



Stephen Hoffman

From: ecomment@pa.gov
Sent: Wednesday, December 30, 2020 3:05 PM
To: Environment-Committee@pasenate.com; IRRC; environmentalcommittee@pahouse.net; regcomments@pa.gov; ntroutman@pasen.gov; timothy.collins@pasenate.com; gking@pahousegop.com; siversen@pahouse.net
Cc: c-jflanagan@pa.gov
Subject: Comment received - Proposed Rulemaking: CO2 Budget Trading Program (#7-559)

CAUTION: **EXTERNAL SENDER** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.



Re: eComment System

The Department of Environmental Protection has received the following comments on Proposed Rulemaking: CO2 Budget Trading Program (#7-559).

Commenter Information:

Dr. John Sorrentino
 Temple U ECON & Abington Township EAC (jsorrent@temple.edu)
 819 Edge Hill Rd
 Glenside, PA 19038 US

Comments entered:

Comment of Dr. John A. Sorrentino on the
 Proposed Rulemaking: CO2 Budget Trading Program (#7-559)

Having recently completed a thorough study of the climate change problem as part of a forthcoming piece in the Oxford Encyclopedia of Environmental Science entitled, "Containing Carbon through Cap and Trade or a Per Unit Tax," I firmly believe that Pennsylvania should join the Regional Greenhouse Gas Initiative (RGGI). For decades, economists have been promoting economic incentive programs to control pollution. As noted in the Rulemaking discussion in the Pennsylvania Bulletin, there have been previous cap-&-trade programs that were successful. This success is expressed in terms of achieving environmental goals cost-effectively.

Following RGGI's Model Rule, the Environmental Quality Board has addressed one of the criticisms of cap-&-trade as opposed to carbon taxes – price volatility. Allowances will be added or withdrawn in the presence of upwardly or downwardly spiraling allowance prices. The following issues are also addressed in the Rulemaking:

1. the well-known economics principle that compliance is achieved at minimum cost if the set of emitters reduce their emissions until the cost of reducing another unit is greater than the uniform allowance price
2. emitters can profit from emissions reductions instead of merely absorbing the cost due to the cap

3. an increase in the spatial extent of the trading market (e.g., from statewide to regional) makes the market more robust
4. investment of auction proceeds will be made in energy efficiency and renewable energy, portending further decreases in carbon emissions
5. modeling has shown that while electricity prices may increase in the short run as a result of reducing carbon emissions, longer-term investments will effectively lower those prices in the future
6. environmental justice has been considered in almost every action in the Proposed Rulemaking

Overall, the Environmental Quality Board has put forth a compelling argument for PA to join RGGI. It is unfortunate that certain PA legislators are determined to undermine this effort. It is also unfortunate that the Air Quality Technical Advisory Committee (AQTAC), the Citizens Advisory Council (CAC) and the Small Business Compliance Advisory Committee (SBCAC) did not endorse the plan.

I sincerely hope that PA will soon join RGGI, as doing so would help PA mitigate the disruptive effects of climate change.

Please contact me for more information at my listed email address.

Sincerely,
John A. Sorrentino, PhD
Environmental/Ecological Economist

No attachments were included as part of this comment.

Please contact me if you have any questions.

Sincerely,
Jessica Shirley

Jessica Shirley
Director, Office of Policy
PA Department of Environmental Protection
Rachel Carson State Office Building
P.O. Box 2063
Harrisburg, PA 17105-2063
Office: 717-783-8727
Fax: 717-783-8926
ecomment@pa.gov