

Commonwealth of Pennsylvania Department of Environmental Protection EPA Clean Power Plan Listening Session September 21, 2015

Initial Comments of the Pennsylvania Environmental Council John Walliser, Vice President, Legal & Government Affairs

Introduction

Good evening. My name is John Walliser and I am a Vice President with the Pennsylvania Environmental Council, a statewide membership organization. We will be submitting more detailed written comments by the November 12, 2015 deadline; today we want to express our support for the Department's proactive efforts, including these listening sessions, to ensure submission of an effective compliance plan to the U.S. Environmental Protection Agency (EPA) by September 6, 2016. We also wish to offer some initial observations on the framework for that plan.

The most recent update to Pennsylvania's Climate Impacts Assessment demonstrates that climate change already poses significant challenges to the well-being of our citizens, communities, and economy. Strong state action to implement the Clean Power Plan is not only essential, it can help advance jobs and economic growth.

Initial Comments

In response to the various questions presented by the Department, we offer the following initial comments:

Compliance Targets / Participation in Trading

- Pennsylvania should develop mass-based (total tons of carbon dioxide) targets to allow for greater flexibility in achieving emission reductions, and to better enable Pennsylvania's potential participation in multi-state trading programs.
- Allowances should be auctioned, with revenues used to further advance renewables and efficiency, and to help workers displaced by transition in our energy portfolio.

- Pennsylvania's mass-based plan should cover both existing and new power sources, including natural gas plants. And while it is not a part of implementation of the Clean Power Plan, it is equally crucial that Pennsylvania set strong controls for methane emissions from both existing and new sources in the natural gas sector.
- The state should strongly consider trading, which allows for more flexible emission reductions, and can add an income stream to verified energy efficiency and renewable energy programs located within Pennsylvania and supporting investment within the state.

Energy Efficiency and Renewables

- Pennsylvania has an obligation to create a plan that delivers carbon reductions in the
 most cost-effective manner possible. Energy efficiency and renewable energy are
 immediately available, cost effective options to help achieve the Clean Power Plan
 emissions reduction goals.
- Pennsylvania should take advantage of the Clean Energy Incentive Program to
 encourage early reductions through wind and solar energy, and to promote energy
 efficiency measures in low-income communities. Early action will help to more quickly
 maximize improvements in air quality, creation of clean energy jobs, and benefits to
 the health of all Pennsylvanians.
- To measure compliance, the state should use third-party verification for any efficiency credits, as EPA has proposed.

Least Cost Compliance and Reliability Issues

- With proper planning and implementation, the Clean Power Plan should not pose any threat to the reliability of electricity supply. Moreover, energy efficiency and conservation programs, such as those that will likely be developed in Pennsylvania through this plan, contribute to greater reliability by reducing peak demand and overall consumption. Further, EPA's "Reliability Safety Valve" ensures that in times when reliability is threatened, such as during extreme weather events, the state can have a temporary reprieve from the Plan's requirements without penalty, to ensure adequate power supply.
- Pennsylvania can and should use the Clean Power Plan as a platform to further transform how we procure and use electricity, and to advance new strategies like

distributed generation, time-of-use pricing, smart grid technologies, and more. Demand response should also be a part of the equation with respect to reliability.

Conclusion

The Clean Power Plan provides an impetus and opportunity for meaningful advancement of measures to reduce greenhouse gas emissions from energy generation and transmission, and Pennsylvania should take advantage of that opportunity. It also focuses attention on the need for further legislative action on updating the state's building code, requiring compliance with green building standards for state-funded projects, expanding our now-dated Alternative Energy Portfolio Standards, and continuing and augmenting Act 129 programs, including removal of the spending cap. All of these actions present further opportunities for job creation, cost savings, and environmental benefit.

Again, we commend the Department for conducting these listening sessions and for ensuring that Pennsylvania not only meets its commitments under the Clean Power Plan, but also meets its obligations under Article I, Section 27 of our state's Constitution.

Thank you for your consideration.

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