

Good afternoon. My name is Matthew Hilliard, and I am presenting comments on behalf of State Representative Dave Reed. He represents the 62nd legislative district in Indiana County. He is also a member of the House Republican Leadership team, serving as the Majority Policy Chairman.

Thank you for hosting this listening session as you begin the process of developing a new source performance standard program for greenhouse gas emissions from existing electric generating units.

Representative Reed's district is home to the Homer City Generating Station, a coal-fired power plant.

The importance of this power plant to both the power grid and the community cannot be overstated.

- At full load, its 1,884 Megawatts provide energy for 2 Million households across the northeast.
- It directly employs approximately 255 men and women from across the region. Indirectly, the power plant's operations also support thousands of other jobs, including those at a nearby coal cleaning plant, coal truck drivers, and coal miners.

The downstream economic impacts are equally important.

- The facility is responsible for the purchase of \$395 million worth of local goods and services each year. That figure represents a significant amount of economic activity for the region.

The ongoing installation of a scrubber system underscores the importance of the Homer City Generating Station. With a cost of nearly \$750 Million, the project demonstrates a long-term commitment to the environment, the needs of the power grid, and the local community.

We are here today because President Obama directed the EPA to develop a pollution control program to address greenhouse gas emissions from energy generating units.

- In that order, the President recognized the importance of *state leadership, flexibility, and promoting a wide range of energy sources.*

While there may be disagreements on the overall goal encompassed in the president's plan, these policy considerations are valid and should be incorporated into the EPA's oversight and Pennsylvania's implementation of any future program.

Under Section 111(d) of the Clean Air Act, DEP is afforded great flexibility to devise a program that complies with the federal requirements, while crafting specific provisions that work best for the Commonwealth.

This listening session is critical to gather input on what the Commonwealth's program should look like. I'd like to offer the following suggestions:

First, the future program should be constructed to ensure that Pennsylvania continues to have a diverse power supply, including coal-fired power plants. A diverse power supply can shield electricity consumers from disruptions and price spikes.

- This can be achieved by developing provisions that recognize the inherent differences between different kinds of electric generating units, including the difference between coal-fired power plants and natural gas-fired power plants.

Second, DEP's plan should take into consideration *all* reductions in greenhouse gases in Pennsylvania, including those from plant retirements.

Third, the state's future plan should require reductions that are reasonably achievable at the plant level. This ensures that each power plant is able to manage its own compliance.

Fourth, the state's plan should take into account both the economic and practical realities of electric generation.

- This means that the plan should recognize the massive up-front investment that is required to build and operate a power plant. Recognizing that massive cost is important to preserve the attractiveness of Pennsylvania as a place to invest in power generation capacity.
- This also means that the state should establish reasonable compliance deadlines. This is particularly true, given the numerous new regulatory requirements confronting the power sector.

- Finally, it is imperative that the plan take all steps possible to minimize jobs losses, a consideration that is particularly critical to Indiana County, given the importance of the Homer City Generating Station to the local economy.

Thank you again for hosting this listening session and for offering me the opportunity to present comments on behalf of Representative Dave Reed.