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MEMORANDUM

TO: All House Members

FROM: Representative Camille "Bud" George

DATE: May 26, 2011

SUBJECT: Sponsorship of Legislation Amending the Alternative Energy Portfolio

Standards Act.

I have and will continue to be a strong supporter of sustainable development, alternative energy and responsible resource management. Throughout my service to the Commonwealth, I have learned that legislative intent can easily conflict with the realities facing the implementation of policy.

For this reason, I am introducing legislation to correct the glaring disconnect between provisions within the Alternative Energy Portfolio Standards Act (AEPS), (P.L. 114, No. 35) of 2007 and their interpretation since enactment.

The original intent of the AEPS law was to expand the use of alternative energy in the commonwealth by establishing energy mandates while including incentives in the form of energy credits given directly to all alternative energy plants that actually utilize alternative sources to create energy.

I believe that the Legislature intended that the AEPS Act encourage development of new, alternative energy systems and the expansion of existing alternative energy sources. Unfortunately, this has not been the case.

Pursuant to the Public Utility Commission's order Docket No. P-00052149, the energy credits the Legislature *intended* to supply to alternative energy generators are transferred along with the energy unless a contractual provision explicitly states otherwise. My legislation would provide a remedy for entities that entered into long-term contracts before the creation of energy credits. Without such a remedy, generators are forced to make investments in alternative energy technologies without reaping the benefits from the incentives we provided them to spur greater development.

Previous co-sponsors of this measure were BURNS, CALTAGIRONE, CARROLL, DeLUCA, DePASQUALE, EVERETT, GOODMAN, HALUSKA, HARHAI, HARHART, HARPER, HORNAMAN, HOUGHTON, YUDICHAK, HUTCHINSON, JOSEPHS, KORTZ, MANN, McCALL, MELIO, MYERS, OBERLANDER, REED, SEIP, SIPTROTH, K. SMITH, WALKO, WANSACZ, WHITE AND YOUNGBLOOD.

I am asking for your support. If you would like to co-sponsor this legislation or if you have any questions or suggestions, please call my office at 787-7316 or e-mail me at cgeorge@pahouse.net.