

On behalf of the **Pennsylvania Environmental Council** (PEC) and the **Pennsylvania Chapter of The Nature Conservancy**, we wish to commend members of the General Assembly for advancing groundbreaking legislation for alternative energy development and energy efficiency initiatives. Special Session Senate Bill 1, Special Session House Bill 1, and House Bill 2200 are significant steps toward a sustainable energy policy that will generate considerable economic returns for Pennsylvania, better ensure our ability to meet future energy needs while reducing demand, and ultimately save consumers money. Equally important, this legislation will help shrink greenhouse gas emissions in Pennsylvania – our state alone currently accounts for approximately 1% of *worldwide* emissions. This win-win scenario for our state matches the stakeholder-driven recommendations of the PEC Climate Change Roadmap, released last year.

As the General Assembly now begins to reconcile elements of these different bills, we wish to stress the following principles:

- Energy efficiency and demand side response – including the use of smart meter technology and strong incentives for more efficient buildings and appliances – are the most immediate and cost-effective means for addressing energy use and supply concerns. The framework provided by House Bill 2200, which establishes programmatic and targeted energy use reduction measures to accomplish these objectives, should be coupled with investment and made a part of any final energy policy adopted in Pennsylvania this year.
- If provisions relating to funding for pollution control projects are to remain in final legislation, this legislation should ensure environmental protection objectives beyond mere compliance with existing law. Both Special Session Senate Bill 1 and Special Session House Bill 1 provide funding for installation of pollution control technologies to help facilities comply with state and federal law. Given the substantial public investment made under these provisions, we believe that any such investment should be specifically targeted for units that achieve measurable, corresponding environmental benefits; for example, the removal and use of waste coal from abandoned mine land sites, or the attainment of measurable greenhouse gas emission reductions within Pennsylvania.
- A dedicated funding source should be identified for energy conservation, efficiency, and alternative source projects. We support the use of a substantial general revenue bond to fund these efforts and to take advantage of near-term opportunities. We also believe that a secure, long term funding source is needed to further encourage sustainable energy production and use--since bond funding cannot be used for anything other than capital projects, and additional important needs exist, such as research and education. Creating such a funding source would also signal to capital investment and related business interests that Pennsylvania's firm commitment to advancing sound alternative and renewable energy

opportunities is an enduring one. Pennsylvania needs to make as large an investment in these initiatives as possible to ensure we get the maximum benefits. In addition, some of this funding should be targeted to an ongoing education program, because changing the way people think about and use energy is key to success. We also look forward to future opportunities to assist in the implementation of these new and vitally important programs, to help ensure that alternative and renewable energy projects are carried out in an environmentally-sensitive and ecologically-sustainable manner.

We also strongly believe that any discussion of energy policy should go hand-in-hand with advancing bipartisan legislation to develop a climate change action plan for our state. Senate Bill 266 (introduced by Senator Erickson) and House Bill 110 (introduced by Representative Vitali) both passed their respective chambers last year with overwhelming support, but have not received further deliberation in 2008. As we have emphasized since the release of PEC's Climate Change Roadmap report last year, climate change will have a significant impact to our economy and overall quality of life. Given that Pennsylvania is a major contributor to greenhouse gas emissions on an international scale, it is incumbent on our state to begin to meaningfully address this challenge through already-demonstrated policies and practices.

We again commend the General Assembly for leadership on these issues, and urge quick consideration and passage of comprehensive language that meets the above-detailed principles.

Sincerely,

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