Stephen Hoffman

From: ecomment@pa.gov

Sent: Saturday, January 9, 2021 6:24 PM

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)

CAUTION: **EXTERNAL SENDER** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.



Re: eComment System

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

Commenter Information:

Sam Pellerite. Jr. (spell@ptd.net) 7932 Blossom Hts Fogelsville, PA 18051 US

Comments entered:

Thank you for the opportunity to comment on the Proposed Rulemaking CO2 Budget Trading Program (Pennsylvania's participation in RGGI).

I am opposed to Pennsylvania's participation in the RGGI program. RGGI unfairly targets electricity generation and provides no fees to reduce the CO2 emissions from other sources that, in sum, make up the majority of CO2 emissions in Pennsylvania. DEP's own modeling shows that over time, Pennsylvania's RGGI participation will not result in meaningful statewide CO2 emission reductions beyond those that current market forces are already creating.

Participation in RGGI will unfairly hurt electricity users, possibly giving an unfair advantage to other forms of energy. Almost one third of Pennsylvania residents use electricity to heat their homes. A large percentage use very efficient heat pumps, and some use one of the most efficient heating methods, ground source heat pumps. Pennsylvania expects to take in about \$300 million in the first year of the program. The costs of this program will undoubtedly be forced on electricity energy users, while leaving natural gas, fuel oil, propane and other forms of energy with no emission reduction goal and no extra costs. It has been reported that over an eight-year period RGGI states had a more than 60% greater electricity price increase than similar non-RGGI states. Penalizing electric customers that have already invested in very efficient forms of energy use while not imposing similar penalties on other forms of energy is not

fair and equitable. With all the hardships caused by the pandemic and over a million Pennsylvanian's struggling to pay their electric bills, this is no time to implement a program that could raise electricity prices.

Maryland has been used as an example of a state that successfully implemented RGGI. The CO2 emission density (lbs/MWhr) in Pennsylvania has seen a significant reduction and is currently very similar to that of Maryland (6% lower). What is not similar is the electricity residential price. The average Maryland residential customer paid 13.85 cents/kWh in October 2020. My residential rate that month was 9.94 cents/kWh. Maryland's average price was 39% higher.

Higher electricity prices may cause some users to shift heat sources away from electricity. In Pennsylvania, power generation facilities are highly regulated and emissions are monitored and limited. Individual heating systems are often allowed to become inefficient, due to lack of maintance and repair. Residential and commercial customers switching heating systems could ultimately increase greenhouse gas emissions from these sources. As prices rise additional electricity will most likely be imported from neighboring non RGGI states, which will not result in CO2 emission reductions but could hurt Pennsylvania jobs.

Pennsylvania's participation in RGGI does nothing to reduce greenhouse gas emissions from the transportation and industrial sectors. To reduce greenhouse gas emissions in a meaningful way the State should take a Pennsylvania specific approach. An approach that does not penalize one form of energy over others, but creates incentives and opportunities for reductions across all forms of energy use while preserving our economy and jobs. The cost of Pennsylvania's participation in RGGI far outweighs any benefits.

No attachments were included as part of this comment.

Please contact me if you have any questions.

Sincerely, Jessica Shirley

Jessica Shirley
Director, Office of Policy
PA Department of Environmental Protection
Rachel Carson State Office Building
P.O. Box 2063
Harrisburg, PA 17105-2063

Office: 717-783-8727 Fax: 717-783-8926 ecomment@pa.gov