



Testimony for CO2 Budget Trading Program Regulation

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Hi, My name is Lisa Richardson, I live in State College, PA. I am speaking as a private citizen today. In addition, I am a small-business owner and a co-leader of the State College chapter of Citizens Climate lobby. CCL has over 400 chapters of non-partisan volunteers who support a price on pollution through a federal bill called **the energy innovation and carbon dividend act**.

As famous hockey player Wayne Gretsky once said- "I skate to where the hockey puck is going. "So, I ask, why has PA waited so long to join RGGI? We know where this hockey puck is going. Let's take advantage of the clean energy transition to improve our resilience, our health and our economy for the benefit of all Pennsylvanians.

As a **small business owner**, the bottom-line results and economic track record from the existing RGGI states tells an important part of the story. This program creates jobs and builds a workforce with skills that are relevant **now and, in the future**,, helping to stabilize and sustain our economy and workforce.

Here are 5 economic takeaways I'd like to share:

1. Our economy needs jobs. A program like RGGI creates value by using targeted investment into clean energy jobs. One that is 90,000+ strong in Pa.
2. According to a 10-year review by Acadia, GDP of the RGGI states has grown by 47%, outpacing growth in the rest of the country by 31%; proving you can grow the economy while reducing emissions.
3. From Acadia, RGGI states have generated \$3.2 billion in allowance auction proceeds. Revenue from this program will help create the jobs and programs that lower our usage of electricity and electric bills, versus building expensive new power plants that cost ratepayers more money when they aren't needed.
4. From a statewide economic development perspective, the competition between states is fierce for attracting and retaining business, manufacturing and tech jobs.
 - a. CEO's and their boards from Hershey to Walmart and hundreds of businesses in between are creating their own aggressive sustainability and clean energy goals. They are responding to customer demands in the U.S. and world-wide because conserving resources and reducing emissions is not only the right thing to do, but also because it is good for their bottom-line. Businesses today are scrutinizing whether the state they reside in (or might relocate to) have policies

that help or hurt their own promise of reaching their sustainability goals. And that has a ripple effect through supply chains and governmental policies. Businesses have choices. They don't have to stay in PA, and they don't have to locate here. We need to do everything in our power to make PA competitive in the fight to retain and attract jobs.

5. Major companies in PA and in RGGI states have long-supported RGGI because they recognize the enormous economic value of a market-based approach. We are surrounded by states who were early adopters and therefore have a 10-year head start on improving their environmental records. PA cannot afford to let our state fall further behind when it comes to competing for new businesses and retaining existing businesses. RGGI is just good business.

In addition, I have served as an **energy professional** at a Generation and Transmission rural electric cooperative.

From this perspective, I have a few points I'd like to make;

1. Though ultimately, utilities are in the risk mitigation business and should plan a generation mix that doesn't put all of their eggs into one (fuel source) basket, I find that the utilities serving Pennsylvania are not future proofing their fuel asset mix. Even compared to other utilities across the nation, they are lagging behind and too high of a percentage of fuel is coming from fossil fuels.

This market-based, flexible cap and trade approach is exactly what utilities need for the long-term health of our utilities. These market-based signals, if they haven't gotten the message by now, will help drive our utilities to reduce the amortized life of coal and natural gas assets on their books and will lead them to diversify their generation mix. This in turn will help prevent stranded assets which would be an unnecessary burden for ratepayers. Forward thinking utilities and rural electric cooperatives in other states have been making this transition for years.

2. The price of renewable energy has dropped significantly over the last 10 years and continues to drop today. According to [Lazard Report](#), costs for utility-scale solar has dropped rapidly over the last 5 years by 13%, and on-shore wind has dropped 7%. Battery storage is also dropping in price. There is no excuse for a utility to drag its heels on creating a greener generation mix. Many utilities already are making the transition, but PA utilities, it appears are lagging behind.
3. Frankly, an "all of the above" fuel strategy is a cop-out used by some utilities and some politicians. That is no longer good enough. We have better technology, such as low-cost renewables combined with storage through advanced battery technology. We have landfill gas to electricity, renewable natural gas and more

efficient materials and methods. And market-based programs like RGGI help utilities with a flexible transition. The time is now to expect forward-thinking management practices from our utilities and better policy outcomes from our elected officials.

4. Both Republican and Democratic Governors of RGGI states agree that the RGGI program is effective. In RGGI states, Power Plant emissions are down 47% over the last 10 years.

In summary, PA has a responsibility to act for the following reasons:

1. From a Sept. 2020 survey conducted by the Yale Program for Climate Communications of Pennsylvanians, **43% strongly support and 37% somewhat support “regulations to reduce carbon dioxide emissions from power plants in Pennsylvania.”**
2. PA utilities and those Ohio-based utilities who serve Pennsylvanians are woefully behind “future-proofing” their generation mix, compared to other utilities. They should be acting as a partner in economic development attraction, yet their fossil-fuel based approach is holding back the business community and our state’s competitiveness when it comes to attracting and retaining business.
3. RGGI is effective and proven to reduce emissions, while growing the economy.
4. Improves the resilience of our communities- cleaner air, less extreme environmental conditions, resilient crops, healthy people, healthy economy.
5. Clean energy workforce development is good for our future economy
6. RGGI helps PA maintain its energy leadership through this transition to a future green energy leader
7. A good environmental record is so important for economic development. It attracts and retains businesses now and, in the future.
8. Improves health outcomes, particularly those related to clean air- Respiratory illnesses, heart-attacks, premature babies.
9. Flexible, market-based program that generates revenue at a time when state and local budgets are reduced.

And finally, this pandemic put on display the urgency of acting on science-based policy initiatives.

All we need now is good leadership.

So, as a business-owner, an energy professional, a Pennsylvanian and as a mother: I ask that you look to the future. “Look to where the hockey puck is going.” **Do what’s best for the citizens you represent**, so you can ensure a thriving Pennsylvania is passed on to my children, to your children and to all future generations.

I urge you to act without delay to join RGGI for the benefit of all Pennsylvanians, the U.S. and the world. Thank you for the opportunity to testify today.