

Secretary, Department of Environmental Protection: Support Pennsylvania's Participation in the RGGI

Pennsylvania is a significant contributor to U.S. greenhouse gas (GHG) emissions, with mainly 12 industrial facilities, alongside 287 others that report emissions to the U.S. EPA, contributing almost 60% of the state's total pollution. In 2020, Pennsylvania was ranked as the fourth-largest emitter of GHG in the United Statesⁱ, which suggests that the state faces the need to act to curtail its GHG emissions. Thus, under the leadership of the then Governor of Pennsylvania, Tom Wolf, the CO2 Budget Trading Program regulation was released in the Pennsylvania Bulletin on 23rd April, 2022, marking the initiation of its participation in the [Regional Greenhouse Gas Initiative](#) (RGGI) as the latest state to join this regional [cap-and-trade](#) systemⁱⁱ. The system is a cooperative effort among ten states to cap and reduce carbon dioxide emissions from fossil fuel-based power plants, requiring these facilities to purchase allowances for their annual emissions. Proceeds from auctions are then invested in clean energy and GHG reduction initiatives, fostering the strengthening of the energy economy in the region.

However, in light of the judgment on 1st November 2023, where Pennsylvania's Commonwealth Court declared that the state is prohibited from joining the RGGIⁱⁱⁱ, we urge the Secretary of the Department of Environmental Protection, Pennsylvania, to appeal the decision and prepare to proceed in the case by advocating RGGI's market-driven carbon pricing approach, its validated economic and environmental benefits, and its direct relevance to Pennsylvania through the cap-and-trade market.

The initiative will lead to a decrease in the number of pollutants in the atmosphere

The adoption of RGGI in Pennsylvania is projected to result in a substantial decrease in CO2 emissions, which is estimated between 97 and 225 million tons by 2030. Additionally, studies also suggest significant reductions in the emission of other harmful pollutants such as nitrogen oxides (~ 112,000 tons), Sulphur dioxide (~ 67,000 tons), and particulate matter. These reductions are particularly beneficial for vulnerable populations, including children and at-risk seniors in low-income and environmental justice communities, who often bear the brunt of poor air quality^{iv}.

This effort would reduce respiratory illnesses and prevent premature deaths.

Apart from simply cutting carbon pollution, RGGI offers substantial health benefits with the reduction of Sulphur Dioxide and Nitrogen Oxide emissions. As per DEP's predictive model, the projected health advantages could reach up to \$6.3 billion by 2030, and there could be 30,000 fewer hospital visits for respiratory illnesses like asthma in both children and adults. Moreover, it is also predicted that up to 639 premature deaths from respiratory illnesses could be prevented directly due to reduced emissions resulting from the state's participation in the RGGI^v.

RGGI is poised to elevate job creation and propel the state's GDP growth

According to the Department of Environmental Protection's projections, Pennsylvania's participation in RGGI from 2022 to 2030 could result in various economic benefits, including an almost \$2 billion increase in Gross State Product and a net gain of over 30,000 jobs. Considering the collective performance of the 10 participating states since 2008, which experienced a GDP growth of 47% from 2008 to 2019 (surpassing the national average by 31%)^{vi}, Pennsylvania can anticipate similar economic benefits after adopting the program.

Reduction in energy prices, as an outcome, will lead to increased disposable income and wellbeing

Since its inception, RGGI resulted in a 5.7% drop in electricity prices in the region, while prices have increased by an average of 8.6% in non-RGGI states. Through RGGI initiatives to promote energy efficiency and renewable projects, consumers have already saved over \$1.2 billion and are projected to save more than \$13 billion in energy costs over time. As far as Pennsylvania is concerned, DEP's models predict a cumulative increase in Disposable Personal Income of \$3.7 billion by 2050 in the state^{vii}.

Pennsylvania's integration into the Regional Greenhouse Gas Initiative (RGGI) stands as an unparalleled opportunity to significantly mitigate emissions, foster economic expansion, enhance public health, and alleviate energy expenses. Despite recent legal impediments, the state's involvement in RGGI remains of paramount importance as it heralds a transformative force for the environment, the economy, and the overall welfare of its populace. **With the potential to curtail millions of tons of emissions, yield substantial health cost savings, and stimulate a considerable job upsurge, Pennsylvania must persist in advocating for RGGI.**

ⁱ Tony Dutzik, David Masur, and Ashleigh Deemer, “Pennsylvania’s Dirty Dozen,” PennEnvironment Research & Policy Center, May 9, 2023, <https://environmentamerica.org/pennsylvania/center/resources/pennsylvanias-dirty-dozen/>.

ⁱⁱ “Pennsylvania Publishes ETS Regulation, Paving the Way to Join RGGI in July 2022,” May 6, 2022, <https://icapcarbonaction.com/en/news/pennsylvania-publishes-ets-regulation-paving-way-join-rggi-july-2022>.

ⁱⁱⁱ Cassie Miller, Pennsylvania Capital-Star November 1, and 2023, “Court Blocks Pa.’s Entrance into Multi-State Carbon Cap-and-Trade Program,” *Pennsylvania Capital-Star* (blog), November 1, 2023, <https://www.penncapital-star.com/justice-the-courts/court-blocks-pa-s-entrance-into-multi-state-carbon-cap-and-trade-program/>.

^{iv} “RGGI,” Department of Environmental Protection, accessed November 12, 2023, <https://www.dep.pa.gov:443/Citizens/climate/Pages/RGGI.aspx>.

^v Department of Environmental Protection, “Health Benefits of Pennsylvania’s Proposed CO2 Budget Trading Program,” .xls, August 6, 2020, <https://files.dep.state.pa.us/Air/AirQuality/AQPortalFiles/RGGI/PA%20RGGI%20Health%20Benefits.xlsx>.

^{vi} By Anna Shipp, “Joining RGGI Is Critical for PA’s Economic Recovery, Local Businesses, Resilient Infrastructure, and Public Health,” Beaver County Times, accessed November 12, 2023, <https://www.timesonline.com/story/opinion/2021/04/22/op-ed-why-pennsylvania-should-join-regional-greenhouse-gas-initiative/7301119002/>.

^{vii} “RGGI.”