



# Regional Greenhouse Gas Initiative

Presentation for Ag Advisory Board  
March 24, 2022

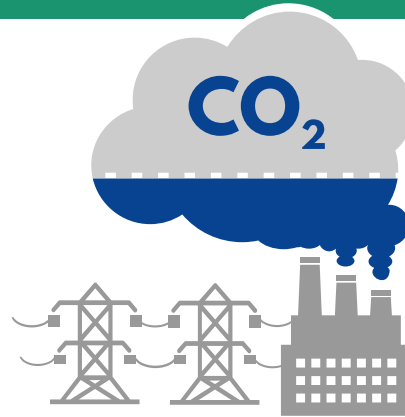
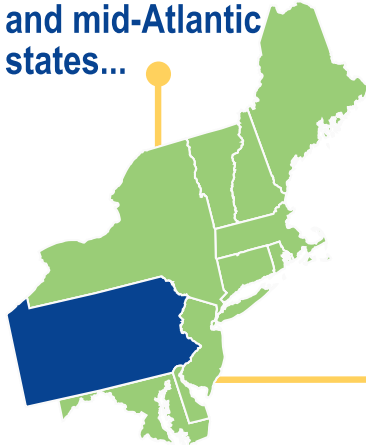
Tom Wolf, Governor

Patrick McDonnell, Secretary

# PA Participation in the

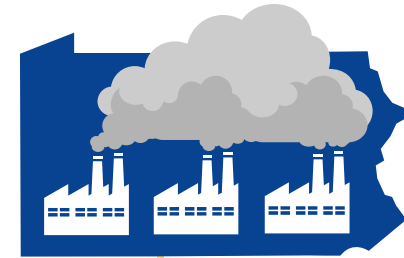
## Regional Greenhouse Gas Initiative (RGGI)

RGGI is a partnership between Northeastern and mid-Atlantic states...



...Designed to cap and reduce carbon emissions from fossil fuel fired power plants.

The electricity sector is the 2nd leading source of Greenhouse Gas Emissions in PA.



**By 2025**

Participating in RGGI will help PA reach our greenhouse gas emissions goals...



**By 2050**

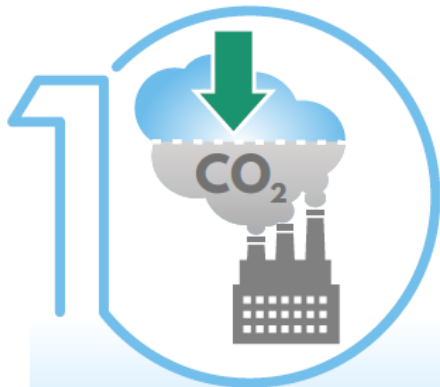


Since 2005, RGGI states have significantly reduced their power sector CO<sub>2</sub> pollution.

...And help PA combat climate change.



# How RGGI Works



States sets limits on the amount of CO<sub>2</sub> pollution from powerplants.



States offer allowances for sale through auctions.



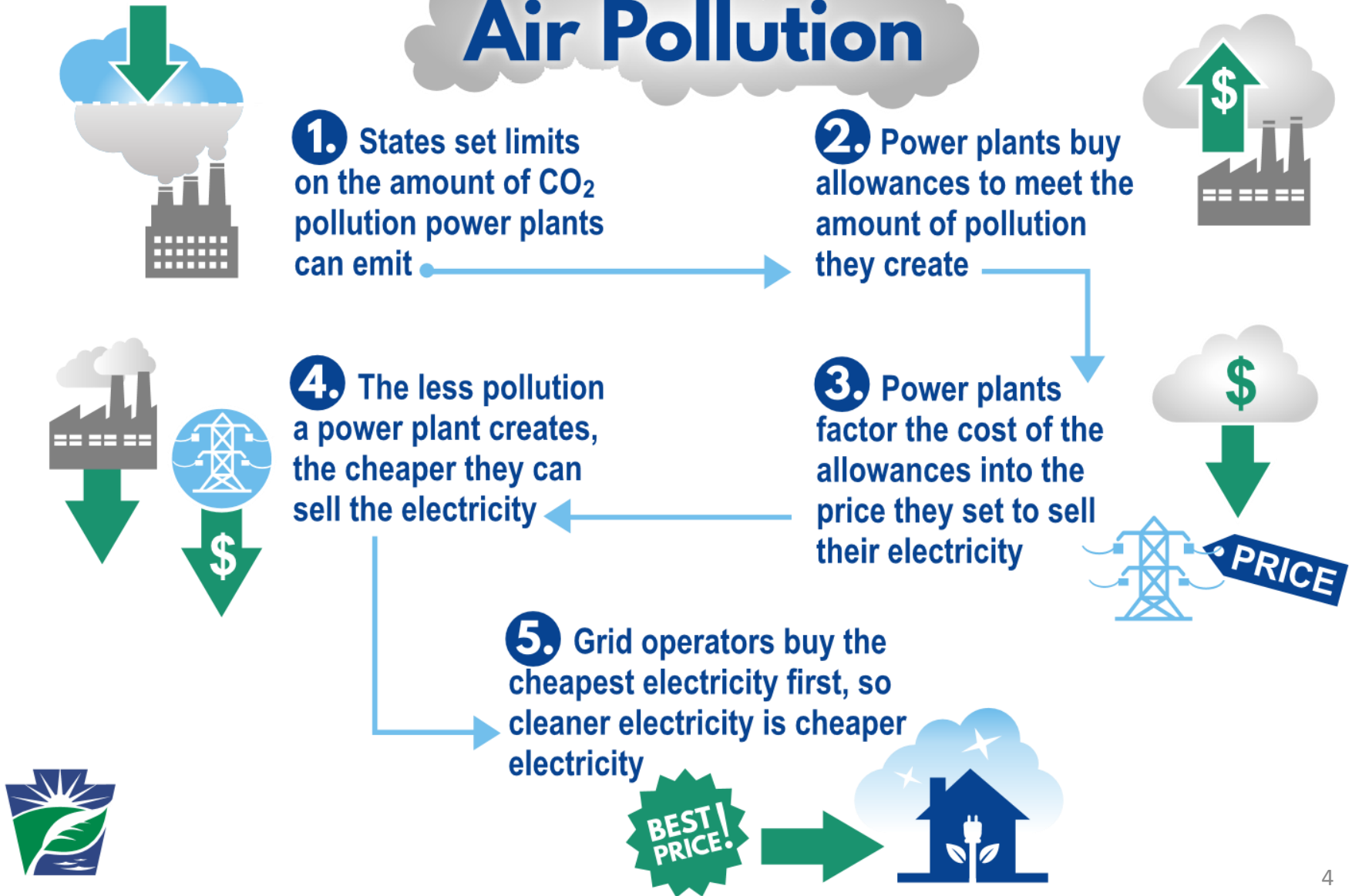
Powerplants buy allowances to meet the amount of pollution they create.



States receive revenue from auctions to reinvest in economy.

# How RGGI Reduces

## Air Pollution



# Establishing Allowance Budget

One allowance is created for each ton of emissions allowed under Pennsylvania's CO<sub>2</sub> emissions budget.



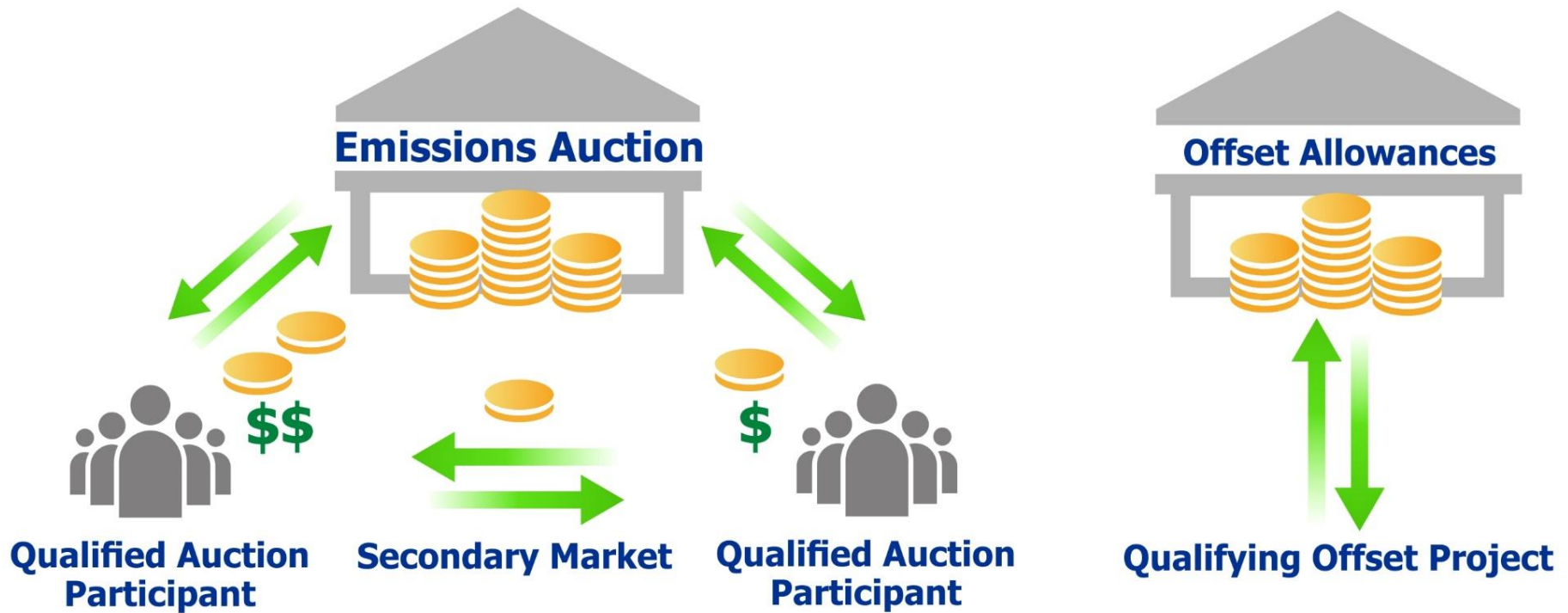
 = One ton of CO<sub>2</sub> Emissions

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 = Emissions Allowance

# Options for Compliance



# RGGI CO<sub>2</sub> Offset Allowances

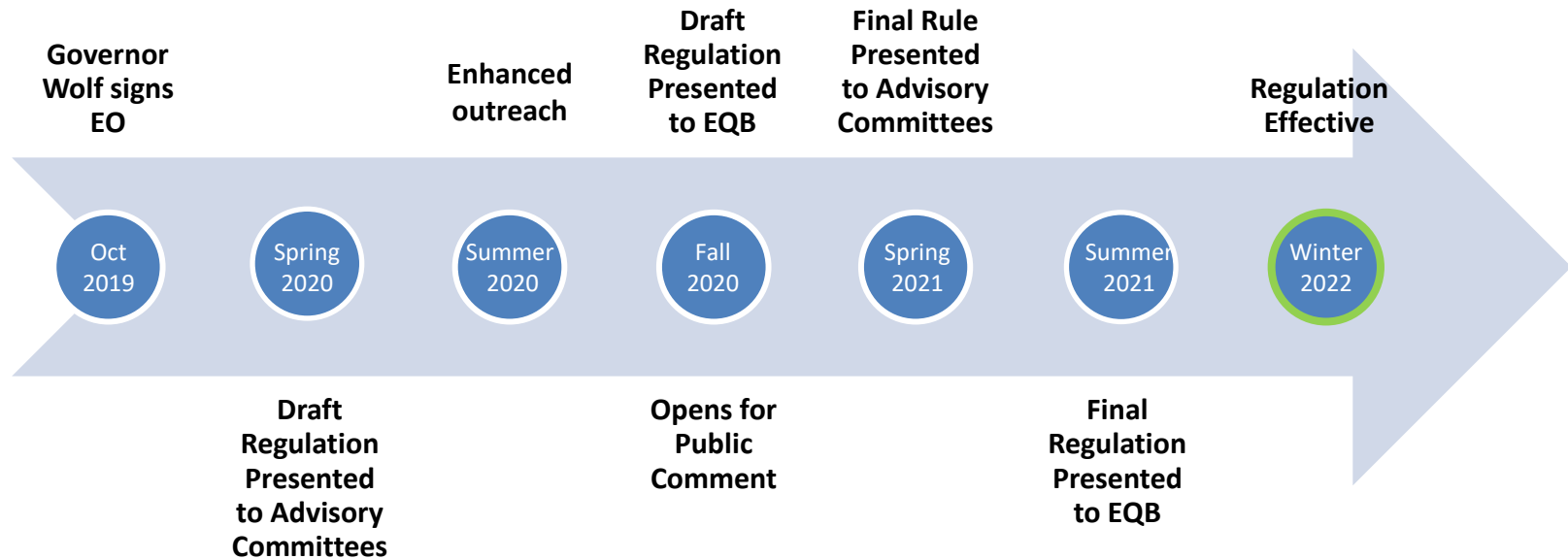
*A RGGI CO<sub>2</sub> offset allowance represents a project-based greenhouse gas emission reduction outside of the capped electric power generation sector.*

- Project-based
- Greenhouse gas emission reduction outside of power generation sector
- Comparable offsets across region
- In addition to, not in place of a regulatory requirement

## **Project Categories**

1. Landfill Methane
2. Reforestation, Improved Forest Management, and Avoided Conversion
3. Agricultural Methane

# Implementation Timeline





# Benefits of RGGI Participation

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# RGGI Benefits PA – Environment

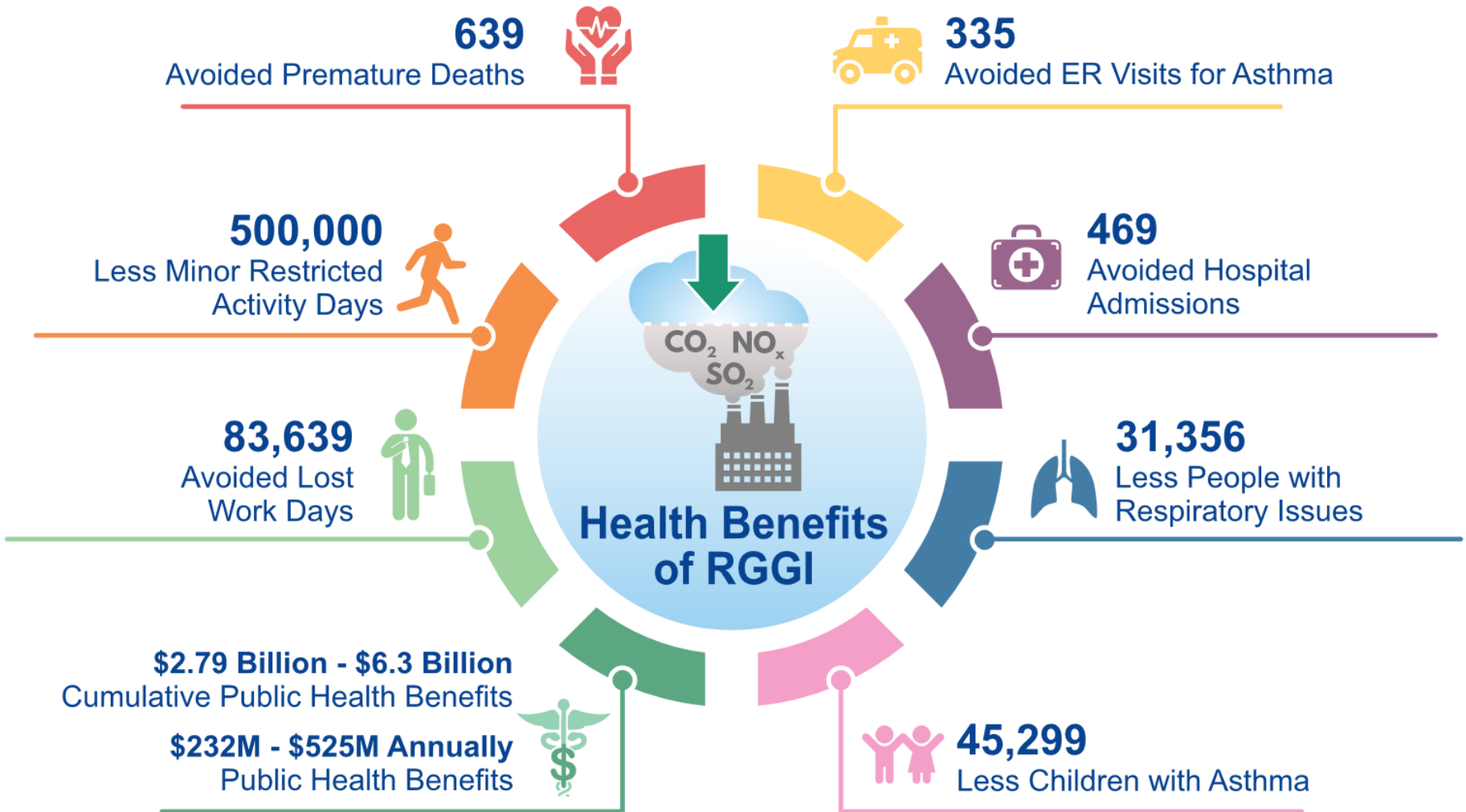
**RGGI will dramatically reduce CO<sub>2</sub> pollution in PA** – By 2030 we could eliminate from 97 – 225 million tons of CO<sub>2</sub> emissions. – 10x more than without RGGI.

**RGGI will put PA on target to reach climate change goals** – significant and immediate actions are needed to reach the 2025 and 2050 climate goals which will be unattainable without these significant CO<sub>2</sub> reductions.

**RGGI will eliminate other smog causing air pollution** – PA will experience dramatic reductions in NO<sub>x</sub>, SO<sub>x</sub> and PM<sub>2.5</sub> – which cause smog formation and are particularly harmful to those with asthma and other health conditions.

**RGGI will improve local air quality, preventing premature deaths and chronic illnesses** that keep adults from going to work and children from going to school or being able to play outside.

# Health Benefits of RGGI\*



\*Estimates based on EPA Incidence Per Ton and Benefit Per Ton Methodology

# RGGI Benefits PA – Economy

***Significantly Decreases CO<sub>2</sub> Pollution:*** CO<sub>2</sub> emissions (pollution) will decrease by more than 10x when compared to emissions without RGGI – addressing the negative impacts of climate which have economic costs.

***Generates Auction Funds to Further Reduce Air Pollution:*** Investments are made in Pennsylvania- all auction proceeds return to PA to invest reducing air pollution local communities.

***Creates Positive Economic Benefits:*** Pennsylvanians will experience growth in the PA economy by more than \$1.9B and create almost 30,000 jobs.

***Supports PA as an Electricity and Energy Powerhouse:*** RGGI strengthens PA's position and ability to continue to sell electricity to other states.

[July 7th – DEP Press Release “Capping Carbon Pollution Would Save Hundreds of Lives and Billions of Dollars”](#)

# ▶ RGGI Benefits PA – Environmental Justice

In Pennsylvania, low-income communities and communities of color experience more air pollution than other communities. While only 10 power plants are located in Environmental Justice communities in PA, those plants emit more than 20% of the pollution.

***Cleaner Air & Healthier Communities:*** Environmental Justice communities will benefit from the transition to cleaner burning fuels- as RGGI will lead to immediate reductions in pollution locally and benefits statewide.

***Focused Investments in EJ Communities:*** Improve air quality, help consumers save electricity and money, create local jobs and fund other community-led projects.

***Projects will help us save money on home electric bills:*** Energy efficiency projects can help lower electricity usage, make homes safer and more comfortable while saving money on electric bills.

# RGGI Program Investment Options

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# Auction Proceeds & RGGI Investments

*Every year Pennsylvania will sell CO<sub>2</sub> allowances into the RGGI auction, and DEP will invest those fees to create cleaner air and healthier communities.*

- Pennsylvania DEP has the authority to make investments in projects, programs and communities to improve air quality.
- SB 15 & HB 1565- would provide DEP additional legislative authority to expand the options for use of the auction proceeds to include broad opportunities for EJ investments and wide-ranging support for communities and employees experiencing powerplant closures.

# RGGI Investment Options

**RGGI Program proceeds can only be used – as of right now – in efforts to eliminate air pollution.**

<u>Options Using Existing Authority</u>	<u>Options Requiring Additional Authority</u>
<p><b>Energy Efficiency</b> (Weatherization Assistance, Energy Efficiency Upgrades, Workforce Retraining)</p> <p><b>Clean &amp; Renewable Energy</b> (Solar, Wind, Anaerobic digesters, Brownfield redevelopment, etc.)</p> <p><b>Greenhouse Gas Abatement</b> (Carbon Capture Utilization and Storage (CCUS), Oil and gas well plugging, CHP/Micro-grids)</p>	<p><b>Energy Communities:</b> direct support to dislocated workers and communities experiencing impacts from the closure of coal-fired power plants and/or the loss of coal-related jobs and economic activities.</p> <p><b>Environmental Justice Communities:</b> targeted investments to minimize and correct adverse environmental impacts, empower communities, and foster economic opportunities.</p>



# RGGI Investment Framework

**DEP is conducting robust stakeholder engagement to consider a wide range of investments that maximize program proceeds and reduce air pollution.**

- Engaging with many different groups including workers, environmental justice groups, industrial groups, and many others.
- Committed to developing a draft investment plan that is posted for public comment to hear from as many Pennsylvanians as possible.
- Investment plan will be finalized prior to use of auction proceeds.

# Questions & Answers





**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



## For Additional Information

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Visit the RGGI website @ [www.dep.pa.gov/RGGI](http://www.dep.pa.gov/RGGI)

Email me with specific questions @  
[alllandis@pa.gov](mailto:alllandis@pa.gov)