

December 10, 2020



Joseph G. Kushner II's Public Comments on the PA CO2 Trading Program
Pennsylvania Department of Environmental Protection
Environmental Quality Board,

Before I go into my comments, I ask that you remember three names, Cora, Ella, and Joey. I will get to them later. My career started at the company formerly known as Penelec. It was a shadow of its former self due to deregulation. I was lucky to get a good job out of college in my hometown of Johnstown, a depressed rust belt city. But within a year my wife and I were forced to move to Pittsburgh when the Johnstown office closed. Fortunately, three years later, I was able to move closer to home to the town of Indiana. I got a job at the Keystone Power Plant as a result of their investment in FGD air emission controls.

Things were good. I was closer to my family and had a good job. I eventually got a job at the Conemaugh Power Plant which invested in an SCR and FGD upgrades for equal controls. What I learned working at these two stations is that if you have a dedicated workforce to provide reliable electric power, you can compete and survive in a deregulated market. What I also thought, was that since the owners of these plants invested over a billion dollars in environmental emission controls the plants would remain viable under whatever environmental regulations the future brings.

That all changed in 2020, with RGGI. Now, Gov. Wolf wants to re-regulate the electric power industry and decide who wins and loses by forcing a carbon tax on coal and natural gas power plants. How are Keystone and Conemaugh, or any other fossil-fired power plant going to compete in a market with a \$7.00/MWH plus price adder? The answer is they are not. There is no viable environmental control technology to install, so the only option is to shut down.

The electric power industry has already reduced their fair share of CO2 emission by 37%, well beyond the PA Climate Action Plan's 2025 goal. Their CO2 emission reductions have outpaced every other industry by nearly double or more.¹ The focus should be fairly placed on other sectors such as transportation and industry until they are on par with electric power.

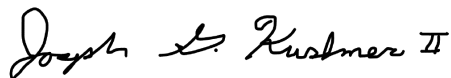
The public should know that all three DEP advisory committees voted to turn down RGGI, but the EQB voted the regulation through anyway. Why? Two words, tax revenue. The DEP predicts that RGGI will provide \$300 million in tax revenue in just the first year. This will not be the case. DEP's modeling logic is flawed. When the RGGI tax is added to a station's operating cost, it will be priced out of the PJM market and will not run. No CO2 emissions equals no tax revenue. DEP's modeling failed to account for PJM's interconnection to non-RGGI states like Ohio and West Virginia who will gladly cover the lost PA generation. There are 7 recently permitted natural gas combined cycle plants in Ohio ready to start construction when PA joins the compact. The DEP failed to consult PJM to accurately model what will truly happen to the individual generators and their emissions. The incremental cost to import power from other states will essentially increase retail power prices by 18% per DEP modeling. Beyond the economic impact, DEP's forecasted reductions are statistically insignificant. They are only 3/10,000ths of the U.S. annual GHG emissions and 4/100,000ths of the world's emissions.

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Let the electric power sector follow a glidepath for its fair share towards the 2050 goal, and if emissions approach the glidepath, then implement some type of CO2 regulation through the voice of the people, the PA legislature. Let them implement things like vehicle fuel efficiency standards or a campaign to encourage consumers to switch to renewable power first. Fighting global climate change is a noble cause, but when an approach is flawed it should be called out. Such a broad-reaching regulation with such a huge personal and economic impact deserves the highest level of scrutiny.

Recall those names I asked you to remember when I started? Those are my three children, ages 15, 11, and 9. Keep their names in mind as you push this regulation for the wrong reasons. Keep in mind that they are the ones that cannot see their friends anymore, have to leave school, and will be relocated when I am out work. Think of all the other families in the same situation. The DEP owes us due diligence and needs to engage with PJM to properly model the true effects of a carbon tax. The cost also needs to account for the billions in lost personal income, local and state tax, support business revenues, and the cost to electric power consumers. Only when the proper benefit-to-cost ratio is calculated will the DEP see that RGGI is a bad idea and start pursuing better ways to achieve the goals of the PA Climate Action Plan.

Sincerely,

A handwritten signature in black ink that reads "Joseph G. Kushner II". The signature is written in a cursive style with a large initial 'J' and 'K'.

Mr. Joseph G. Kushner II, P.E.
Private Citizen of Indiana County, PA

Reference:

1. <https://www.epa.gov/statelocalenergy/state-co2-emissions-fossil-fuel-combustion>