



Jan. 6, 2021

The Honorable Patrick McDonnell
Secretary
Pennsylvania Department of Environmental Protection
Rachel Carson State Office Building
400 Market Street
Harrisburg, PA 17101

RE: Lutron Electronics' Support for Proposed Rulemaking on CO₂ Budget Trading Program (50 Pa.B. 6212)

Dear Secretary McDonnell:

On behalf of Lutron Electronics, I write today to support the proposed rulemaking to bring Pennsylvania into the Regional Greenhouse Gas Initiative (RGGI).

Lutron is the leading manufacturer of smart, scalable lighting controls worldwide. From dimmers for the home, to lighting management systems for entire buildings, our company offers more than 15,000 energy-saving products, sold in more than 100 countries. In the U.S. alone, Lutron products have saved an estimated 10 billion kWh of electricity, or approximately \$1 billion in utility costs per year. As a mid-sized privately held company, we are proud to have our headquarters in Coopersburg, Pennsylvania, where we employ hundreds of Pennsylvanians plus more in a couple dozen other locations around the world.

We believe that linking Pennsylvania to RGGI will deliver significant benefits to the state by driving investment in renewable energy and energy efficiency. In states where RGGI is already in place, the program has successfully cut pollution and [raised nearly \\$3.8 billion](#) for investment in clean energy and other state priorities.

Pennsylvania is one of the highest polluting states according to the [U.S. Energy Information Administration](#). Through RGGI's market-based cap and investment program, our state has the potential to receive proceeds that can be invested in targeted efforts to eliminate air pollution, spur job creation, support working Pennsylvanians, and help boost the state's long-term economic recovery from the COVID-19 pandemic. A portion of the proceeds can also be used to help workers and communities who will be affected by the ongoing and inevitable transition of the energy market away from coal to renewable energy, energy storage, and demand-side management technologies. DEP [estimates](#) that RGGI will produce a net increase of 27,000 jobs and add \$1.9 billion to our state's economy. As we work to move beyond the current recession, these are investments and jobs that our state needs.

Lutron is also an electricity customer in Pennsylvania, so we are also cognizant of our energy bills and the impact RGGI will have on those bills. RGGI has been in operation for more than 10 years and RGGI states have actually experienced a net electricity price decrease since enacting RGGI. Current RGGI states invest the [majority](#) of their proceeds into energy efficiency, which is why they are experiencing these price decreases. In fact, electricity bills in RGGI states are projected to be [35 percent less in 2031](#) than they are today due to investments made by member states in energy efficiency.

For commercial and industrial customers, energy efficiency helps us save money and make upfront investments in our operations. Savings can be reinvested back into the business and ultimately the local community through jobs and economic development. Additional investments in energy efficiency as a result of RGGI will also help grow our local energy efficiency sector, which started the year with [71,000 Pennsylvanians](#) employed in these jobs.

In addition to supporting RGGI participation, we encourage Pennsylvania to prioritize the investment of RGGI proceeds into energy efficiency where feasible. Our assessment is that a focus on energy efficiency investments will help keep RGGI compliance costs low and will help keep local jobs in Pennsylvania. This is supported by [modeling](#), where DEP found that if Pennsylvania directs even just $\frac{1}{3}$ of its RGGI proceeds into energy efficiency investments, PA power prices would decrease compared with business as usual. In addition, the modeling shows that electricity exports would actually increase by 2030: This is because energy efficiency investments help reduce in-state energy demand—thereby creating the opportunity to export the energy that Pennsylvania doesn't need to states within PJM that do not use energy efficiently.

Lutron believes the savings and potential for economic growth through RGGI will be invaluable for our state. This is an opportunity to take advantage of innovation and market-based solutions to climate change while creating jobs. We urge the Department to finalize the proposed rulemaking.

Sincerely,



Dr. Pekka Hakkarainen
Vice President
Lutron Electronics Co., Inc.