



December 9th, Environmental Quality Board

Testimony of Richard Overmoyer, Fourth Economy Consulting Regarding CO2 Budget Trading Program Regulation

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### **Good morning members of the Environmental Quality Board and others**

I appreciate the opportunity to testify before you today regarding the proposed rulemaking regarding a CO2 Budget Trading Program - otherwise known as the Regional Greenhouse Gas Initiative. I am here in full support of Pennsylvania joining the RGGI and will explain my position in the following testimony.

First, as context for my opinions, I share my background- For the past fifteen years I have been a nationally recognized community and economic development practitioner whose business is located in the City of Pittsburgh and I reside in the community of Mt. Lebanon. Prior to that, I was a Deputy Secretary at the Department of Community and Economic Development responsible for investments in our Commonwealth's Technology industries. This is to say that I am well qualified to comment on matters of economic opportunity, the impacts of energy policies on communities, and what opportunities exist by embracing innovation in our communities and small businesses.

I provide three arguments in support of RGGI:

#### **First, RGGI is a Smart Economic Development Policy**

The notion that improved environmental policies and the adoption of renewable energy and energy efficiency efforts somehow are the cause of harm to legacy industries in the State, such as coal are unfounded. I have personally spoken with energy developers around the country that note that the market opportunity provided by renewable energy and efficiency is critical to their future. It is allowing them to invest in their host communities in unprecedented ways.

RGGI allows Pennsylvania to proactively invest in its future and support job creation through strategic investments in energy efficiency upgrades for low-to-moderate-income households, improving energy efficiency for small businesses, and more. These actions will benefit those individuals and business owners in our community that have been so significantly impacted by the COVID-19 pandemic. It will also create jobs throughout our Commonwealth that will provide good wages and career opportunities for so many that were in need even prior to the pandemic.

## **Second, RGGI can help us Proactively Transition**

RGGI is a cap-and-invest program that allows regulated companies to make the best business decisions for their own company on how to meet the pollution limits. This can include investments in energy efficiency which will reduce overall operating costs, making them more competitive in both the short and long run. The existing law allows RGGI to provide targeted investments to support at-risk and vulnerable communities. This would expand the opportunities for companies to avail themselves of a new funding support stream at a time when economic development-related investments in Pennsylvania have not kept pace with other states.

It's time for our lawmakers to get ahead of the economic curve and support sound investments, especially efforts like RGGI that have a demonstrated 10-year track record. DEP's modeling estimates that participation in RGGI would lead to significant growth in the Gross State Product and an increase of over 27,000 jobs in the next few years. Political leaders in the Commonwealth have offered and provided millions of dollars in tax breaks to react to the fossil fuel industry and e-commerce providers' demands. I would hope that we can do better, take a more proactive approach, such as RGGI as we work to recover our economy.

## **Third, Joining RGGI can send the right signal to people looking at Pennsylvania to work or live**

Pennsylvania's air quality and especially the air quality in Southwestern Pennsylvania are detriments to our future. The work of my team has noted that Pennsylvania is barely maintaining if not losing population - a recipe for economic collapse.

Recent reports based on survey data note that as a result of COVID-19 and the remote-work experiences and abilities of many - as many as 24 million people will move in the next year. Pennsylvania though will most likely be low on many lists due to what is seen as a concerning environmental stance and reliance on old policies for community enhancements.

I have personally had a team member leave our company and move to another state as a result of their experiences with air quality issues. And as I have recruited for new talent over the years - air quality, and if our community is serious about improving it, is often a pause in candidates' decision-making process. These experiences of course expose our privilege, that we can make choices about where to live and work, but many in our community - often minority and/or poor - are often trapped near pollution-producing power generators that erode their life expectancy and overall livelihood. We must do better.

In closing, I urge you to support Pennsylvania's inclusion in the Regional Greenhouse Gas Initiative and do so with haste as we have no time to lose in improving the conditions for our residents and businesses.