



From: John Kolesnik
Mailing Address: 614 S. 4th St. #307
Philadelphia, PA 19147
Email Address: jkolesnik@keealliance.org
Organization: Keystone Energy Efficiency Alliance

Re: Final Rulemaking for Regulation #7-559: CO₂ Budget Trading Program

On behalf of the Keystone Energy Efficiency Alliance, we would like to thank the Independent Regulatory Review Commission for the opportunity to comment in support of the Environmental Quality Board's (EQB) Final Rulemaking – CO₂ Budget Trading Program, which will establish Pennsylvania's participation in the Regional Greenhouse Gas Initiative (RGGI).

The Keystone Energy Efficiency Alliance (KEEA) is Pennsylvania's trade association for the energy efficiency industry. The energy efficiency industry is composed of a diverse range of professions—from contractors and manufacturers to engineers, architects, and software developers—and a local workforce that cannot be outsourced. Our membership, comprising 75 companies, ranges from small local firms to large multinational corporations. While the pandemic and related lockdowns caused enormous job losses, energy efficiency is the largest US energy sector, boasting a growth rate 1.7 times faster than the national workforce from 2016-2019.¹

KEEA strongly supports the proposed Final Rulemaking to allow the state to enter RGGI, as this carbon cap-and-invest program provides an avenue to both combat climate change and simultaneously grow Pennsylvania's economy. In current RGGI states, investment proceeds have generated over \$4 billion in economic benefits in the form of new jobs, customer utility bill savings, and public-private investment.²

Economic and carbon-reducing benefits of RGGI are amplified by investing auction proceeds into energy efficiency.

KEEA applauds the DEP identifying the extensive benefits that energy efficiency investments can bring to the Commonwealth. The regulations outline four key areas for investment proceeds,

¹ E4TheFuture, 2020 Energy Efficiency Jobs in America, available at https://e4thefuture.org/wp-content/uploads/2020/11/National-Summary_EE-Jobs-in-America.pdf

² Acadia Center, Regional Greenhouse Gas Initiative 10 Years in Review, available at https://acadiacenter.org/wp-content/uploads/2019/09/Acadia-Center_RGGI_10-Years-in-Review_2019-09-17.pdf

each of which is compatible with investment in energy efficiency: Worker Transition, Energy Efficiency, Clean and Renewable Energy Generation, and Greenhouse Gas (GHG) Abatement Initiatives. Through prioritizing energy efficiency, RGGI can **lower energy costs and boost local and state economies** through the creation of local, long-term jobs.

- RGGI will enable Pennsylvania to remain a leader in the energy economy³ and lead the clean energy workforce transition.
- By investing in energy efficiency programs, energy efficiency workers will be in increasing demand across the state to build, install, monitor, repair, and improve equipment. These jobs are, by definition, local to their communities and offer a higher-than-average salary.⁴
- RGGI is anticipated to create 30,000 jobs and pour up to \$2 Billion into Pennsylvania's economy by 2030.⁵

Energy efficiency jobs can also provide a reliable career path for **workers transitioning** from other energy sectors.

- RGGI auction proceeds can provide workforce transition funding to help workers join the energy efficiency and clean energy workforce.
- As coal generation naturally declines, Pennsylvania's leadership should do everything possible to help its current energy workers transition to the new energy sector.
- Prioritizing additional RGGI resources to economic development in traditional energy communities through energy efficiency programs, including workforce development, will provide critical post-COVID economic stimulus benefits and will help increase the 87,313 energy efficiency jobs in Pennsylvania.⁶

Finally, investing in energy efficiency can lay the groundwork for a more **equitable energy** transition by investing in programs that remove the economic and structural barriers that prevent residents and businesses from participating in state and utility offered energy efficiency programs.

- A number of states already leverage RGGI auction proceeds to provide a more comprehensive and accessible energy efficiency program portfolio. Energize Delaware's Pre-Weatherization Program uses RGGI funds directly for Weatherization Assistance Program (WAP) deferrals.⁷

³ U.S. Energy Information Administration, Pennsylvania Profile available at <https://www.eia.gov/state/analysis.php?sid=PA>

⁴ 2020 Pennsylvania Clean Energy Employment Report, see page 27 and appendix D available at <https://files.dep.state.pa.us/Energy/Office%20of%20Energy%20and%20Technology/OETDPortalFiles/2020EnergyReport/2020PACEIR.pdf>

⁵ Department of Environmental Protection, available at <https://www.dep.pa.gov/Citizens/climate/Pages/RGGI.aspx>

⁶ Clean Jobs Pennsylvania 2021 - <https://e2.org/reports/clean-jobs-america-2021/>

⁷ Energize Delaware, *2020 Annual Report*, Pre-Weatherization Program, see page 9 available at https://www.energizedelaware.org/wp-content/uploads/2021/03/DESEU-32810-FY21-Annual-Report_Full-Report_v4.pdf

- Investing in energy efficiency is also an excellent way to reduce costs for electric customers by lowering the required power from transmission sources.
- Reduced demand for energy also keeps power prices lower for all consumers as it helps avoid investments in costly infrastructure to meet peak demand. For example, electricity prices in RGGI states have fallen by 5.7%, while prices have increased in the rest of the country by 8.6%. This has been a direct result of increased RGGI state investments in energy efficiency.⁸

The effects of energy efficiency investment from RGGI proceeds will ripple out across communities: families with lower utility bills can spend more on local goods and services, and businesses that spend less on energy can spend more on payroll or capital investment. In this way, energy efficiency investments are a win-win-win that will ensure that RGGI delivers not only less pollution, but more jobs, more savings, and a stronger economy for Pennsylvania. Thank you for the opportunity to provide comments in support of this important regulation.

Sincerely,



John M. Kolesnik, Esq.
Policy Counsel
Keystone Energy Efficiency Alliance

⁸ Regional Greenhouse Gas Initiative - <https://acadiacenter.org/work/rggi/>