



FORM LETTER 9: "Clean Energy Economy"

Proposed Rulemaking: CO₂ Budget Trading Program (#7-559)

Dear DEP Regulatory Comments,

It is critically important that Pennsylvania starts to meaningfully address its contribution to climate change. I urge the Department of Environmental Protection to swiftly finalize this proposed rulemaking to allow Pennsylvania to participate in the Regional Greenhouse Gas Initiative (RGGI) beginning in January 2022. Pennsylvania has the fifth-dirtiest electric power sector in the country, and this sector is responsible for roughly one-third of Pennsylvania's greenhouse gas pollution. As a globally significant polluter, Pennsylvania has a heightened responsibility to reduce its emissions and combat climate change. Linking with RGGI would be a monumental step in the right direction.

This CO₂ Budget Trading Program will significantly reduce harmful carbon pollution and protect public health. The proceeds from RGGI must be invested in energy efficiency and renewable energy programs, thereby positioning Pennsylvania to become a leader in the growing clean energy economy. Indeed, Pennsylvania will generate hundreds of millions of dollars in proceeds annually from this program. These funds must 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. Specifically, it is important that a portion of the proceeds be used to help workers and communities who will be affected by the ongoing and inevitable transition of the energy market away from coal and natural gas to cleaner sources of generation.

I urge DEP to provide a mechanism to adjust the starting allowance budget if actual emissions are lower than currently projected. It can be challenging to accurately predict future emissions, and a cap that is set too high will affect the integrity of the program.

I acknowledge the problems posed by abandoned coal refuse piles but do not support the waste coal set-aside. At minimum, I recommend amending the definition of legacy emissions, which determines the number of free allowances provided in the set-aside. This account should be no larger than is necessary to cover actual emissions. Since 2018, four waste coal plants have retired. These plants should be removed from the calculation of legacy emissions as they will not exist in 2022.

I strongly support the strategic use set-aside account included in the proposed rule and urge that this set-aside account survive independently of the waste coal set-aside. As currently drafted, if waste coal-fired generation disappears in Pennsylvania, the waste coal set-aside account disappears and so, too, does the strategic use set-aside.

It's time to tap into RGGI's record of success, invest in sustainable jobs in our transitioning energy sector, and reduce our carbon pollution. In light of Governor Tom Wolf's greenhouse gas reduction goals set forth in Executive Order 2019-01, participating in RGGI is an essential policy step for Pennsylvania. Thank you for your consideration.