



Pittsburgh Regional
Building Trades Council
Building Better Together

August 4, 2021

Pennsylvania Independent Regulatory Review Commission
333 Market Street, 14th Floor
Harrisburg, PA 17101

Re: Regulation #7-559: CO2 Budget Trading Program

To Whom It May Concern:

On behalf of the Pittsburgh Regional Building Trades Council and its affiliated unions, I write to express our opposition to Regulation #7-559 (IRRC# 3274): CO2 Budget Trading Program (RGGI).

As a threshold matter, the Department of Environmental Protection (DEP) does not possess the statutory authority to advance the RGGI regulation. RGGI would fundamentally restructure the generation of electricity in Pennsylvania. It will lead to the premature termination of every coal and many natural gas plants in the Commonwealth. And RGGI will preclude the construction of new natural gas plants and, instead, effectively subsidize current coal and natural gas plants in non-RGGI states, such as Ohio and West Virginia. DEP's own modeling confirms that nearly 100 percent of all CO2 emission reductions in Pennsylvania will be offset by emission increases in non-RGGI states that lack the same environmental controls as are applied to plants in Pennsylvania.

This explains why both organized labor and the business community oppose RGGI, as do large, bipartisan majorities in both chambers of the General Assembly. Similarly, by a margin of 60 percent to 29 percent, Pennsylvania voters also oppose Governor Wolf's attempt to join RGGI without first obtaining legislative approval.

We are also concerned that, by attempting to join RGGI via regulation, and if ultimately permitted by the courts, it would pave the way for an economy-wide carbon tax that would be especially harmful to large manufacturers, which employ and contract with thousands of union workers. Notably, there is a petition recently accepted by the Environmental Quality Board (EQB) that would impose a \$10 dollar carbon tax on all CO2 emitting entities (e.g., steel manufacturers). We find it troubling that the legal justification DEP cites for RGGI is the same as is cited by the petitioners supporting the economy wide carbon tax.

We are also deeply concerned by DEP's lack of transparency throughout the regulatory process. It's bad enough that, during a historic pandemic recession, DEP would attempt to advance a regulation that will lead to the loss of thousands of jobs and increased electricity rates for all customers. DEP also ignored express statutory mandates in the Air Pollution Control Act (APCA), which require DEP to hold public hearings "in any region of the Commonwealth affected" by the RGGI regulation. Instead, DEP conducted five days of virtual hearings that precluded participation by many of our members who live in regions that lack broadband access. It is difficult to imagine a region within Pennsylvania more directly impacted by RGGI than Western Pennsylvania and, notwithstanding the pandemic, the communities and families most directly impacted by RGGI were effectively denied their express statutory right to participate directly in a public hearing.

For these reasons, we urge the Independent Regulatory Review Commission (IRRC) to reject RGGI. We also urge the Department of Environmental Protection (DEP) to withdraw the regulation and, instead, work with the Pennsylvania General Assembly on pro-worker energy and climate policies.

Regards,

A handwritten signature in black ink, appearing to read "Tom A. Melcher". The signature is written in a cursive style with a large, stylized initial "T" at the beginning.

Tom Melcher
Business Manager, Pittsburgh Regional Building Trades Council