

Pennsylvania Department of Environmental Protection
AIR QUALITY TECHNICAL ADVISORY COMMITTEE MEETING

Minutes
5/17/2021

Air Quality Technical Advisory Committee (AQTAC) Members Present (joined via Webex or on the phone)

Rob Altenburg	<input checked="" type="checkbox"/>	Kimberly Coy	<input checked="" type="checkbox"/>	Joseph Duckett	<input checked="" type="checkbox"/>	Michael Fiorentino	<input checked="" type="checkbox"/>
Josie Gaskey	<input checked="" type="checkbox"/>	Jayne Graham	<input checked="" type="checkbox"/>	Joseph Guzek	<input checked="" type="checkbox"/>	Michelle Homan	<input checked="" type="checkbox"/>
Judy Katz	<input checked="" type="checkbox"/>	Charles McPhedran	<input checked="" type="checkbox"/>	Gary Merritt	<input checked="" type="checkbox"/>	Patrick O'Neill	<input checked="" type="checkbox"/>
Richard J. Shaffer	<input checked="" type="checkbox"/>	John Shimshock	<input checked="" type="checkbox"/>	John Slade	<input checked="" type="checkbox"/>	Kevin Stewart	<input checked="" type="checkbox"/>
John Tissue	<input checked="" type="checkbox"/>	John Walliser	<input checked="" type="checkbox"/>	Michael Winek	<input checked="" type="checkbox"/>		

Department Staff Present (joined the Webex or on the phone):

Darek Jagiela	Deborah Wehr	Rebecca Day
Mark Hammond	Kirit Dalal	Sean Robbins
Hayley Book	Michael Heilman	David Smith
Susan Foster	Krishnan Ramamurthy	Bo Reiley
Nancy Herb	Sean Wenrich	Valerie Schaffer
Viren Trivedi	Allison Acevedo	Jessica Shirley
Justin Dula	Sarah Pinter	Allen Landis
Jennie Demjanick	Neil Shader	

Others Present (Individuals who joined the Webex or on the phone):

Laura Edinger, PULP	Julia Martinez, Argus Media	Kim Pizzingrilli
Julia Loving, Democratic Caucus PA State Senate	Daniel McGraw, Carbon Pulse	Heather Empfield, XPR Resources
Nick Kowalski, Twenty20 Strategies	Patrick Henderson, Marcellus Shale Coalition	Rachel McDevitt, State Impact Pennsylvania
Robert Barkanic, The Barkanic Group LLC	Teresa McCurdy, TD Connections, Inc.	Liz Robinson, Philadelphia Solar Energy Association
Wayne Neuber, P&G	Justin Capots, LCSWMA	Lauren Barr, Bravo Group
Caroline Weiss	Morgan Hagerty, Shell	Michelle Leslie
Peter Gleason, K&L Gates	Gary Helm, PJM	Emily Eyster, PA Senate
Alex Charlton, Exelon	Kevin Garber, Babst Calland	Patrick Colwell, Shell
Abby Foster, PA Chemical Industry Council	Laura Legere, Pittsburgh Post-Gazette	Christen Smith, The Center Square
Elaine Labalme, EDF	Mark Huncik	Jaret Gibbons, ARIPPA
Jeremy Hancher, EMAP	Joe Kerecman, Calpine	Josephine Martin
Kathleen Roberston, Exelon	Larry Carlson, Tenaska	Larry Godlasky, UGI

Leann Leiter, Keystone Energy Efficiency Alliance	Lee Ann Briggs, SBDC/EMAP	Mandy Warner, Environmental Defense Fund
Mark Szybist, NRDC	Mason Weld, Calpine	Matthew Page, Trinity Consultants
Michelle Marsh, LCSWMA	Miriam Baril, Boeing	Nancy Harder, K&L Gates
Kevin Sunday, PA Chamber of Business and Industry	Paul Gough, Pittsburgh Business Times	Kimberly Scarborough, PSEG
Robert Routh, Clean Air Council	Vanessa Lynch, Moms Clean Air Force	Rachel Gleason, PA Coal Alliance
Sunny Roe, ICIS	Terry Black, NRG	Brian Burton, PA Senate
Travis Gery, K&L Gates	Jessica, NCR	Scott Schalles, IRRC
John Schmelzle, Power Engineers, Inc	Thomas Schuster, Sierra Club Pennsylvania Chapter	Jim Welty, Marcellus Shale Coalition
Jose De Los Rios, P&G	Amal Mahrouki, AIAPA	Nora Elmarzouky, Power

CALL TO ORDER

Patrick O'Neill, AQTAC Chair, called the 5/17/2021 meeting to order at 9:16 AM through Webex.

ADMINISTRATIVE ITEMS

Patrick O'Neill took roll call for the AQTAC committee members. The April meeting minutes will be reviewed at the June meeting. Mark Hammond introduced the meeting topic and mentioned that another technical Combined Heat and Power (CHP) presentation will be given at a later date.

PRESENTATION

Allen Landis made a presentation on Draft Final - Form Rulemaking Chapter 145 - Interstate Pollution Transport Reduction. CO₂ Budget Trading Program

Discussion

Questions were raised about the significance of the CO₂ emissions reductions and the costs of the regulation as well as the distribution of the auction proceeds. The Committee was reminded that CO₂ is a regulated air pollutant, and that there are also co-pollutant reductions, health, and environmental benefits which will result from implementation of the regulation. DEP clarified that the auction proceeds will be deposited into the Clean Air Fund and used to further eliminate air pollution. A separate investment plan will go out for comment later this summer.

Allen Landis responded to questions on leakage in PJM states by saying leakage is addressed in both modeling runs. The proportions may be different, but the trend is similar. The criteria for plant closures and additions are based on specific definitions, so if it didn't meet the criteria it wasn't included as firm capacity. The modeling uses the inputs but assumes no other future regulatory changes at the Federal or state level, which is unlikely. There are other mechanisms better suited to address leakage which are being considered outside the regulation.

The scope of baseline air emissions data used in Section 145.306 for the Annual Air Quality Impact Assessment was questioned. Krish Ramamurthy clarified that the evaluation would include emissions inventories from all power plants and sources in the area including some less than 25 MW on an annual basis for shifting load or emissions changes. Ambient air data will also be reviewed. Overall a beneficial rather than disproportionate impact is expected.

Auction proceeds, equity principles and their impact on environmental justice (EJ) communities were discussed, including the Governor's budget proposal that includes an EJ trust board. When allocations for projects are considered, DEP can factor in EJ benefits. As currently allocated under the APCA, the use must be targeted to reduce air pollution. Climate change benefits will impact urban, low lying, and river communities, which includes many EJ communities in PA.

Questions concerning the impacts on RGGI from the AEPS legislation to sustain waste coal were discussed. Allen Landis responded that Tier II AEPS changes restricted all sources that come from PA – this includes waste coal, hydro, and demand response facilities, this limits the supply which PA utilities can purchase from, increasing prices for renewable energy credits.

The comment and response document and preamble will likely be posted about 2 weeks to a month before the EQB meeting.

A specific question about whether the Montour plant's conversion to natural gas was included in the model input. Allen Landis confirmed it was. The stability of waste coal generation through 2030 was discussed. Regarding waste coal facilities, if the 10.4 million set aside is exceeded as a sector, it triggers exceedance. Exceedance relates to the proportion of emissions in the past year, which plants emitted more, and then is used to distribute allowances. This is detailed in section 145.32 in the Annex.

In both the reference case without RGGI and the policy case, the remaining coal plants are projected to close by 2025. Communities depend on that employer and tax revenue and the Delta Institute is working with those communities on how to address those issues, including through rule implementation and the investment plan.

Follow up – DEP will ask Delta Institute to make a presentation to AQTAC.

The Committee questioned the emissions reductions from the previous model run and the more current model run which shows a 50% decrease in avoided emissions in PA but also from Rocky Mountains to the Atlantic Ocean. Allen Landis stated that the modeling shows 10s to 100s of millions of tons of avoided emissions and agreed on this order of magnitude. The AEPS Tier II changes are a big driver of the changes to emissions.

There was a concern that the state was over emphasizing the reductions in co-pollutants as Title I is the proper tool for regulating NAAQS. Allen Landis replied that this is strongly tied to climate change and greenhouse gas reductions, but there are still undoubtedly significant benefits related to co-pollutant reductions and health benefits. Jennie Demjanick clarified that EPA has been

including co-pollutants in its cost-benefit analysis for decades. While the Trump Administration attempted to remove co-pollutants from this analysis with a new cost-benefit rule, the Biden Administration is rescinding that cost-benefit rule; therefore, co-pollutants will continue to be included in the regulatory analysis.

DEP clarified the next steps for the process: The Regulatory Review Act mandates that after EQB adopts the regulation, it will go before IRRC and then the legislative standing committees for additional review.

Questions were raised concerning CHP facility applicability and exemption provisions. Allen Landis clarified that CHP facilities must feed more than 10 or 15% to grid depending on criteria, to be an applicable facility.

Regarding allowance budgets, the allowance budget decreases each year, and if budget decreases and emissions can't be decreased, there are mechanisms in the design of the program (cost containment reserve, emissions containment reserve) to correct this. This hasn't happened often in RGGI's history. Three offset categories are rigorous for verification and reporting. Krish Ramamurthy concurred that RGGI has only had one offset project in MD that has generated credits because the allowance price has been low in contrast to California's higher per ton price.

Public Comments

Thomas Schuster, Sierra Club PA added strong support for the CO₂ Budget Trading program. and changes made to the final annex to include tracking of changes to co-pollutants to ensure benefits to communities. He indicated the next step is to prioritize improvements to those areas if negative impacts are observed. He concluded that as a state, we can only control our own emissions and if all parties see their potential as only a drop in the bucket, the climate crisis will not be addressed. To stabilize climate, we need to reduce CO₂ emissions by 50% by 2030. RGGI alone will not get us there but is a critical first step. RGGI will set stage for a decarbonized economy and we urge that the proposed rule move forward.

Leann Leiter spoke on behalf of Keystone Energy Efficiency Alliance (KEEA), which represents 75 member businesses in the energy efficiency industry. KEEA firmly supports entering RGGI as a climate imperative, while it is not alone enough to meet the 80% carbon emissions reduction goal by 2050. KEEA urges the state to invest proceeds of the regulation into energy efficiency. She concluded that expanding existing programs would allow for a fast ramp up, and RGGI funds are an opportunity to fill gaps in energy efficiency programming not addressed under Act 129.

Robert Routh from the Clean Air Council endorsed comments from Sierra Club and KEEA. The Clean Air Council submitted written comments and would additionally like to thank the Department for presentation and updated modeling run and public outreach and engagement that has taken place. The changes to final form rulemaking reflect the comments from tens of thousands of PA citizens. Clean Air Council is encouraged to see final form rulemaking move forward.

Motion

Michael Fiorentino motioned to support PA DEP moving forward with final rulemaking to EQB– Judy Katz seconded.

AQTAC debated if a vote was needed and ultimately decided to vote. The committee discussed that a vote “No” could mean they don’t support RGGI, or that they don’t feel AQTAC should make a recommendation, but no amendment to the motion was made to clarify that.

Vote:

Altenburg	Y	Coy	N	Duckett	N	Fiorentino	Y
Gaskey	N	Graham	A	Guzek	Y	Homan	Y
Katz	Y	McPhedran	Y	Merritt	N	O’Neill	Y
Shaffer	N	Shimshock	N	Slade	Y	Stewart	Y
Tissue	N	Walliser	Y	Winek	N		

Total: Yes 10, No 8, Abstention 1. The motion was Approved.

BUSINESS / OPEN DISCUSSION

Patrick O’Neill opened the meeting for other AQTAC business/open discussion.

Old Business

- PADEP is waiting to hear back from the PA Dept of Health on the previous presentation request on gas drilling sites.

New Items to follow up for next meeting

- PADEP is reaching out to the author from Syracuse to present on a study on backup power and alternative energy. *Invitation to present was declined 5/7/2021.*
- PADEP will follow up with the Delta Institute for a presentation. *Delta Institute presented at June 10, 2021 AQTAC meeting.*

Next Meeting: The next AQTAC meeting is scheduled for 9:15. AM on Thursday, 6/10/2021, as a Webex Meeting.

MOTION TO ADJOURN

Made by Kevin Stewart. Seconded by Rob Altenburg.

With no further business before AQTAC, Patrick O’Neill adjourned the meeting at 11:43. AM, EST.

Minutes prepared by Rebecca Day and Deborah Wehr, Air Quality Program Specialists (AQPS). For additional information about AQTAC, please contact the AQTAC Liaison (RA-EPAQTAC@pa.gov) or by visiting the AQTAC Web page at: <http://www.dep.pa.gov/Business/Air/BAQ/AdvisoryGroups/Air-Quality-Technical-Advisory-Committee/Pages/default.aspx>