



Verde Architecture Consulting
1635 Market St
Suite 1600
Philadelphia, PA 19103

To whom it may concern:

I am writing on behalf of Verde Architecture Consulting to support the proposed rulemaking enabling Pennsylvania to join the Regional Greenhouse Gas Initiative (RGGI). I also ask the Department of Environmental Protection (DEP) to invest RGGI auction proceeds into energy efficiency, as this is proven to achieve greater carbon reductions, increase economic growth, and assist in the just and equitable transition of communities and workers to a clean energy economy.

The DEP has clear authority to implement RGGI, which is third in a line of successful cap-and-invest mechanisms implemented by the DEP to curb the emissions of the power generation sector. Unlike command-and-control regulations, cap-and-invest mechanisms limit and auction off the right to emit pollutants. Auction proceeds can then be invested into initiatives that save consumers money, deploy clean energy, and improve air quality.

RGGI proceeds will provide a stable and economical avenue for Pennsylvania's transition to a clean energy future. The state anticipates RGGI will generate \$300 million in annual auction revenues, and DEP should act now to determine how these proceeds could launch a cleaner, more equitable energy economy. Over the past decade, ten RGGI states have proven that when auction proceeds are invested in energy efficiency, RGGI lowers energy costs for consumers and gives a much-needed boost to the economy. According to an independent macro-economic analysis of RGGI through 2017, investment proceeds created over \$4 billion in net economic benefits in the form of new jobs, customer utility bill savings, and private investment. These benefits are due largely to investments in energy efficiency, which received 56% of auction proceeds through 2018. For 2018 alone, investments in energy efficiency funded with RGGI proceeds are expected to save participants \$1.2 billion on energy bills and avoid the release of 1.4 million short tons of carbon. These make a difference on a national scale: six of the 10 RGGI states rank in the top 10 for energy efficiency in the US.

Energy efficiency is the biggest, most reliable job creator of all energy sectors. These jobs are by definition local to their communities and offer higher-than-average salaries. Per year, RGGI is anticipated to create 27,000 jobs. Investing proceeds into energy efficiency will require more workers to design, build, sell, transport, install, monitor, repair, and improve equipment. As the need for energy efficiency workers increases, Pennsylvania should develop a workforce transition plan that opens career pipelines with vocational and community schools across the state. RGGI proceeds can fund training centers or online portals that provide the necessary coursework for new energy workers to succeed at energy efficiency careers. In this way, RGGI can address the state's urgent energy workforce development needs while safeguarding the sustainability of its own programs.

Investing RGGI proceeds into energy efficiency is the most equitable way to pursue a clean energy transition. Supplemental RGGI funding can address barriers that have prevented residents and businesses



from participating in state- and utility-offered energy efficiency programs. States that leverage RGGI auction proceeds are able to provide more comprehensive and accessible energy efficiency program portfolios. For example, Energize Delaware's Pre-Weatherization Program uses RGGI funds directly for Weatherization Assistance Program (WAP) deferrals. In addition to directly supporting energy efficiency programs, RGGI funds can be used to establish a Green Fund or Green Bank, which will attract additional private funding for low-income and small business programs.

RGGI investments in energy efficiency will trigger an economic chain reaction that benefits Pennsylvania's businesses and residents. Investment leads to large, accessible energy efficiency programs; when implemented across the Commonwealth, these programs lower energy costs and alleviate the unequal energy burden born by low and middle-income families. Widespread consumer bill reductions keeps money in Pennsylvanians' pockets and leads to an increase in local spending, benefiting regional businesses. Businesses that spend less on energy can spend more on payroll or capital investment, leading to new job openings. Lower energy demand resulting from more efficient buildings means fewer emissions from power plants and less money leaving the region to pay for imported fossil fuels.

While joining RGGI is a huge step for the Commonwealth, the state should not stop there: the DEP must determine how to invest the proceeds RGGI generates. I am writing to ask the DEP to invest RGGI proceeds into energy efficiency, as it is proven to achieve greater carbon reductions, to increase economic growth, and to assist in the just and equitable transition of communities and workers to a clean energy economy.

Thank you for your time.

Maki San Miguel Paulson
Principal
Verde Architecture Consulting