



OFBF Self-Help Energy Programs

Administered by the Ohio Farm Bureau Development Corporation
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TO: Interested Parties

RE: Support for Collection of Abandoned Coal Mine Methane
for Electric Generation to be Eligible for Renewable Energy Credits

OFBF is a member organization whose mission is to forge partnerships between producers and consumers. Next to labor, energy is the largest single cost input in many farm and small business operations. Consumers living in rural, suburban and urban neighborhoods are looking for opportunities to control their energy costs, too.

Over the past several weeks Ohio's legislative leaders have been considering recognition of collection and utilization of abandoned coal mine methane as a "Renewable Energy Resource" in HB 1. Accordingly, recognition of projects utilizing this resource as fuel for electric generation would make them eligible to provide Renewable Energy Credits for programs created as part of Ohio's advanced energy initiative under SB 221. The Ohio Farm Bureau Federation (OFBF) supports recognition of this technology along the following policy guidelines:

Enhancing a Diversified Energy Portfolio

There is no one, all-encompassing technological "silver bullet" that will address our increasing energy needs. Fortunately, the United States has access to a variety of natural resources, both fossil and advanced/renewable; industrial and manufacturing capacity, as well as proven and emerging technologies that can be applied in concert to lead our economy in the right direction. OFBF advocates a strategy incorporating all of these strengths, advantages and resources, and identifies the approach as a *Diversified Energy Portfolio*.

After discussion with companies and engineering firms interested in bringing this technology to Ohio, and recognition of the fact that abandoned coal mines are found in many areas of Ohio's Appalachian counties, there is ample potential that this technology could be utilized to capture resources that could be used for energy development. The technology has the ability to enhance a *Diversified Energy Portfolio*.

Community Planning and Economic Development

Energy development not only gives Ohioans the opportunity to control their energy costs; related manufacturing and/or production opportunities also means jobs.

OFBF supports promotion of collaborative efforts between government leaders, utilities, energy service providers/project developers, manufacturers, interested citizens and consumers to explore how advanced/renewable energy projects can be established in local communities to provide the following benefits:

- Access cost-effective generation to fulfill base and intermediate electric generation requirements on local, county, regional, state and/or national levels.
- Placement of energy generation projects in local communities and rural areas that enhance community development and economic vitality, balanced with environmental quality.

Again, the organization has been contacted by at least one company that has plans in place to capture methane that could be used as fuel to generate electricity at levels that could address home and small business needs at the community level. Construction and facility operation will provide local jobs. The value of the completed facility as well as business generated annually will encompass several million dollars.

Collaboration between an energy service provider and community leaders could create a properly designed and managed project would provide tax revenues for use by local governments, schools and other agencies serving these Appalachian communities.

Methane is recognized as one of several gases impacting air quality. At present, methane generated by bacterial action in abandoned coal mines is leaking through ventilation shafts and entering the atmosphere. Properly designed facilities, that meet all federal, state and local requirements for placement, construction and operation, could help keep methane out of the atmosphere; enhancing air quality as well as providing fuel for energy development.

Energy Generation Technology

OFBF recognizes that many forms of advanced and/or renewable technology are becoming cost effective to generate base and intermediate electric loads. Along with advanced coal and nuclear capabilities, other technologies that should be incorporated into Ohio's electric generation portfolio include: wind, solar, hydro, basic biomass, advanced biofuel, fuel cell and methane/biogas collection and utilization.

The organization feels that the Ohio General Assembly and/or Public Utilities Commission of Ohio should continually evaluate, recognize, incentivize and incorporate new technologies that enhance Ohio's capabilities to expand a Diversified Energy Portfolio.

Moreover, government needs to ensure a "developmental balance." They should establish a process that gives all new and emerging technologies equal access to support programs and incentives that encourage their development, as well as provide a field of competition to ensure that such technologies continue to strive for greater efficiency and delivery of energy at the lowest possible cost.

OFBF feels that recognition of this technology, along with wind, solar, biomass and other renewable technologies will enhance competition between these energy generation sources. This will promote continual research and development, leading to lower energy prices for consumers.

Natural Gas Production

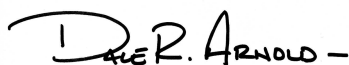
OFBF recognizes that research is showing us that methane can come from a variety of resources. Accordingly, work needs to be done to harvest/collect methane from landfills, municipal waste management systems, and coal mining projects, both active and abandoned. As discussed above, harvesting these resources will reduce the possibility of future methane emissions into the atmosphere, as well as create additional sources for the fuel.

Enhancing our energy strategy, creating additional resources for community development, sparking technological competition and finding a solution to an air pollution problem - Recognizing methane collection from abandoned coal mines for electric generation as a resource eligible for renewable energy credits provides a variety of benefits.

A copy of our policies detailing our support for coal, nuclear, wind, solar, biomass, biofuel and other technologies as part of a Diversified Energy Portfolio is available upon request.

Thank you for your time and consideration.

Sincerely,

Handwritten signature of Dale R. Arnold in black ink, followed by a horizontal line.

Dale R. Arnold
Director, Energy Services

CC: Keith Stimpert, Vice President, Public Policy, OFBF
Adam Sharp, Senior Director, Legislative & Regulatory Programs, OFBF