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May 5, 2020

Governor Tom Wolf 225C Main Capitol Building Harrisburg, PA 17120

Dear Governor Tom Wolf:



Commonwealth of Pennsylvania

Harrisburg

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We respectfully request you to rescind your Executive Order No. 2019-7, which directs the Pennsylvania Department of Environmental Protection (DEP) to submit a proposed rulemaking to the Environmental Quality Board to establish a "carbon dioxide budget consistent in stringency to that established in the Regional Greenhouse Gas initiative (RGGI) participating states," and halt Pennsylvania's regulatory efforts to join RGGI.

Section (1)(a) of your Executive Order No. 2019-7 directs DEP to "[i]nclude a robust public outreach effort working with the business community, energy producers, energy suppliers, organized labor, environmental groups, and others" with respect to the "development and implementation" of a carbon trading program in Pennsylvania. We assume the intent of this language was to ensure a thorough consideration of the significant economic risks associated with RGGI, including: the near immediate closure of coal-fired and less efficient natural gas power plants; the loss of thousands of jobs supplying and supporting those plants; the loss of a substantial property tax base in communities that host those power plants; and the potential for consumer electric rate increases.

Indeed, we also believe you intended for DEP, in the development of the proposed regulation, to embark on a "robust public outreach effort" far beyond the bare statutory minimum required under the Regulatory Reform Act (RRA) and the Air Pollution Control Act (APCA). Unfortunately, to date, DEP has failed to fulfill the mandate of your Executive Order, and given the ongoing COVID-19 crisis, there is no possible way for DEP to conduct meaningful public outreach adequate to ensure the voices of impacted workers, communities and businesses to be heard prior to the development of the proposed RGGI regulation. In addition, we understand that several organized labor groups were forced to reschedule or cancel rallies and town hall meetings in May and early-June to voice concerns about the impact of RGGI on their members.

On Thursday, April 23, 2020, during a joint virtual meeting of the Air Quality Technical Advisory Committee (AQTAC) and the Citizens Advisory Council (CAC), DEP presented RGGI modeling

results developed under a contract with ICF, which acknowledged during its presentation its longstanding economic relationships with RGGI Inc., participating RGGI states, and nongovernment organizations. Notably, the modeling results confirmed many of the risks cited above, including the near immediate closure of coal fired power plants in Pennsylvania combined with a significant electric rate increase for consumers. In fact, the ICF modeling indicates a devastating 89% decrease in coal generation in Pennsylvania from coal-fired power plants within the next 18 months, which suggests that any revenues from participation in RGGI will result from a tax on gas generation

As you know, coal-fired power plants and the businesses that support them typically are large regional employers who also provide a significant portion of the local property tax base. Unfortunately, when questioned about the economic and jobs impacts at the April 23rd joint virtual meeting, DEP staff indicated that such economic impact modeling was not available. However, we do not need modeling to conclude that such a rapid closure of these power plants and associated businesses will have severe negative economic and social impacts across the communities we represent. This economic damage will not be contained to just those directly connected to these power plants but will spread to associated supply business, contract jobs, local school districts, and local governments.

While the ICF modeling shows the effective elimination of coal-fired power generation in Pennsylvania, the model unfortunately does not show a commensurate decrease in CO2 emissions across the PJM. This was surprising given that Executive Order No. 2019-7 included an explicit directive for DEP to minimize emission leakage. ICF's modeling shows, by 2030, statistically meaningless differences in CO2 emissions across PJM, regardless of whether Pennsylvania decides to join RGGI, and power plant CO2 emissions across the Eastern Interconnect remain essentially unchanged. In fact, the ICF CO2 emissions modeling clearly demonstrates that Pennsylvania fossil fuel electric generation will become increasingly uncompetitive and leakage to fossil generating units in non-RGGI PJM states will occur.

DEP, in response to the COVID-19 pandemic, has shifted to a virtual format to host advisory committee meetings and other similar events. Unfortunately, a virtual medium offers only so much opportunity for committee members and the public to actively participate. For example, at the recent joint CAC/AQTAC meeting, DEP abruptly ended the meeting before taking questions from all Committee members and provided no opportunity for public comment. And, at the upcoming AQTAC meeting on May 7, 2020, the agenda prepared by DEP offers a mere 15 minutes of "public comment. Likewise, to date, DEP has had no meaningful engagement on the RGGI regulation with impacted workers, plant operators, or communities. These circumstances do not appear to meet the commitment in Executive Order 2019-7 with regards to public engagement, which in turn leads to a lack of transparency that only builds further anxiety in those that will be negatively impacted by Pennsylvania joining RGGI.

While the ICF modeling clearly illustrates that Pennsylvania joining RGGI will prematurely shutter coal-fired power plants, devastate communities and business in those regions, and provide an economic benefit to our neighboring PJM states, there has been no consideration for the impact the COVID-19 pandemic has had on the economy of our Commonwealth. Over the last six weeks, we have witnessed an exponential rise in unemployment, overwhelming demand on food banks, and to date, non-essential businesses remain shuttered. Workers, families, and communities across Pennsylvania

are suffering through the economic fallout of the COVID-19 pandemic and are justifiably worried about how the Pennsylvania economy will grow moving forward.

As DEP's ICF modeling results prove, RGGI will cause significant harm and the impacts on Pennsylvania communities will be felt immediately and indefinitely. Yet, in 2030, and according to ICF, regional CO2 levels will remain largely unchanged. These facts, combined with the inability of these communities' and workers' voices to be heard for the foreseeable future, we urge you to consider this request to rescind Executive Order 2019-7 immediately and to direct DEP to halt its regulatory proceedings. Doing so will remove a significant point of disagreement between your Administration and the General Assembly in the months ahead and, instead, will enable all of us to focus our time and effort toward overcoming the devastating impacts from COVID-19 to the Pennsylvania economy.

Best regards,

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Representative Jim Struzzi 62nd Legislative District

Representative Pam Snyder 50th Legislative District

Representative Kurt Masser 107 Legislative District

Representative Stan Saylor 94th Legislative District

Representative Stephen Barrar 160 Legislative District

Representative Eric Nelson 57th Legislative District

Representative Kerry Benoinghoff 171st Legislative District

Representative Mike Reese 59th Legislative District

Representative Neal Goodman 123rd Legislative District

Representative Aaron Bernstein 10th Legislative District

Representative Stephanie Borowicz 76th Legislative District

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Representative Johnathan Hershey 82nd Legislative District

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Representative Frank Burns 72nd Legislative District

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Representative Russ Diamond 102ng Legislative District

Representative Cris Dush 66th Legislative District

Representative Garth Everett 84th Legislative District

Representative Barbara Gleim 199th Legislative District

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Representative Louis Schmitt 79th Legislative District

Representative Mike Tobash 125th Legislative District

Representative Ryan Warner 52nd Legislative District

Representative Matt Gabler 75th Legislative District

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Representative Dan Moul 91st Legislative District

Representative Chris Sainato 9th Legislative District

Representative Paul Schemel 90th Legislative District

Representative Curtis Sonney 4th Legislative District

Representative Carl Walker Metzgar 69th Legislative District

Representative David Zimmerman 99th Legislative District

Representative Joseph Petrarca 55th Legislative District

cc Secretary Patrick McDonnell, DEP Secretary Members of the Pennsylvania House of Representatives Members of the Air Quality and Technical Advisory Committee Members of the Citizens Advisory Committee