



To: PA EQB

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

Comments from: Emily Schapira, CEO at Philadelphia Energy Authority, 1400 JFK Blvd., Philadelphia, PA 19107, eschapira@philaenergy.org. (Provided live at the December 9, 2020 6pm hearing, #35)

My name is Emily Schapira, and I'm the President and Chief Executive Officer at the Philadelphia Energy Authority. I'm pleased to share brief testimony today in support of RGGI.

The Philadelphia Energy Authority is an independent municipal authority focused on energy affordability and sustainability for Philadelphia. In 2016, we launched the Philadelphia Energy Campaign – a 10-year, \$1 billion investment in energy efficiency and clean energy projects in order to create 10,000 jobs.

In its first 3 years, the Campaign helped launch over \$136 million in projects and created over 1300 jobs. We started Pennsylvania's first high school vocational training program in solar and weatherization, now available to all school districts across the Commonwealth. We've launched Pennsylvania's first C-PACE program, which provides long-term financing to commercial clean energy projects, and have completed \$8 million in projects so far. We've supported over 700 residential solar projects through Solarize Philly, and we serve over 90,000 Philadelphia households through our Water and Sewer Service Line Protection Program. We are in the process of building what will briefly be PA's largest solar array – an 80 MW project in Adams County – to power 22% of City electricity usage.

I share these accomplishments for this reason. **Philadelphia has been successful recently in doing a lot with a little. RGGI presents an opportunity to do more with more.** We started our initiative with a very modest annual budget from the City. We have developed programs and projects that leverage existing government, utility and non-profit resources and that enhance the capabilities of the private sector to drive a robust and equitable clean energy market here. RGGI will generate revenue that can be targeted at our biggest challenges, particularly those that won't be possible to substantively tackle without subsidy.

Those who need this subsidy most are the very same folks who have and will continue to bear the brunt of the harshest effects of climate change and environmental damage wrought in large part by our long-subsidized reliance on fossil fuels. Philadelphia has one of the highest rates of childhood asthma in the nation, and serious flooding during extreme weather events. Low wealth communities, primarily minority majority communities, due to a difficult history of redlining and systemic racism, are affected most.

In our city, over 50% of all minority households and over 40% of all renters at any income level *pre-COVID* faced energy insecurity each year. Fewer than 30 percent of low-income homes in our utility service territory who are eligible for subsidized rates actually receive them, and Act 129 puts a very small dent in the energy burdens of low-income households. A PECO executive once shared that they find themselves frequently entering a home, looking around and seeing a hole in the roof or other structural or systemic issues, and then changing out the lightbulbs and leaving.

These are not small problems. These are symptoms of entrenched systemic poverty, generations of low-income home ownership and aging housing stock. Of decades of implementing energy efficiency or

home repair programs that do more to maintain poverty than to reduce it. Energy is a crucial access point to some of our biggest challenges, and these are expensive problems to solve.

Revenue generated from RGGI, which is intended in some small part to finally reflect the societal cost of absorbing the effects of CO2 pollution, has the ability to put substantive, recurring dollars into innovative programs that fundamentally solve problems. Our top priorities in Philadelphia for RGGI funding are twofold:

First, for our Built to Last, low-income housing restoration program, which fundamentally preserves existing single-family affordable housing and makes sure it's safe, healthy and affordable for the long term. Built to Last leverages electrification and solar to reduce energy burden and displacement long term.

Second, grants and loans that we can use at our soon-to-be launched Philadelphia Green Bank to provide credit enhancements and bring new, equitable green capital to Philadelphia to get more clean energy work done.

Before I end, I'd like to note one other factor for your consideration in rulemaking. Philadelphia is home to the second largest District Energy system in the country. Owned by Vicinity Energy, the facility provides steam to over 96 million square feet of commercial and industrial buildings on a loop in Center City, generated via natural gas powered CHP plus less frequently used boilers. At PEA, we have been in close communication with Vicinity to ensure the improved efficiency of this generation resource. Because this is a completely unique construct in Pennsylvania and other RGGI states, we hope the EQB will ensure that this plant and other district energy systems are considered appropriately to properly incent low carbon power generation.

Thank you for your time tonight, and for all of your work.