

RECEIVED

Jan 08 2021

Independent Regulatory
Review Commission

Lehigh Valley Planning Commission

December 18, 2020

Environmental Quality Board
P.O. Box 8477
Harrisburg, PA 17105-8477

Re: **Proposed Rulemaking – CO2 Budget Trading Program**

Dear Members of the Board:

The Lehigh Valley Planning Commission appreciates the opportunity to comment on the proposed rulemaking to establish the Commonwealth's participation in the Regional Greenhouse Gas Initiative (RGGI), a regional carbon dioxide (CO2) budget trading program. The regulation would allow Pennsylvania to link with 10 other states from Maryland to Maine in the northeast US that currently participate in the program. The intent of the program is to cap and reduce the carbon emissions from fossil fuel-fired electricity generation plants of 25 megawatt or greater capacity, require the purchase of allowances for carbon dioxide emissions and reinvest the proceeds for the elimination of air pollution. Anticipated benefits of the program include decreased carbon dioxide emissions and associated climate-related impacts, growth in statewide economic output and jobs, plus reduced health care costs and improved quality of life with better air quality. If adopted, the regulations would likely take effect in 2022 and continue through 2030.

The Pennsylvania Municipalities Planning Code requires counties to plan comprehensively for their communities, including the environment, housing, economy, transportation, community facilities from parks to sewer and water systems, and farmland preservation, among key elements that support success. Local government plans must be consistent with county comprehensive plans as well. The Lehigh Valley Planning Commission reviewed the proposed carbon dioxide budget trading program against the Northampton and Lehigh County comprehensive plan, *FutureLV: The Regional Plan*. We have found the proposed carbon dioxide budget trading program to be consistent with our regional goals, policies and actions, specifically:

Goal 1: Efficient and Coordinated Development Pattern

- Policy 1.3 Maintain regional character by preserving priority environmental, historic, cultural, scenic, and agricultural assets.
 - Mitigate the effects of climate change.

Goal 3: Protected and Vibrant Environment

- Policy 3.2 Minimize environmental impacts of development to protect the health, safety and welfare of the public.
 - Improve regional air quality.
- Policy 3.4 Reduce climate change impacts through mitigation and adaptation.
 - Reduce greenhouse gas emissions
 - Promote energy conservation and efficiency.
 - Support renewable energy and diversification of sources.
 - Support business practices that mitigate the effects of climate change.

- Educate elected officials and the public on climate change impacts, adaptation and mitigation.
- Encourage and support government officials in the development and implementation of climate action plans.

The proposed rulemaking documentation includes information primarily prepared by the PA Department of Environmental Protection regarding the costs and benefits of Pennsylvania participation in the Regional Greenhouse Gas Initiative. Power sector, economic and health benefit modeling of impacts have been created. Subject matter experts weighing in through the public comment process will help determine whether these assessments represent a complete and accurate picture of likely impacts of the proposed rulemaking or whether additional analyses are warranted.

The Pennsylvania Alternative Energy Portfolio Standard currently in place has and will result in significant reductions in carbon dioxide emissions from electricity generation facilities. This standard will produce additional use of solar, wind, hydropower, biofuels and renewable natural gas in electricity generation. Further, the discovery and development of shale gas in Pennsylvania has changed the mix of electricity generation sources and carbon dioxide emissions in the state. The justification for PA participation in the Regional Greenhouse Gas Initiative should include an assessment of how the proposed program works in tandem with the existing portfolio standards and with consideration of continuing PA natural gas production and use.

Given the position PA has as the largest electricity exporter in the US and as a backbone supplier to the PJM (Pennsylvania, New Jersey, Maryland) electric power grid, and considering the current excellent reliability of the PJM grid, the proposed rulemaking needs to ensure that the reliability of the power grid is maintained as additional varied source electricity production facilities become part of the power infrastructure.

Finally, although the use of revenue derived is not part of the proposed rulemaking, if PA does embark on the Regional Greenhouse Gas Initiative, we believe the funds from the process need to be invested equitably and regionally across the Commonwealth to spur additional climate action at the regional and local levels. In this way, all levels of government and the public can determine how to do their part to improve air quality and mitigate climate change impacts. We encourage investment to be made in accordance with state-required county comprehensive plans, as they balance community needs with those of local governments and the Commonwealth and are at a geographic level scale that ensures broad implementation, while recognizing each region's unique needs.

The LVPC believes this initiative to be an important step towards climate action and supports hazard mitigation and response, ultimately making the Lehigh Valley and the Commonwealth safer, cleaner, more resilient and investable. Again, thank you for the opportunity to comment on the proposed carbon dioxide budget trading program proposed rulemaking.

Sincerely,

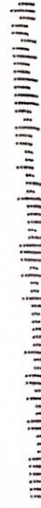


Becky A. Bradley, AICP
Executive Director



Lehigh Valley Planning Commission
961 Maroon Boulevard, Suite 310
Allentown, Pennsylvania 18109

Environmental Quality Board
P.O. Box 8477
Harrisburg, PA 17105-8477



171058477 8098