



**Pennsylvania Department of Environmental Protection
Environmental Quality Board
Proposed CO2 Budget Trading Program**

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**Virtual Testimony of:
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PCA has serious concerns regarding the proposed CO2 Budget Trading Program, tying Pennsylvania to the Regional Greenhouse Gas Initiative, and doing so with the absence of economic modeling for all communities and industries impacted. The Pennsylvania Department of Environmental Protection (PA DEP) has yet to present any information from PJM that details state specific impacts to electric generation in each PJM state, with and without PA RGGI participation, including a projection of state-by-state CO2 emissions which would allow for the assessment of overall regional emission impacts or “leakage” - the likelihood that generation and emissions will leak from PA to non-RGGI PJM states. DEP also has yet to present any evidence that it has even consulted with the Independent Market Monitor, which is responsible for promoting a competitive and nondiscriminatory electric power market in PJM.

Requirements of the Air Pollution Control Act

The virtual hearings being held in response to the proposed regulation, which limits testifiers to five minutes and requires a complicated two-step online registration process, is in direct violation of the Air Pollution Control Act (APCA). The APCA requires that public hearings be held in any region of the Commonwealth affected before any rules or regulations with regard to the control, abatement, prevention or reduction of air pollution are adopted for that region or subregion. This has not occurred.

Moreover, while 24 coal mines from 12 Pennsylvania counties sent coal to Pennsylvania’s EGUs in 2019, the majority of the coal comes from a Pennsylvania county extremely disenfranchised by this process. Greene County, located in the very southwestern corner of Pennsylvania, couldn’t be more different from the majority of the testifiers I have listened to over the past few days, who hail from Philadelphia and its neighboring suburban counties. Of Greene County’s over 2,300 bituminous coal essential employees, many are

underground right now mining a resource that generates power being sent to the hospitals serving over 65 million people on PJM's grid, and therefore do not have access to a telephone, computer or internet. Greene County's residents, schools and small businesses will be adversely impacted by PA joining RGGI, and yet, by insisting on a complex registration process that can only be done via the internet, where even the telephone information is located, and without public notice by advertisement in a newspaper of general circulation as required by the APCA, PA DEP discriminates against Greene County's over 12,000 residents who have no access to reliable broadband internet or have no internet access at all.

RGGI and PJM and Leakage

Pennsylvania's participation in the PJM Interconnection is significant as Pennsylvania is a net exporter of electric generation. Considering this, data shows that states that participate in RGGI subsequently experience a decrease in their generation. According to EIA, RGGI states decreased their generation by over 46 million MWh in 2019 compared to 2008, the last non-RGGI year, while maintaining close to the same electricity consumption. During that same time period, the same RGGI states imported 503,228,271 MWh of their electricity. That's over 500 GWh of imported generation since the RGGI compliance start date, and from where? Non-RGGI states like Pennsylvania, hydro operations in Canada, and oil tankers from Russia. RGGI's program history proves that participation will generate less electricity and import more out of state or out of region power. This is leakage.

Joining RGGI will result in the premature shuttering of coal and some natural gas plants in PA, and will strengthen fossil fuel power generation in non-RGGI PJM states. Generation - and jobs and emissions - will simply shift to resources located in PJM states where RGGI is not adopted, such as West Virginia, Ohio, Indiana and Kentucky. While DEP's ICF modeling is arguably flawed, with over-projected generation data in Pennsylvania and inflated CO2 reduction numbers, it still supports the leakage of generation to other states, as the CO2 emissions projected in 2030 in PJM and the Eastern Interconnection remain nearly unchanged. Shutting down fossil-fuel fired generation may be a good talking point, but in reality, RGGI states simply take from others.

Just Transition

The absence of a just transition for industry is also concerning. Prematurely shuttering Pennsylvania's remaining coal plants will significantly impact Pennsylvania's coal supply chain. Not only will coal-fired electric generation in many of our neighboring PJM states benefit from Pennsylvania joining RGGI, but mining

operations in same states will benefit too, as those states have high concentrations of river-served plants, as opposed to rail-served plants, that are supplied by nearby, logistically advantaged mines.

Pennsylvania should be working within and adapting to what has been a changing market and recognize the need to develop a transition to carbon controlled coal-fired EGUs. One Pennsylvania coal operator recently embarked on a project focused on designing a 300MW power plant with CO2 capture and storage that is located in close proximity to existing transmission lines. Exciting projects like this should be supported in our changing energy landscape, but instead may be compromised with the immediate impacts RGGI will have on PA's coal supply chain

Conclusion

Overall, joining Pennsylvania to RGGI makes no logical environmental or economic sense, RGGI will diminish Pennsylvania's role as an exporter of electricity, will export jobs to non-RGGI states, destroy tax bases in the affected communities that have not been given a voice in this process, and will not produce CO2 or other pollutant reductions that provide meaningful impact on local, regional, or global climate change.

Thank you for this very brief opportunity to testify. I will be submitting lengthier, more detailed comments prior to the close of the comment period.