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Legister Regulatory
Review Commission

December 7, 2020

To Whom It May Concern:

I write in opposition to Governor Tom Wolf's proposed regulation, the CO2 Budget Trading Program, as published in the Pennsylvania Bulletin on November 7, 2020 (50. Pa.B. 6212). I urge the Environmental Quality Board (EQB) and the PA DEP to reject Governor Wolf's proposed RGGI tax.

I am a senior engineer working at Conemaugh Station in New Florence, PA and I will certainly be impacted by this proposal which would join Pennsylvania to the Regional Greenhouse Gas Initiative (RGGI). In fact, the implementation of RGGI will most likely lead to a job loss for me, which will require me to seek employment elsewhere, quite possibly across state lines. I currently reside in Somerset County and live in the Johnstown area. My extended family has a long history in this community, and it is place where I would like my son to grow up and continue our family lineage. Engineering jobs in this area are very difficult to find to begin with, and legislation like this that harms industries such as power generation would have a devastating impact both to my family, the Johnstown community, and western Pennsylvania in general.

I fully support legislation to protect the environment, however, this proposal to join RGGI accomplishes very little on the environmental front and only results in economic harm to Pennsylvania. Modeling confirms that most of the carbon dioxide reductions from plant closures or reduced generation in Pennsylvania will simply shift to neighboring, non-RGGI states, like Ohio and West Virginia. Those states will take the jobs and capital expenditures while producing similar emissions as Pennsylvania plants.

Joining RGGI will impair Pennsylvania's economy. In the end it will reduce income tax revenue, along with local property and sales taxes collected, since over half of the existing power plants in Pennsylvania will no longer be competitive and will either close or shift operating models with drastically reduced budgets. Ironically, one would suspect the executive order to join RGGI was partially written to generate a new revenue stream from carbon taxes. So, what should be asked is does the carbon revenue offset the tax revenue loss inflicted by losing major industry in Pennsylvania? And all the while inflicting serious damage to families, communities, and businesses.

I find it very unsettling that a governor can issue an executive order like this one that inflicts this much damage to our state, without the approval (or support) of the General Assembly, and in return offers very little (if any) benefit. It's no wonder it does not have support of the PADEP's own Small Business Advisory Committee (SBAC), along with two other PADEP advisory committees - the Air Quality Technical Advisory Committee and the Citizens Advisory Council. These groups rejected the draft RGGI regulation. Why? Because RGGI, while entirely lacking in identifiable environmental, health or safety benefits, will devastate the economy.

Implementation of RGGI won't only hurt power generation, but all associated services such as fuel supply, material and hardware sales, consulting engineering services, transportation services, machine and fabrication shops, and many other small businesses that support power generation. Over the 13 years I have worked at Conemaugh station, I have interfaced with dozens of small business that rely on the western Pennsylvania power plants for a significant amount of their business. The loss of these facilities would lead to a large reduction in these company's bottom lines and put their sustainability in jeopardy.

The trickledown effect of RGGI won't only hurt small businesses, it will also impact the local communities. Power plants and local industries support many local community outreach efforts, donate to charities, and support local businesses such as restaurants, gas stations, retail stores, etc. The loss of this support will hurt the local communities. Local school districts would also be impacted with the significant loss of local tax revenue. This could affect the support services offered at these school districts as well as the educational resources that they depend on. The result will be an impact to the children of Pennsylvania, especially those with special needs.

With these thoughts in mind, what is RGGI accomplishing? Why not let the General Assembly consider options to this rule that will soften the immediate economic impact, or spread it out to future years? This could give plants a phased plan to retirement or give them time to consider new environmental technologies. Coal generation, for example, has already been reduced significantly over the past 10 years, not through regulation necessarily, but by a natural migration of the electrical industry.

So, as demonstrated, this executive order from Harrisburg to join RGGI will hurt Pennsylvania. RGGI will hurt the economy, will have a negative impact on small businesses, will devastate communities, will affect families and children of Pennsylvania. And for what benefit? Thank you for considering my comments. Please reject the RGGI tax regulation and protect the jobs of thousands of Pennsylvanians struggling to make ends meet during this terribly difficult pandemic recession.

Sincerely,

Zachary Lehman

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