

Congress of the United States

House of Representatives

Washington, DC 20515

Thursday, January 14, 2021

Secretary Patrick McDonnell
Department of Environmental Protection
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Secretary McDonnell, Board Members and Commissioners:

We write to express serious concerns about the Department of Environmental Protection's (the "Department") regulatory effort to have Pennsylvania join the Regional Greenhouse Gas Initiative (RGGI). As members of the U.S. House of Representatives, we are concerned that joining RGGI would result in significant negative economic impacts in the communities that we represent, including job losses, business closures, and higher overall energy costs while not providing any measurable or commensurate effects on local, regional or global climate.

By way of example, when global anthropogenic emissions are 55 billion short tons CO₂e per year, and U.S. emissions are 8.25 billion short tons CO₂e, even the Department's overstated CO₂ reduction of 21 million tons per year from RGGI participation are meaningless, on a percentage basis 0.038% globally and 0.25% nationally. To achieve even a 1% annual reduction would require CO₂ emissions reductions of 550 million tons per year globally and 82.5 million tons per year nationally.

Pennsylvania's participation in RGGI is not about combating climate change because that simply isn't possible under RGGI. Pennsylvania's participation will either result in the exportation of Pennsylvania electricity generation, the jobs, and the corresponding emissions to other non-RGGI PJM states, negating emissions reductions achieved in Pennsylvania, or it will result in higher electric prices in Pennsylvania and the states that currently use the electricity generated by Pennsylvania electric generating units. Those higher electricity prices will result from the artificial price increases necessary for the Pennsylvania electric generating units to purchase RGGI allowances. Consequently, while all of the Commonwealth's electricity customers would experience price increases negatively affecting their "bottom line," because the Pennsylvania residential electric customers pay a total electric price that is 41% higher than the average total electric price in the Commonwealth, residential customers will bear the lion's share of the cost increases resulting from this misguided program.

Based upon the considerable amount of RGGI revenue that has been advertised by the Department as collectable, and the inability of Pennsylvania RGGI participation to make any measurable benefit to local, regional, or global climate change, it seems obvious that RGGI is really about the collection and redistribution of tax revenue, and nothing more, regardless of what has been represented by the Department.

Pennsylvania is a leader in energy production and a net supplier of energy to other states. One important component of Pennsylvania's electricity production portfolio is its fleet of coal-fired electric generating units, whose operations would shutter under RGGI regulations. These electric generating units create \$3.1 billion per year in economic benefit and support 8,830 direct and indirect jobs in Allegheny, Armstrong, Cambria, and Indiana counties, and other counties where the industries that support those facilities are located. Those economic engines would be lost due to this rule. In the midst of a recession, caused by a global pandemic which the Governor has used as a rationale to disrupt or shutter businesses in the name of public health and safety, the notion that the Department would be directed to proceed with a program that is certain to destroy additional livelihoods, investments and businesses, which are the cornerstones of their communities, with no commensurate climate benefits is, at best, reckless, and certainly confounding.

Participating in RGGI would limit Pennsylvania's use of its key natural resources with little promise that other energy sources could provide an adequate substitute. New natural gas-fired generating units would likely be developed in locations outside of the Commonwealth not burdened by this tax and create jobs that would otherwise be located in Pennsylvania. Increased electricity generation imports from non-RGGI, PJM states would simply replace lost Pennsylvania electricity generation. History has shown that RGGI participation results in increased importation of electricity from non-RGGI affected areas, in the Northeast that has been from Canada, in the cases of Delaware and Maryland that has been from Pennsylvania.

Without RGGI, Pennsylvania electric generating units have already reduced CO2 emissions and increased the amount of energy supplied to other states, while maintaining its position as the #1 exporter of electric power in the United States. Since 2005 Pennsylvania's electric generating units have reduced CO2 emissions by 32.1%, exceeding the goals previously set by Governor Wolf, the Paris Climate Accords, and President Obama's Clean Power Plan.

We are also concerned that the Wolf Administration has chosen to pursue RGGI participation through unilateral executive order rather than legislation. A policy that will have such an outsized and negative impact in Pennsylvania, should be subject to rigorous review and accountability. Unfortunately, in-person public hearings in the areas of the Commonwealth which will be most affected by the regulation, as specified by the Pennsylvania Air Pollution Control Act (PA APCA), have been significantly hindered by public health restrictions this year and it seems RGGI will move forward without public hearings in the areas that will suffer the incredible economic damage which will be caused by Pennsylvania's participation in RGGI.

Pennsylvania's participation in RGGI will devastate an important sector of our state economy resulting in job losses, increased electricity prices, and lost state and local tax revenues from shuttered industries and unemployed workers. Pennsylvania's energy sector is one of our Commonwealth's great strengths and it has consistently led on the very emissions reductions goals the Wolf Administration has set. Future policy should, instead, emphasize Pennsylvania's strengths and its bountiful energy resources, seek to build our economy, mitigate rate hikes, and empower Pennsylvania to maintain its position as a global leader in energy production.

Sincerely,



Daniel P. Meuser
Member of Congress



Glenn 'GT' Thompson
Member of Congress



Mike Kelly
Member of Congress



Scott Perry
Member of Congress



Lloyd Smucker
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John Joyce, M.D.
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