



Stephen Hoffman

From: ecomment@pa.gov
Sent: Wednesday, January 6, 2021 8:56 PM
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Cc: c-jflanagan@pa.gov
Subject: Comment received - Proposed Rulemaking: CO2 Budget Trading Program (#7-559)

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The enclosed comment was received as part of the following testimony:

Testimony name: Public Hearing 8 (1pm) - #7-559
Testimony date: 12/11/2020 12:00:00 AM
Testimony location: WebEx

Re: eComment System

The Department of Environmental Protection has received the following comments on Proposed Rulemaking: CO2 Budget Trading Program (#7-559).

Commenter Information:

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Comments entered:

Good afternoon, Mr. Chairman and committee members. I am Steve Krug, an Architect and Engineer licensed in Pennsylvania, practicing for over 40 years. I have served in many leadership positions and I run my own businesses, Krug Architects, and am Co Founder of CHP-Funder.com. My career has involved thoughtfully planning places and designing healthy, energy-efficient buildings that are cost effective and serve beautiful Pennsylvania communities. The buildings include award-winning educational, municipal, institutional and, commercial facilities. Because of my planning and energy experience, I have served on many committees and was appointed by Governor Corbett to the Pennsylvania Climate Change Advisory Committee (CCAC). I was re-appointed by Governor Wolf and currently serve as Chairperson of the CCAC for the third time. I support RGGI investment for the benefit of Pennsylvania businesses, families, and communities. I encourage DEP to implement a RGGI ruling that helps create healthy, sustainable, and vibrant Pennsylvania communities.

We are in an energy transition and Pennsylvania has been lucky to benefit from an abundance of natural gas. Pennsylvania will benefit from Natural Gas for a very long time to come. Good planning requires us to invest in the future. RGGI is a way to help create jobs for the future. We have seen in the past it takes a generation or more to retool the work force. RGGI has been shown to be beneficial. It is already a smart policy in ten other states. Other RGGI states have invested more than 72% of their proceeds into energy efficiency and alternative energy programs, generating over \$4 billion in economic benefits in the form of jobs, consumer utility bill savings, and public-private investment. It has been proven to significantly cut greenhouse gas emissions, improve health, reduce utility bills, and save billions of dollars to invest in energy technologies and jobs of a cleaner future.

DEP has done analysis to show that RGGI will lead to similar benefits for Pennsylvania, conservatively adding \$2 billion to the State economy from 2022-2030 and helping create 27,000 good-paying jobs. The DEP Climate Action Plan has recommended that Pennsylvania look at a cap-and-trade for the electric generation sector. The Regional Greenhouse Gas Initiative (RGGI) is a market-based approach, with quarterly auctions to get prices for the purchase of allowances. The revenue generated from the sale of the allowances can be invested into energy efficiency programs, including cogeneration (also known as CHP, which stands for Combined Heat and Power), and other greenhouse gas reduction programs that will additionally reduce the electric power sector emissions.

We understand the RGGI template of regulations has been adjusted to include Pennsylvania's concerns, while integrating into the multi-state initiative. We also understand the proposed rule-making will allow for Pennsylvania to withdraw from RGGI, which states have done in the past, and have subsequently rejoined RGGI because of its benefits. Pennsylvania reserves the right to run their own market, which at this time, would be a heavy lift, and joining the existing successful Regional Greenhouse Gas Initiative makes practical sense. However, having the option to be independent is a good safety valve.

The proposed RGGI regulations include programs that support high performance buildings that save money. For example, we design educational and commercial facilities that allow students and professionals to pay better attention with good daylighting, a high-quality thermal package, and controlled natural ventilation, while saving energy. Good design allows people to perform their jobs more productively, teach better and learn more. Investing RGGI proceeds in energy efficiency will create jobs. Auction proceeds can fund training centers for workers and create pathways with vocational and community schools using RGGI proceeds.

Furthermore, we have been requested to address 3 specific areas of the proposed regulations.

1. First, ways to address the equity and environmental justice concerns. Investing RGGI proceeds into energy efficiency can make the economic landscape more equitable. The architecture and engineering professions have this challenge, too, and have been able to increase the involvement of women, and minorities by involving young people. For instance, having more diversity in Architecture and Engineering Schools has directly resulted in a more diverse profession. The rule making should consider including educational programs so young diverse groups get exposed to RGGI. Having students involved at some level with RGGI, will generate new ideas and input to address equity and environmental justice.

AIA's Blueprint for Better campaign involves many people so what we build is inclusive. Having young people involved in emissions reduction will assist those most often impacted by borderline air quality, such as kids and at-risk seniors, particularly in low income and environmental justice communities.

2. Secondly, approaches to benefit the just and equitable transition of workers and communities. The energy mix in Pennsylvania has changed and the forecast for the energy mix continues to change, albeit natural gas is projected to remain stable. In October, Bloomberg published the New Energy Outlook 2020, which shows other fossil fuels will decline. The regulations should address the energy sectors and communities affected by the long-term energy transition and

offer work force training and energy technology training for these folks. Data from PA L&I, as well as Industry Partnerships, can provide a source of needed labor assessments. For example, electric vehicles and digital electric equipment continue to grow. From the Environmental and Energy Study Institute (EESI) “dedicated efforts are necessary to support these communities as they move away from single-industry economies toward more diversified, sustainable economies. Opportunities for a transitioning workforce include clean energy, environmental restoration, natural resources, broadband deployment, and entrepreneurship.”

3. Third, ways to appropriately address the benefits of cogeneration. As I mentioned above, Pennsylvania has a strong background in the development of Combined Heat and Power (CHP) systems and equipment, which will continue in the new energy markets. Investing in new CHP technologies and manufacturing are well advised, because of the forecast for continued growth in this sector, due to its fuel-flexibility and extremely high efficiency. CHP is used in the industrial sector, which makes those Pennsylvania companies more competitive. US Department of Energy has a tremendous resource for CHP, eCatalog, which we recommend PA DEP support as a partner, to enhance Pennsylvania’s CHP market. Funding from the RGGI program will encourage high-performing and net zero buildings and reward developers that embrace energy efficient business practices. Energy efficiency is the best way to reduce costs for electric customers by reducing consumption and making Pennsylvania more competitive.

Thank you for your time today. RGGI will result in cleaner air for the health and productivity of Pennsylvanians, while conservatively adding \$3.7 billion to the State’s economy by 2050 and creating over 30,000 good-paying jobs. RGGI will help Pennsylvania build a vibrant, economically, and environmentally sustainable, healthy future. I encourage DEP to develop a RGGI rule that prioritizes investment in energy efficiency, which is well positioned to lower customer bills, reduce emissions, create jobs, and help power Pennsylvania’s economy

No attachments were included as part of this comment.

Please contact me if you have any questions.

Sincerely,
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