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*Submitted via email to: regcomments@pa.gov*

January 14, 2021

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

**Re: Comments to the Proposed Rule Establishing a CO<sub>2</sub> Budget Trading Program**

Dear Board Members:

On behalf of the Associated Builders and Contractors of Pennsylvania (ABC of Pennsylvania) board of directors, I am submitting comments to the proposed rule passed by the Environmental Quality Board regarding the "CO<sub>2</sub> Budget Trading Program."<sup>1</sup>

ABC of Pennsylvania is comprised of five regional chapters, representing nearly 1,400 member companies and approximately 67,000 employees. We are a membership association that represents contractors, suppliers, and industry professionals within the commercial construction industry.

The rule, as proposed, would create a program intended to reduce carbon dioxide (CO<sub>2</sub>) pollution from power plants that use fossil fuels to create electricity. The rule sets a cap on the amount of greenhouse gases a power plant can emit. The Department of Environmental Protection (DEP) would administer an auction for the allowances. Power plants would buy allowances for the CO<sub>2</sub> produced and may re-sell allowances if they so choose.

While DEP claims the program will result in a net increase of jobs and drive billions of dollars into the commonwealth's economy, we disagree. In Pennsylvania, about two-thirds of our electricity comes from fossil fuels. Adding a new tax on the industry will undoubtedly result in job loss and increased cost, not the opposite. We believe the economic impact would ripple throughout the economy in the form of job losses, hits to small businesses and major industries, and even effect the commonwealth's position as one of the largest exporters of electricity to neighboring states.

The program may also have consequences on interactions with surrounding states. Since electricity is a major expense for manufacturers, factories could relocate to states where lower-cost power is available. Our neighbors in Ohio and West Virginia are not bound by the multi-state Regional Greenhouse Gas Initiative's (RGGI) conditions. Further, jobs, factories, and business could make a short move across state lines where energy is cheaper and still be "close to home." Factories that are near state lines will have access to cheaper energy and are likely to purchase exported power, which will not result in increased revenues to the commonwealth, nor reduce carbon emissions.

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<sup>1</sup> Regulation #7-559 (IRRC # 3274)

Environmental Quality Board

Page 2

January 14, 2021

We join the chorus of concerns expressed by our industry partners about the negative impact this program will have on construction, manufacturing, transportation, energy, producers of raw materials and manufactured products, vendor services, and all sectors that support these core industrial activities.

If you have questions regarding these comments, please contact me at [davidg@abcpa.org](mailto:davidg@abcpa.org).

Sincerely,

A handwritten signature in cursive script, reading "David G. Greineder".

David G. Greineder, IOM

*Director of Government Affairs*

cc: Independent Regulatory Review Commission  
333 Market Street, 14<sup>th</sup> Floor  
Harrisburg, PA 17105-8477