June 8, 2021

Re: House Bill 637 and Senate Bill 119

Dear Members of the Pennsylvania General Assembly:

As a broad group of businesses and business associations operating in Pennsylvania, we urge you to VOTE NO on House Bill 637 and Senate Bill 119. This misguided legislation seeks to obstruct Pennsylvania's participation in the Regional Greenhouse Gas Initiative (RGGI). We in the business community strongly support RGGI, a cap-and-invest program that will generate much-needed revenue to bolster local economies, create clean energy jobs, invest in environmental justice, and lower energy costs for all Pennsylvanians.

HB637 and SB119 rely on falsehoods to justify this attempt to deny Pennsylvania businesses and residents the benefits of RGGI. Each of these have been disproven:

Falsehood: The process of joining RGGI has not allowed for public input.

> **The Department of Environmental Protection (DEP) conducted a robust 69-day public comment period on the proposed RGGI rulemaking, which garnered over 14,000 of written comments and verbal testimonies.[1] Additionally, the DEP hosted 10 virtual public hearings accessible by phone or computer, at which nearly 500 people offered verbal testimony. 95% of those comments and testimonies were in support of Pennsylvania joining RGGI.[2] Polling likewise indicates strong public support of RGGI.[3]**

Falsehood: This rulemaking hasn't considered communities with coal facilities and it will take away people's jobs.

[1] https://files.dep.state.pa.us/PublicParticipation/Citizens%20Advisory%20Council/CACPortalFiles/Meetings/2021_04/FINAL_CAC_PA_CO2_Budget_Trading_Program.pdf
[2] https://pecpa.org/pec-blog/public-comment-overwhelmingly-supports-rggi-proposal/
[3] https://www.bizjournals.com/pittsburgh/news/2020/09/17/rggi-poll-strong-support.html

Across PA and the US, coal-fired power plants are closing due to a variety of market factors that predate and are unrelated to the RGGI rulemaking process. The DEP has already proposed allocating a significant portion of RGGI funds to help the communities where coal companies are closing these plants. Further, through 2030, the DEP expects RGGI to create more than 27,000 jobs in Pennsylvania.[4]

Falsehood: DEP and the Governor have no statutory or constitutional authority to join a carbon trading program or "regulate or impose a tax on carbon dioxide emissions."

First, DEP has the authority. The federal Clean Air Act[5] and the state Air Pollution Control Act[6] allow the DEP to implement emissions standards and measures to enforce them, including cap-and-invest programs like RGGI.[7] The Air Pollution Control Act gives the Governor the authority to pursue regulatory processes and to regulate the pollutant carbon dioxide.[8]

Second, RGGI is not a tax—it operates as a regulatory mechanism that allows the market to determine the most efficient and innovative ways to reduce carbon.

Falsehood: Consumers' energy prices would rise.

By wisely investing proceeds in energy efficiency, electricity prices in RGGI states have fallen by 5.7%, while in the rest of the country, prices have increased by 8.6%.[9] In fact, electric bills in RGGI states are projected to be *35% less in 2031 than they are today,* even in a scenario with 30% additional pollution reductions in the decade leading up to 2030.[10]

Don't miss the real "win" here. Members of the General Assembly who are attempting to undermine Pennsylvanians' right to join RGGI are missing the chance to join a crucial conversation: how to invest these substantial

[4] https://www.dep.pa.gov/Citizens/climate/Pages/RGGI.aspx
[5] Clean Air Act, 42 U.S.C. 7401 et seq..
[6] Air Pollution Control Act (APCA), 1959 P.L. 2119, No. 787.
[7] Section 6.3 of the APCA authorizes the establishment of two different categories of fees: (1) fees to cover the direct and indirect costs of administering the air pollution control plan approval process, the Title V program, and "other requirements of the Clean Air Act," among other programs; (2) fees "to support the air pollution control program authorized by this act and not covered by fees required by section 502(b) of the Clean Air Act."
[8] CO_2 falls under the definition of "air pollution" under section 3 of the APCA (35 P.S. § 4003). It is undisputed that CO_2 causes harm to the environment and public health, safety, and welfare.
[9] https://acadiacenter.org/wp-content/uploads/2019/09/Acadia-Center_RGGI_10-Years-in-Review_2019-09-17.pdf
[10] https://www.rggi.org/sites/default/files/Uploads/Program-Review/9-25-2017/Customer_Bills_Results_Overview_09_25_17.pdf

proceeds for the benefit of all. Investing the estimated $300 million in annual revenue into clean energy programs will boost our economy, create local jobs that cannot be outsourced, and reduce energy costs for Pennsylvania residents and businesses. Investing in pollution-burdened communities will mean cleaner air for those most impacted by air pollution and for all Pennsylvanians.

This is not the first time many in the business community have taken a stand for RGGI,[11] and we will continue to speak out for the invaluable opportunity this program presents for our state.

Instead of blocking vital progress on RGGI, the undersigned companies urge the General Assembly to advance legislation that invests the proceeds from RGGI into transforming our energy economy and improving the lives of all Pennsylvanians. We are eager to collaborate with the General Assembly on such legislation.

Signed,
Members of the business community listed below

Signatories

Celentano Energy Services

DMI Companies

eco(n)law LLC

Facility Solutions Group

Green Stone Energy LLC

Keystone Energy Efficiency Alliance

Krug Architects

MaGrann Associates

Mid-Atlantic Solar & Storage Industries Association

National Energy Improvement Fund

[11] https://www.dep.pa.gov/Citizens/climate/Pages/RGGI.aspx#RGGISupport

Oriden

Pashek+MTR

Pennsylvania Solar & Storage Industries Association

Performance Systems Development

Sustainable Business Network of Greater Philadelphia

Sustainable Pittsburgh

7group

Signature Financial Planning

Warren Energy

CC: Samuel Robinson, Deputy Chief of Staff, Office of Governor Tom Wolf
Patrick McDonnell, Secretary, Department of Environmental Protection