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January 14, 2021

Secretary Patrick McDonnell
Chair,
Environmental Quality Board,
P.O. Box 8477, Harrisburg, PA 17105-8477

RE: Comments on "Proposed Rulemaking: CO2 Budget Trading Program (#7-559)"

Chairman McDonnell:

My name is Evan Midler and I reside in Avella, Washington County Pennsylvania. I am providing comments as a private citizen of the Commonwealth. For background, I serve as a public official and member of the Board of Supervisors of Cross Creek Township located in Washington County. In addition, I professionally hold a management position with Alliance Coal, which operates a mining concern, also in Washington County.

In short, I am urging the Environmental Quality Board to consider the complete cessation of the Commonwealth joining the Regional Greenhouse Gas Initiative commonly known as RGGI. Having this dual perspective of public service for a municipality and professionally working in the coal industry has only reinforced to me the uncontested fact that RGGI will harm the Commonwealth's already struggling economy and be a direct harm to the Commonwealth's residents and families, with no environmental climatic benefit. I would like to identify three areas this initiative will influence and harm Pennsylvania and her residents.

First, I would like to highlight the Regional and Economic Impacts

- RGGI will increase energy costs through the imposition of a carbon tax and create an unreliable energy generation portfolio for Pennsylvania.
- Increasing energy costs is the ticket to economic failure. Since every industry uses energy, the higher cost Pennsylvania energy is, the higher cost every product made and service provided in Pennsylvania will be. A carbon tax means industry is less competitive. Joining RGGI will result in manufacturing leaving the state in favor of regions with more favorable energy prices.
- Moreover, with the joining of RGGI, direct Pennsylvania jobs will be lost in the mining, drilling, transportation, and electricity generating sectors from the closure of coal and natural gas plants and their subsequent supply chains. Thousands more indirect jobs will also be lost.

Regarding jobs impact, RGGI's influence will be even more severe. As mentioned in my introduction I also have the privilege to work for Alliance Coal, which operates the Tunnel Ridge Mine complex,

actively producing coal in Washington County for thermal generation. The Tunnel Ridge facility directly supports over 435 high paying local mining jobs with average salaries averaging \$70,000 to \$100,000. Further, our organization owns or controls over 40,000 acres of high quality bituminous coal within Washington County. This coal supports a tax base that is relied upon by tens of thousands of Pennsylvania residents through the funding of local services. Moreover, these active coal operations support additional direct and indirect employment beyond Pennsylvania's fossil fuel power plants, which contributes substantially to community small businesses, restaurants, and vendors throughout Western Pennsylvania. The economic benefits generated by permitted coal operators are materially essential to the operating budgets of counties, townships and school districts within active mining areas. Enacting RGGI will remove this economic engine of Western Pennsylvania by taxing the coal, oil, and gas industry out of the state. RGGI's tax on fossil fuel power plants will immediately price the cost of coal-fired electricity out of the market and subsequently shut these plants down. With the shuttering of these coal fired units, the jobs supporting Pennsylvania's power and mining industry will all be lost. Simply put, joining RGGI will result in the premature closure of Pennsylvania's coal and older natural gas power plants, rendering nearly two-thirds of our electric generation uncompetitive, with no benefit to Pennsylvania.

Direct Local Government impact

- RGGI will reduce fossil fuel production in the western part of Pennsylvania destroying local and regional economies and adversely affecting municipalities' finances.
- Reliable and cheap bituminous coal and shale gas production will diminish in Pennsylvania and shift to Ohio and West Virginia. As a result, Act 13 impact fees will inevitably contract due to the reduction in production coming from disincentives and diminished consumption of gas. This will result in financial harm to already struggling municipalities who rely on these fees to balance their budgets and improve their local infrastructure. Moreover, local governments and school districts will lose millions in local property and wage taxes from the closure of active coal mines and loss of property taxes with the corresponding reserves.

If the commonwealth is permitted to move forward in joining RGGI, all of these family sustaining jobs and economic contributions will be lost in our region, devastating our communities and destroying local government's ability to serve their remaining residents. Western Pennsylvania has already suffered a multiple decade depression due to the devastation of the steel industry. Our region was able to emerge out of that depression, and thrive, due to the coal and natural gas jobs. RGGI will thrust communities, school districts and counties back into depression and erode the ability of local government and school districts to operate.

Individual impact

- Individual and Household consumer electricity rates will increase. Put simply, RGGI is a massive tax on power plants that will get passed onto Pennsylvania ratepayers. How big? It starts at \$2.4 billion--that's \$500 for every household--and grows from there.

Which individuals are harmed the most? As a local official, I continue to witness firsthand the absolute social necessity of low cost utilities to our residents. Without low cost utilities, we see impacts on low and fixed income households as well as those that are now unfortunately unemployed due to the recent pandemic. Maintaining essential utilities of a household are the most basic of necessities and paramount for our vulnerable families to survive and thrive. By increasing, the monthly cost of electricity

on families this initiative will be attacking the most vulnerable amongst us. Moreover, with the higher cost of electricity comes the migration of the mining, generation and manufacturing jobs. Residents will follow these jobs to other states leaving a smaller population to cover the cost of the capital for renewable generation. You will be adding a carbon tax on top of a rate increase on those remaining residents.

If Pennsylvania Joins RGGI, what does this get us as Pennsylvanians?

- First, I note that DEP's own modeling also shows that carbon dioxide reductions from plant closures in Pennsylvania will simply shift to neighboring, non-RGGI states, like Ohio and West Virginia. Those states will also take the related jobs and economic benefits of fossil fuel generation. As a result, carbon dioxide emissions will increase in those states, which will offset any emission reductions in Pennsylvania. Simply put, The RGGI tax punishes Pennsylvania and drives business to states smart enough not to have a RGGI tax. Ultimately, this won't lower CO2 emissions, it will just move them to a different place.
- Supporters of the RGGI tax say that the tax will create new wind and solar jobs. However, wind and solar have proven to be unreliable and expensive wherever they are tried. Expensive electricity destroys jobs in every industry that uses massive amounts of energy.
- For example, the state of California, by design, transitioned on a massive scale to wind and solar only to find that these forms of generation are unreliable and non-resilient when needed the most. The result, which we all witnessed this summer, was rolling brownouts and the begging for coal fired generation to be imported from neighboring states to supplement California's failed energy policies.
- So with the loss of the fossil fuel electricity generation within the Commonwealth, this begs the question where will Pennsylvania obtain its needed electricity? The answer is that Pennsylvanian will now have adopt the California model and pay a premium to import out-of-state fossil fuel generated electricity or face California like rolling brownouts. In addition, Pennsylvania's will have to contribute out of pocket financially towards energy subsidies of renewables for in-state generation. This means not only will low and fixed income families have to spend more of their disposable income towards servicing higher electricity costs, but also now additional taxes will inevitably be enacted on Commonwealth residents to subsidize wind and solar power generation, further harming the people of the Commonwealth.
- In fact, Pennsylvania alone can do nothing significant about emissions. Even if PA eliminated its emissions and became a third world country, according to models by the National Center for Atmospheric Research, the estimated impact would be a 1/1000th degree decrease in temperature rise by 2050. and 3/1000 of a degree by the year 2100. This is the science of what the commonwealth is considering!

The only way to lower CO2 emissions globally is to promote innovation in higher efficient technologies using cheap but reliable fuels such as coal, nuclear, or natural gas. That way countries around the world will voluntarily adopt these technologies because they will actually be cheaper, reliable, and resilient and improve the health and welfare of their citizens. Pennsylvania should lead innovation with its industries, not destroy its industries with a RGGI tax.

Simply put, it's called technology, not ideology!

Again, I challenge you as a public official, why would you sacrifice Pennsylvania's prosperity, and impose an enormous tax on Pennsylvania ratepayers for nothing in return?

In conclusion, moving forward with joining RGGI will have disastrous consequences to Pennsylvania's families and its economy. This will result in the loss of energy related jobs, increased electricity costs, and the mass migration of our already dwindling manufacturing plants. Per DEP's own modeling, there will be no climatic benefit. Recent polling suggest that Pennsylvania residents and voters do not view this initiative favorably and overwhelmingly reject paying more for electricity for inconsequential benefits. I urge you and this Board to cease this initiative and to vote no on the Commonwealth joining RGGI.

Thank you for your consideration.

Regards,



Evan Midler