



Senate of Pennsylvania

John T. Yudichak
14th Senatorial District



February 2, 2021

Independent Regulatory Review Commission
c/o Scott Schalles
333 Market Street, 14th Floor
Harrisburg, PA 17101
sschalles@irrc.state.pa.us

Dear Commissioners:

As chairman of the Senate Community, Economic and Recreational Development Committee, I am writing to voice my strong concerns with proposed executive action to facilitate Pennsylvania's entry into the Regional Greenhouse Gas Initiative (RGGI) and the unconstitutional imposition of an annual \$300 million tax on Pennsylvania's energy industry that will lead to the significant loss of jobs and increases consumer energy bills.

When Governor Wolf announced his executive order instructing the Pennsylvania Department of Environmental Protection to join RGGI, I was hopeful that the Wolf Administration and the Department of Environmental Protection would include the Pennsylvania General Assembly in their discussions and work with the General Assembly to craft legislation addressing a cap and trade tax. However, what has resulted is a misuse of executive power that will only set Pennsylvania farther back in achieving real climate change progress.

Under Pennsylvania Supreme Court precedent, the power of taxation, in all forms lies solely in the General Assembly. The RGGI revenue generating mechanism— which according to DEP will generate more than \$2.4 billion in revenue over ten years—is a tax. Moreover, the Pennsylvania Constitution precludes the General Assembly from delegating taxing power to an unelected board or commission.

Using an executive to bypass the publicly transparent legislative process further erodes public confidence related to the true economic impact entering RGGI will have on Pennsylvania's communities and on the PA Building Trade Unions that build Pennsylvania's infrastructure. The Wolf Administration and their allies on the Environmental Quality Board have voted to restrict public hearings and public participation on the Governor's RGGI plan. Taxpayers who could experience spikes in their energy bills and in their tax bills due to the closure of energy facilities in their communities deserve to be heard.

The Department of Environmental Protection and the Wolf Administration have thus far failed to consider that joining RGGI would close energy plants across Pennsylvania, leading to the loss of thousands of good paying jobs and devastating our local communities. In a time of record unemployment caused by the COVID-19 pandemic, we should not magnify the economic disruption with a RGGI plan that fails to address climate change and ignores the significant role Pennsylvania's energy sector has played in providing our front-line health care heroes with the personal protection equipment they need to battle the pandemic and how important the energy industry will be to creating jobs to fuel Pennsylvania's economic recovery.

Pennsylvania has led the way on reducing carbon dioxide emission by nearly 20% and sulfur dioxide emissions by 92% over the last few decades, far outpacing many RGGI states. Pennsylvania has also been a national leader on important environmental initiatives that have reduced our carbon footprint including the alternative energy portfolio standards act, requiring tough energy efficiency standards, advancing a clean vehicles program, and requiring utilities to work toward reducing consumer demands. All of the environmental achievements that have led to cleaner air and water in Pennsylvania are bi-partisan legislative accomplishments achieved in collaboration with the executive branch. The Wolf Administration's unilateral decision to bypass the legislative process and force Pennsylvania to join RGGI is wrong on constitutional grounds, wrong on policy, and unfairly excludes public participation in a decision that will have far reaching impacts on the Pennsylvania economy. I strongly urge the IRRC to disapprove this proposed regulation; and instead, work with the General Assembly to achieve our shared Pennsylvania goals of a cleaner environmental and a stronger economy.

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Yudichak", written in a cursive style.

Senator John T Yudichak
State Senator
14th Senatorial District