



Stephen Hoffman

From: ecomment@pa.gov
Sent: Tuesday, January 12, 2021 9:44 PM
To: Environment-Committee@pasenate.com; IRRRC; 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)

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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:

I am a graduate of the University of Pennsylvania, with a BS in Economics from Wharton and an MSE in Electrical Engineering. As someone concerned about both the severe impacts of global climate change and the economic competitiveness of the state of Pennsylvania, I strongly support Pennsylvania's participation in the Regional Greenhouse Gas Initiative (RGGI) to set limits on carbon pollution from the power sector.

Much of the public opposition to RGGI revolves around some easily debunked arguments:

- 1) Won't there be carbon leakage to non-RGGI states, like OH or WV?
 - The currently large amount of in-state generation within PA, along with finite transmission capacity (transmission lines' limits means some amount of generation must remain localized, based on simple physics) means that much of the emissions cap would remain binding leading to crucial GHG reductions.
 - Even with limited carbon leakage, many hundreds of MW of wind and solar are under development in Ohio, reducing the marginal change in out-of-state coal dispatch if PA joins RGGI.
 - With nearby states like New Jersey and New York rapidly advancing offshore wind power (with zero marginal costs, which will always beat any coal or natural gas based generation within the wholesale spot markets), Pennsylvania faces an urgent energy competitiveness problem, where

these future renewable generation sources threaten to take away market share from within-PA power generation. This has important implications for state GDP and jobs. By reinvesting RGGI auction revenues to develop clean energy technologies, Pennsylvania can future-proof its economic competitiveness and ensure sustainable job creation.

2) Complaints about the executive, rather than legislative nature of the rulemaking:

- The DEP clearly has the power and authority under the Pennsylvania Air Pollution Control Act to implement an administrative rulemaking capping pollution from the power sector.

- PA Republicans' complaints about lack of legislative debate is clearly disingenuous, since the GOP-controlled General Assembly has refused to take any positive climate action despite the clear scientific and economic evidence - leaving Pennsylvanians to rely on the state executive branch to take action.

- Governor Tom Wolf clearly campaigned with the promise to bring PA into RGGI. From his 2014 campaign website: "Under Tom's leadership, Pennsylvania will join the Regional Greenhouse Gas Initiative. He will work with the initiative and other states to set emission caps that are fair to Pennsylvania. Tom will use a portion of the revenue generated from the sale of permits to invest in renewable energy technology"

(<https://web.archive.org/web/20141028184802/https://www.wolfforpa.com/sections/page/climate-change>). Governor Wolf has handily won both 2014 and 2018 elections, highlighting Pennsylvanian's democratic mandate to move forward with RGGI membership.

I support allowing dynamic adjustments to the RGGI emissions cap to respond to changing market conditions. This flexibility is an important feature of RGGI's innovative market design, as explained in this UPenn Kleinman Center for Energy Policy article "Robust Carbon Markets: Rethinking Quantities and Prices in Carbon Pricing"

(<https://kleinmanenergy.upenn.edu/research/publications/robust-carbon-markets-rethinking-quantities-and-prices-in-carbon-pricing/>). Dr. Burtraw explains: "Innovation in carbon pricing through features like RGGI's price floor and emissions and cost containment reserves make these markets more robust and cast carbon pricing in a more effective role."

*These views are my own and do not represent those of my employer.

No attachments were included as part of this comment.

Please contact me if you have any questions.

Sincerely,
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