

Editorial: Energy bill worth supporting

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The Senate passed a major energy bill Dec. 12. It doesn't give Gov. Ed Rendell everything he wanted, but there's a lot to praise in the \$650 million package.

The biggest chunk of spending comes in the form of \$225 million for loans and grants to support alternative-energy production and clean-energy projects. We don't normally endorse government handouts, but in the still-developing area of alternative energy, the government needs to provide the carrot to help bring businesses on board. Many businesses will be faced with building new facilities or upgrading old ones in the next few years, and building green still has its share of extra upfront costs. This money will help a lot of small businesses get where they need to go, and get there sooner.

The governor wanted an \$850 million fund. But where was the money for that going to come from? In the current bill, funding is expected to come from a projected spike in tax revenue on electric bills, which are expected to jump once rate caps come off in 2010. That's not exactly good news for businesses, although residential users will feel more of the pinch. The Senate rightly decided that an additional \$625 million simply could not be paid for without painful tax increases or budget cuts. It's now in the House for its consideration after the holidays.

The governor also bemoaned the loss of the ethanol requirement. In our view, it's a minor loss. The jury is still out on just how viable — and how green — ethanol fuel really is.

The Senate also gave some help to the state's biofuel producers, and there are a handful in Central Pennsylvania. These subsidies and content requirements should help Pennsylvania producers compete against government-supported producers from the Midwest and elsewhere.

It's not the governor's dream package, but it's a good start.