

PA Greenhouse Gas Plan Open for Comment

Pennsylvania is proposing to join a ten-state initiative to reduce greenhouse gases by capping emissions from electric power producers, selling credits for power plant emissions and then reinvesting that money.

Fresh off an approval by the state's Environmental Quality Board, Pennsylvania is advancing plans to join the Regional Greenhouse Gas Initiative (RGGI), enabling the Department of Environmental Protection (DEP) to install a cap-and-invest system designed to reduce carbon dioxide (CO₂) emissions in the nation's four-largest statewide discharger of CO₂.

The new regulations have been years in the making, and still have several hurdles to clear, but the Environmental Quality Board's approval has triggered a public comment period through January 14, that would lead to new regulations that could go into effect as early as 2022.

The Environmental Quality Board is a 20-member board responsible for adopting regulations and advising the DEP on policy.

"Addressing the global climate crisis is one of the most important and critical challenges we face," Pennsylvania Governor Tom Wolf said shortly after the Environmental Quality Board approval. "The citizens of this Commonwealth cannot afford to wait any longer. Given the urgency of the climate crisis facing Pennsylvania, the Commonwealth must take concrete, economically sound, and immediate steps to reduce greenhouse gas emissions."

The Regional Greenhouse Gas Initiative went into effect in other states in 2009 to reduce CO₂ emissions that trap heat in the atmosphere, causing global warming, which scientists say will increasingly cause more extreme weather, flooding, respiratory illness and a host of other impacts that will make portions of the Earth uninhabitable in the decades to come.

The RGGI now includes Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island and Vermont. Pennsylvania's arrival would be a big expansion for the program because the state in 2017 emitted more than 233 million metric tons of CO₂ into the atmosphere – the fourth most of any state. The state's plan estimates that 188 million metric tons can be eliminated by 2030. It would raise an estimated \$300 million in its first year, 2022, that would be reinvested into "job creation" and the "elimination of air pollution."

"We're aiming for January 1, 2022," said Hayley Book, DEP's Senior Advisor on Energy & Climate. "That's the goal line and we're committed to getting there."

Under RGGI, the state estimates how much electricity power plants emit, caps the amount and then sells power plants allowances for the CO₂ they emit. A limited number of allowances would

be auctioned across what would become an 11-state system, and plants could buy allowances from any state in the RGGI. Each year, DEP would reduce the available credits by about 3%, forcing plants to become cleaner, essentially making dirtier plants less competitive in selling electricity to the grid.

Supporters and state DEP officials say the initiative is not only good for the environment, but the money raised will help spur the creation of 27,000 jobs, mostly in clean energy by 2030, while reducing CO2 emissions by about 25% over the eight years, Book said. And DEP projects that the health benefits will save Pennsylvania residents billions in medical costs, while preventing deaths caused by respiratory issues.

“The impacts of climate change have had and will continue to have a dramatic effect on Pennsylvania communities and economies,” said DEP Secretary Patrick McDonnell. “We believe our participation in RGGI will help protect residents and future generations from the negative impacts of climate change.”

Pennsylvania’s entrance into the RGGI is not without its detractors. Some business leaders have argued that it will close some fossil fuels-fired plants, particularly coal-fired electricity generators, while raising electricity costs to ratepayers.

Book did not dispute that some plants will be threatened, saying that those plants are already struggling to compete in Pennsylvania’s natural gas-dominated energy industry, and this could hasten their path to closure.

Wolf signed an executive order in October 2019 to begin the process of joining the RGGI and earlier this year a Republican-controlled legislature passed a bill that would have required legislative action for Pennsylvania to enter the RGGI. The bill passed the House 130-71 and the Senate 33-17, a few votes shy of a veto-proof majority, which requires 135 votes in the House and 34 in the Senate.

Wolf vetoed the bill in September, keeping it moving toward a 2022 implementation.

“For a step of this magnitude, which affects consumers, business, industry and public policy – the legislature, who represents the citizens of this state, should have been involved in the dialogue on joining RGGI,” said State Sen. Gene Yaw, who chairs the Senate Environmental Resources and Energy Committee. “Unfortunately, the Governor felt differently.”

The Environmental Quality Board will hold 10 virtual public hearings on the proposed regulations from December 8-14. People who want to present testimony at a hearing must contact Jennifer Swan of the Environmental Quality Board at (717) 783-8727 or RA-EPEQB@pa.gov, at least 24 hours in advance of the hearing to sign up to present testimony. Information on how to present comment or testimony can be found at www.dep.pa.gov under the public participation tab.

After the comment period ends, DEP must prepare responses to any comments received, including any proposed revisions to the regulation, and coordinate with stakeholders and advisory committees. The revised plan will be reviewed by the Senate Environmental Resources and Energy committees and the Independent Regulatory Review Commission, as well as the Attorney General’s office – all of whom have seats on the Environmental Quality Board – before the board votes again on adoption, Book said.

If the Environmental Quality Board gives its final approval, the regulation will be published in the Pennsylvania Bulletin as a final regulation and it would be immediately effective.