of imminent threats and situations that may impact public health and the safety of water obtained from a public water system.
- Approved publication in the *Pennsylvania Bulletin* of a 30-day public comment regarding a proposed storage tank rulemaking that would require tank operators to complete training on their duties and responsibilities, in accord with recent federal regulations. Properly trained operators will help to reduce and prevent future releases from underground storage tanks, and improve compliance with state and federal regulations.
- Agreed to provide notice in the *Pennsylvania Bulletin* for three public meetings and a 60-day public comment period on a proposed rulemaking limiting emissions of volatile organic compounds from adhesives, sealants, primers and solvents. The new rules would apply to manufacturing, sale and use of such products. VOCs are a precursor of ground level ozone.

Reducing ground level ozone would benefit people with respiratory problems and help the state meet federal air quality standards.

For more information, visit [www.depweb.state.pa.us](http://www.depweb.state.pa.us), keyword: Public Participation.

Source: PA DEP

## Environmental Policing Nets Gains for Pennsylvania Worth \$1.4 Billion

The U.S. Environmental Protection Agency concluded enforcement cases in fiscal year 2008 that will produce more than \$1.4 billion in pollution controls and environmental cleanup protecting Pennsylvania's air, water, and land. The cases include more than \$3 million in penalties that polluters will have to pay for violating federal environmental laws.

"Pennsylvania residents will benefit from cuts in pollution and from improvements in the way pollution is managed by these companies and industrial facilities that are now complying with the law," said Donald S. Welsh, EPA's mid-Atlantic regional administrator. "The millions of dollars these companies will have to spend in Pennsylvania as a result of our environmental policing will also produce health benefits for the public."

The agency also negotiated agreements with specific violators to spend \$8.7 million on local environmental projects helping Pennsylvania communities including a project which will preserve open space and help protect the Wissahickon Creek's water quality.

EPA's mid-Atlantic enforcement program inspected and took action for violations associated with eight different environmental statutes in Pennsylvania, Virginia, West Virginia, Maryland, Delaware and the District of Columbia. The regional cases ranged from wetlands violations to mismanagement of hazardous waste to illegal discharges of pollutants. Several cases were significant because of their trailblazing efforts including: an agreement to spend \$1 million on a wind-powered energy project in addition to a penalty payment, Maryland's decision to step forward and voluntarily sign a self-policing agreement with EPA; and major sewage system upgrades in Pittsburgh and 82 surrounding municipalities to protect local waterways.

To read more about enforcement results in EPA's mid-Atlantic region see our website at <http://www.epa.gov/region03/enforcement/accomplishments08.html>.

The report, U.S. EPA OECA Fiscal Year 2008 Accomplishments Report: Protecting Public Health and the Environment, is available on-line at:

<http://www.epa.gov/compliance/resources/reports/accomplishments/oeca/fy08accomplishment.pdf>

More information on EPA fiscal year 2008 enforcement and compliance results: <http://www.epa.gov/compliance/resources/reports/endofyear/eoy2008/fy2008.html>

Source: PA DEP

## State Preserves More Than 30,000 Acres of Valuable Farmland in 2008

An additional 4,236 acres of Pennsylvania farmland will remain viable for agricultural production now that the state has preserved another 40 farms, Agriculture Secretary Dennis Wolff said today.

In all, Wolff said the state's nationally recognized Farmland Preservation Program preserved 30,230 acres on 308 farms in 2008.

"Pennsylvania is committed to securing our production agriculture industry for future generations," said Wolff. "It is critical that we continue working to safeguard our productive farmland so that Pennsylvania's citizens may continue to benefit from locally produced food and fiber."

The latest preserved farms are in Adams, Berks, Blair, Bucks, Chester, Columbia, Cumberland, Dauphin, Franklin, Lawrence, Lebanon, Lancaster, Lehigh, Mercer, Monroe, Montour, Northampton, Perry, Potter, Snyder, Washington, Wayne and York counties.

In April, Pennsylvania celebrated the 3,500th farm preserved at the Long Farm in Westmoreland County. The state's 400,000-acre milestone was recognized in August at the Graver Farm in Northampton County.

Seven counties reached significant milestones. Bedford County preserved 1,000 acres; Chester County reached 20,000 acres preserved; Lancaster County celebrated the preservation of 1,000 farms; Northampton County reached their 10,000-acre milestone; Westmoreland County preserved a total of 9,000 acres; and Greene and Warren counties preserved their first farms.

Pennsylvania leads the nation in the number of farms and acres preserved. In the program's 20-year history, 3,701 farms and 407, 647 acres have been preserved.

Pennsylvania allocated \$33 million this year for the preservation program. County programs contributed \$41.2 million in matching funds to protect quality farmland from development and non-agricultural uses. Since 1988, state, county, township and federal governments have invested more than \$1 billion in farmland preservation funds.

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**State Preserves More Than 30,000 Acres of Valuable Farmland in 2008**  
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The state's farmland preservation program works through the Pennsylvania Agricultural Conservation Easement Purchase Program, which was developed in 1988 to help slow the loss of prime farmland to non-agricultural uses. The program enables state, county and local governments to purchase conservation easements, also called development rights, from owners of quality farmland.

For more information about Pennsylvania's nationally recognized farmland preservation program, visit [www.agriculture.state.pa.us](http://www.agriculture.state.pa.us) and click on "Producers."

Source: PA DEP