



March 25, 2022

Re: Business Support for RGGI and Opposition to SCR11, HB 637, and SB 119

Dear Members of the Pennsylvania General Assembly,

We write to you as a coalition of companies and business groups who do business and employ workers in Pennsylvania. This letter voices our support for the Regional Greenhouse Gas Initiative (RGGI) in Pennsylvania and for the growth opportunities it represents for our businesses.

We urge you to vote no on SCR11, HB 637, SB 119, and any other bills that prevent Pennsylvania's membership in RGGI. Pennsylvania's economy misses significant investment proceeds with each quarter we don't participate in this cap-and-invest program, and these bills represent distractions and delays to full RGGI benefits.

### **Without RGGI, Pennsylvania Lags Behind**

Market forces are fundamentally changing the energy economy of our Commonwealth and our country. In Ohio, an energy-heavy state that is neither part of RGGI nor considering imminent membership, eight coal plants are expected to close or transition to other fuels by 2030.<sup>1</sup> Similar changes are happening across our region.<sup>2</sup>

RGGI is a tool for helping affected communities and the entire Commonwealth of Pennsylvania navigate these kinds of changes. And the longer we wait to use that tool, the farther we fall behind. On March 9, our neighbor states to both our north and our south participated in another quarterly allowance auction. Pennsylvania missed this auction and missed the investment opportunities that came with it.

Virginia used the \$228 million they reaped in RGGI proceeds in 2021 (more than twice what state officials initially projected) to fund flood resiliency and low-income energy efficiency programs in their state.<sup>3</sup> Historically, RGGI participants have invested the majority of their auction proceeds in energy efficiency initiatives. 2019 RGGI proceeds generated 1.75-1.9k energy efficiency job-years in participating states and almost \$1.3 billion in lifetime energy bill savings for residents.<sup>4</sup> The DEP estimates that RGGI would generate a net increase of 30,000 jobs in

<sup>1</sup> <https://www.reuters.com/business/energy/us-coal-fired-power-plants-scheduled-shut-2021-10-28/>

<sup>2</sup> <https://ohiorivervalleyinstitute.org/another-round-of-appalachian-coal-plant-retirements-may-be-imminent/>

<sup>3</sup> <https://www.viriniamercury.com/2021/12/06/virginia-reaps-228-million-in-first-year-of-carbon-market-participation/>

<sup>4</sup> [https://www.rggi.org/sites/default/files/Uploads/Proceeds/RGGI\\_Proceeds\\_Report\\_2019.pdf](https://www.rggi.org/sites/default/files/Uploads/Proceeds/RGGI_Proceeds_Report_2019.pdf)



Pennsylvania by 2030.<sup>5</sup> Patterns of high investment in energy efficiency reflect the industry’s high employment figures (at 65,000 employees,<sup>6</sup> it’s the Pennsylvania energy sector’s largest employer by far), its growth potential, and its inherently community-based and outsourcing-proof nature.

**HB 637 is a Bad Bill. The Amendment Makes it a Trojan Horse.**

HB 637 would remove PA from RGGI. KEEA members and other PA businesses have already voiced opposition to HB 637, SCRR1, and any other bill that would take this drastic step.<sup>7</sup> HB 637 is especially concerning because it would attempt to indefinitely prevent the DEP from regulating carbon emissions via any mechanism at all, RGGI or otherwise.

A recently proposed amendment—A03678—turns HB 637 into a Trojan Horse. The amendment would change the bill’s name to the “Energy Sustainability and Investment Act” and make a one-time \$250 million cash infusion towards methane abatement, energy worker transition aid, stormwater mitigation, and other projects. However, this amendment distracts from the devastating impact of HB 637, specifically: preventing PA from joining RGGI and snuffing out the sustained funding stream RGGI offers. That makes it fundamentally flawed and a bad deal for Pennsylvania’s economy.

Recent DEP analyses estimate that **RGGI participation will result in hundreds of millions of dollars in PA investment proceeds per year, year-over-year.** Alternatively, the amendment’s **one-time** cash transfer of \$250 million from an extremely limited source—COVID-19 recovery funds—represents a fraction of the reliable RGGI investment proceeds HB637 takes away from Pennsylvanians. We urge legislators who support the projects in amendment 03678 to write a bill funding them—a bill that doesn’t also snatch away the sustained transition investments provided via RGGI.

**We Need to Start Planning for RGGI Investments**

Delay in joining RGGI isn’t stopping the energy transition from happening. But it is keeping us from making the most of RGGI benefits. Anti-RGGI bills HB 637, SCRRR1, and SB 119 all create even more delay, and none of them—not even an amendment offering a one-time grant from COVID funds—offer anything close to the economic stimulus and energy transition support Pennsylvania could enjoy from joining RGGI.

As members of Pennsylvania’s business community, we eagerly await the RGGI conversation that really needs to happen: figuring out how to allocate quarterly auction proceeds. These funds can support energy

<sup>5</sup> <https://www.dep.pa.gov/Citizens/climate/Pages/RGGI.aspx>

<sup>6</sup> [https://e4thefuture.org/wp-content/uploads/2021/08/Pennsylvania\\_2021.pdf](https://e4thefuture.org/wp-content/uploads/2021/08/Pennsylvania_2021.pdf)

<sup>7</sup> <https://keealliance.org/letter-from-businesses-opposing-hb637-sb119/>



communities, create healthier and more efficient homes and workplaces, train the next generation of energy efficiency workers, and more. They represent real, sustained, and reliable transition support for Pennsylvanians.



Members of Pennsylvania's business community ranging from international conglomerates such as BP<sup>8</sup> to the Pennsylvania-based firms signing this letter support joining RGGI. We urge you to vote against HB 637, SCR11, and SB 119, and to support any veto Governor Wolfe hands down should they make it to his desk.



Sincerely,



Bill Busters Inc.

Bruce Wilson Contracting

Building Performance Architecture

CMC Energy Services

Community Impact Consulting

DMI Companies

Eastern Pa Alliance for Clean Transportation

Energy Opportunities

Energy Services Group Inc.

Envinity, Building Energy Solutions

Exact Solar

Franklin Energy

Green Building United

GreenBeams

Inch and Meter, PC

Karbon Architects

Keystone Energy Efficiency Alliance



<sup>8</sup> <https://www.ceres.org/news-center/press-releases/major-pennsylvania-businesses-institutions-declare-support-regional>



Sealed



KRUG ARCHITECTS

MaGrann Associates

Maxwell Lighting & Energy

Moshier Studio

Pearl Certification

PEER Environmental, LLC

Performance Systems Development

Philadelphia Solar Energy Association

PozitivEnergy LLC

Re:Vision Architecture

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Solaire Energy

Sunowner Inc.

Sustainable Solar Systems

The Threshold Group

Trunc

Tudi Mechanical Systems

White Horse Coffee