



# Senate Environmental Resources and Energy Committee

Senator Mary Jo White  
Chairman

*Patrick Henderson, Executive Director*

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October 3, 2007

Letter to the Editor  
Butler Eagle  
114 West Diamond Street  
P.O. Box 271  
Butler, PA 16001

Dear Editor:

The Butler Eagle's editorial (*Rendell's Energy Plan Deserves Creative Funding Compromise*) stresses the need to find middle ground on funding for alternative and renewable energy projects. To achieve compromise, all parties, including the Governor, must be willing to meet in the middle.

I was a bit disappointed that the Governor's speech to the legislature last week basically re-stated the same details of his plan from the spring. This includes his call for a new electricity tax to finance a huge \$850 million bond. There simply is no support for such a tax – which would hit many schools, churches, hospitals and small businesses with a new \$10,000 annual tax increase. I would have hoped the Governor would have come up with a more creative and realistic financing method, but am pleased to hear that the Governor is open to different ideas.

The call for creative financing is exactly what the alternative energy investment bill Senator Robert Tomlinson and I are introducing represents. Under our proposal, no new taxes would be levied. Rather, the state would earmark \$40 million annually out of existing gross receipts tax revenue to finance capital improvement projects and consumer programs. The gross receipts tax is assessed on the value of your electric bill, and revenues are expected to increase when rate caps expire in the coming years. It makes sense that, if the Commonwealth is to receive more revenue, we reinvest this money in alternative energy projects rather than impose a new tax. An additional \$20 million annually would be available for tax credits to help businesses improve their energy efficiency and utilize alternative energy sources as well.

Both the Governor's and legislature's proposed investments in alternative energy are a long term strategy, not a short term one. No matter what we do with wind and solar they will not replace traditional energy sources any time soon. In fact, it may just offset increasing demand if we cannot get serious conservation commitments from businesses and individuals. The rate caps are coming off in the next two to three years, and while the Public Utility Commission is preparing strategies to minimize the impact, there is nothing in any of the funding plans that can entirely eliminate those price increases. This is all the more reason not to add a new tax on consumer's electric bills.

Sincerely,

A handwritten signature in cursive script that reads "Mary Jo White".

Mary Jo White, Chairman  
Senate Environmental Resources  
& Energy Committee