Stephen Hoffman

From: ecomment@pa.gov
Sent: Saturday, January 9, 2021 7:34 AM
To: Environment-Committee@pasenate.com; IRRC; environmentalcommittee@pahouse.net; regcomments@pa.gov; ntroutman@pasen.gov; timothy.collins@pasenate.com; gking@pahousegop.com; siversen@pahouse.net
Cc: c-jflanaga@pa.gov
Subject: Comment received - Proposed Rulemaking: CO2 Budget Trading Program (#7-559)

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

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:

Joining this consortium would impose a carbon tax on electricity production, raising energy bills for consumers and making the state’s energy industry less competitive with neighboring states. The increased energy prices for taxpayers, loss of jobs due to mounting energy costs and second-order effects resulting from higher electricity costs are strong arguments against joining RGGI. Joining RGGI would be an ill-advised decision that would undermine much of the economic and environmental success the state has enjoyed in the last decade thanks to natural gas production in the electricity market.
Gov. Tom Wolf has announced plans to have Pennsylvania join the Regional Greenhouse Gas Initiative (RGGI). He wants to use the proceeds from its cap-and-trade program to fund his $4.5 billion “Restore Pennsylvania Infrastructure” initiative. But Wolf ‘s desire to join RGGI seems to be more about imposing a carbon tax and little to do with actual environmental concerns. A closer look at RGGI reveals that the cooperative is more of a taxing entity and less of the environmental proponent it claims to be.
RGGI uses market manipulation instead of free market models, more of a shell game to keep the system going.
For example, RGGI’s success and effectiveness are questionable. A very conspicuous failure of the program occurred in 2009 when RGGI’s cap exceeded actual emissions. In 2009 actual emissions were 44 percent below cap emissions. Which meant RGGI effectively did nothing to decrease emissions, only taxing them. The first emissions cap from 2009 to 2014 used

assumptions based on 2005 emissions levels under the erroneous assumption that emissions would rise from that level and, as a result, set the cap far above actual emissions.
Only by setting an artificial price floor could the system work in a situation where supply exceeds demand. Moreover, the scheme is little more than a tax-revenue generator as emissions have fallen below the cap-constrained market. So much for having an impact on the environment.
By levying an additional cost on electric power generation, the price of electricity is artificially driven up and passed on to consumers, especially businesses. Consumers face increased utility costs and additional costs due to secondary effects of higher energy prices.

No attachments were included as part of this comment.

Please contact me if you have any questions.

Sincerely,
Jessica Shirley

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