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PENNSYLVANIA ANTHRACITE COUNCIL

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RECEIVED
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Independent Regulatory Review Commission

January 11, 2021

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

Dear EQB:

I am writing on behalf of the more than 3,000 persons employed by Pennsylvania's anthracite and waste coal mining industries regarding the State's decision to enter into the northeastern Regional Green House Gas Initiative (RGGI).

While the Administration wants to present its proposal in the best light possible, I do not believe they have provided an adequate explanation showing a "*compelling public interest that justifies the regulation*" and the state's entry into RIGGI. In fact, regulators have overlooked some basic facts and information that dispel their claims.

First, RGGI is designed to solely address the issue of stationary power generation GHG emissions. It does not attempt to regulate or tax the other major sources of GHG emissions from the other sectors of the economy. This includes the residential, commercial, industrial and transportation sectors. Those sectors of the economy are dominated by natural gas and petroleum energy products.

For example, the United State Energy Information Administration (EIA) reports that from 2009 to 2016, Pennsylvania's three major energy sources of coal, natural gas and petroleum from all sectors of the economy introduced a combined1.92 billon metric tons of GHG into the atmosphere. Over that time, coal accounted for slightly less than half of that number or 810.9 million metric tons.

However, since 2009 coal use in Pennsylvania and the emissions that accompany its use entered into a steep decline. While coal still accounted for 51% of GHG emissions in the Electric Power Sector in 2016, its total emissions within that sector had declined by 86.5% since 2009 to its lowest levels ever.

Further, according to EIA figures, by 2016 total GHG emissions from burning coal accounted for just 31.5% of total of all GHG emissions in the state and for the first time was less than both natural gas and petroleum.

Additionally, as other industrial nations like the United States, Canada and the European Union bow to mounting social pressure and move to other fuel sources, China continues to increase its coal power generating capacity. This is according to an article which appeared last year in E&E Reporter.

Further, according to the non-profit organization, "Global Energy Monitor (GEM)," China has nearly 148 gigawatts of coal-fired plants either being built or likely to be revived, a figure that is roughly equal to the European Union's existing coal power capacity. Considering this capacity, the Chinese government may increase its coal power cap from 1,100 GW to 1,400 GW.

Chinese coal growth is attributed to a "permitting surge" from 2014 to 2016, as the Chinese central government shifted permitting control to provinces in an attempt to be more responsive to local needs. According to according to GEM, local Chinese authorities had strong incentives to approve and build economic projects such as coal plants. That permitting "spree," the report said, brought 245 GW of new projects into the development pipeline — just shy of the 254 GW that is the U.S. coal fleet.

According to GEM Executive Director Ted Nace, if China were to increase its coal power cap, it would happen as the country's coal plants run at roughly around 50% of the time. He said building more plants would lock out renewable energy sources and inhibit a rapid energy transition. From 2018 to June 2019, however, China added roughly 43 GW of net new coal power capacity, while the rest of the world lowered its total coal power capacity by 8.1 GW.

Additionally, the Global Energy Monitor report said China would need to phase out "most" of its coal power capacity by 2035 to meet an Intergovernmental Panel on Climate Change (IPCC) scenario that keeps warming well below 2 degrees Celsius. The average age of retirement for Chinese coal plants would need to be 17 to 21 years to make that happen, the report said.

However, the report also said coal plant construction will likely continue through 2025 and that a large number of plants in advanced stages of construction are ready to be commissioned. "*The path that China's central government chooses could make or break Paris climate goals*," the report concluded.

These facts really beg the question. What is really motivating the administration's actions? Is it really about making the environment safer and halting global warming? Because if it's about the environment, then the facts simply don't bear that out. If the stated goal is to reduce greenhouse gas emissions by 26% from 2005 levels, not only has that goal already been met, it has been exceeded.

The proposed RGGI regulation fails to demonstrate any significant "public safety, environmental or general welfare risk associarted with non-regulation.

In fact, in his testimony to the Joint Legislative Committee in Harrisburg on February 3, 2020, Vincent Brisini, a former Deputy Secretary with the DEP Bureau of Air Quality and current Director of Environmental Affairs with Olympus Power pointed out that. He stated "*Pennsylvania electric generators have reduced carbon dioxide emissions 33.2% from 2005 emission levels while at the same time maintaining over 30% of the electricity generating being exported to other states that no longer or never did generate enough electricity for their own needs.*"

He further went on to point out that "*the 33.2% reduction exceeds the targets set by Governor Wolf, the Paris accords and even the vacated clean power plan all well ahead of their respective levels.*"

Other states need our electricity, the nation needs our energy and the people who provide the fuel and skill to make that electricity need their jobs. Clearly this is not just about the environment. So, what else is it about? Is it about the money? Is about adding another $200 million in trading fees to a $36.1 billion budget?

$200 million dollars is a lot of money and if used wisely it could do a lot for the citizens of Pennsylvania. If it is about the money and how it can benefit our citizens, then surely, we can find other ways of funding needed programs

If it is just about the money, then please be aware, the state spends about one hundred million of our hard-earned tax dollars every day and will burn through that cap-and-trade money in about two days. But for the people who will lose their jobs as a result of the proposed cap and trade program, their lives and the lives of their families will be affected for a very long time.

But the reality is that the market forces we are dealing with today are beyond the control of any single person or elected official and were put into motion decades ago. Massive amounts of low-cost Pennsylvania natural gas are now being brought to market and in direct competition with coal fired generating stations.

These market changes, coupled the more stringent environmental rules imposed by Federal and state government has resulted in substantial declines in greenhouse gas emissions which have already exceeded the proposed reduction targets of RGGI.

As a result, dozens of coal-fired plants have been retired or idled and thousands of people have lost their jobs and been forced to seek new careers. In other cases, coal fired plants have invested hundreds of millions of dollars to modernize and lower emissions to comply with the strict new regulations and compete with natural gas.

And now after acting in good faith and investing significant amounts of money to comply with the law, the Wolf Administration now wants to tax those same companies hundreds of millions of dollars more. When will it finally be enough?

Second, adopting the proposed RGGI rules through an Executive Order will artificially and needlessly hasten this naturally occurring process forcing thousands more families to lose their jobs and their futures long before it is necessary and they can prepare for. Adopting RGGI regulations will result in higher electric rates, higher unemployment, burden local governments with lower tax collection and encumber an already struggling Pennsylvania's unemployment compensation system.

In short, the facts and the statistics simply don't warrant Pennsylvania Joining RGGI. It will provide very little if any additional benefit to the environment and the revenue gained will simply vanish almost as soon that state gets it and dimmish over time.

Finally, adopting RGGI by Executive Order is like building a house on shifting sand, without sinking pylons to anchor it in place. If RGGI can be adopted by the stroke of the Governor's pen then it can likewise be erased by the courts and if not by them, then by stroke of our next governor's pen if he or she chooses.

Instead, doesn't it make more sense for the administration to work with legislature who is also elected to represent the people to find a reasonable compromise on this issue.

I urge the Administration to put a pause on the RGGI regulation and work with the legislature and compete marketplace of ideas to inform and convince the public why a proposed plan to join RGGI is good for Pennsylvania.

Sincerely yours,

Duane C. Feagley

Duane C. Feagley
Executive Director