



Regional Greenhouse Gas Initiative

Presentation for NGAC

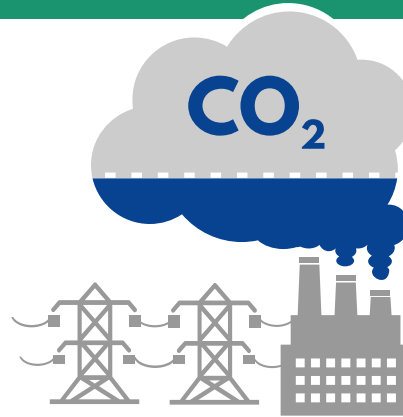
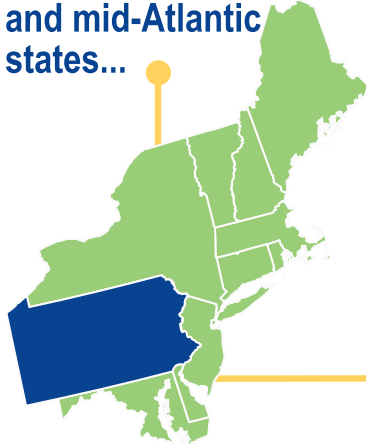
March 16, 2021

Tom Wolf, Governor

Patrick McDonnell, Secretary

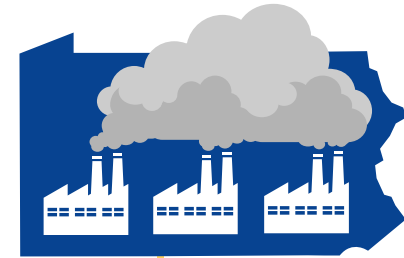
PA Participation in the Regional Greenhouse Gas Initiative (RGGI)

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

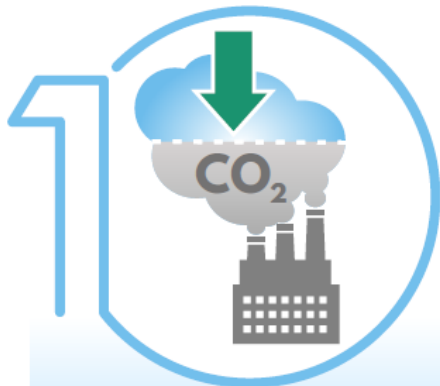


Since 2005, RGGI states have significantly reduced their power sector CO₂ pollution.

...And help PA combat climate change.



How RGGI Works



States sets limits on the amount of CO₂ 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.

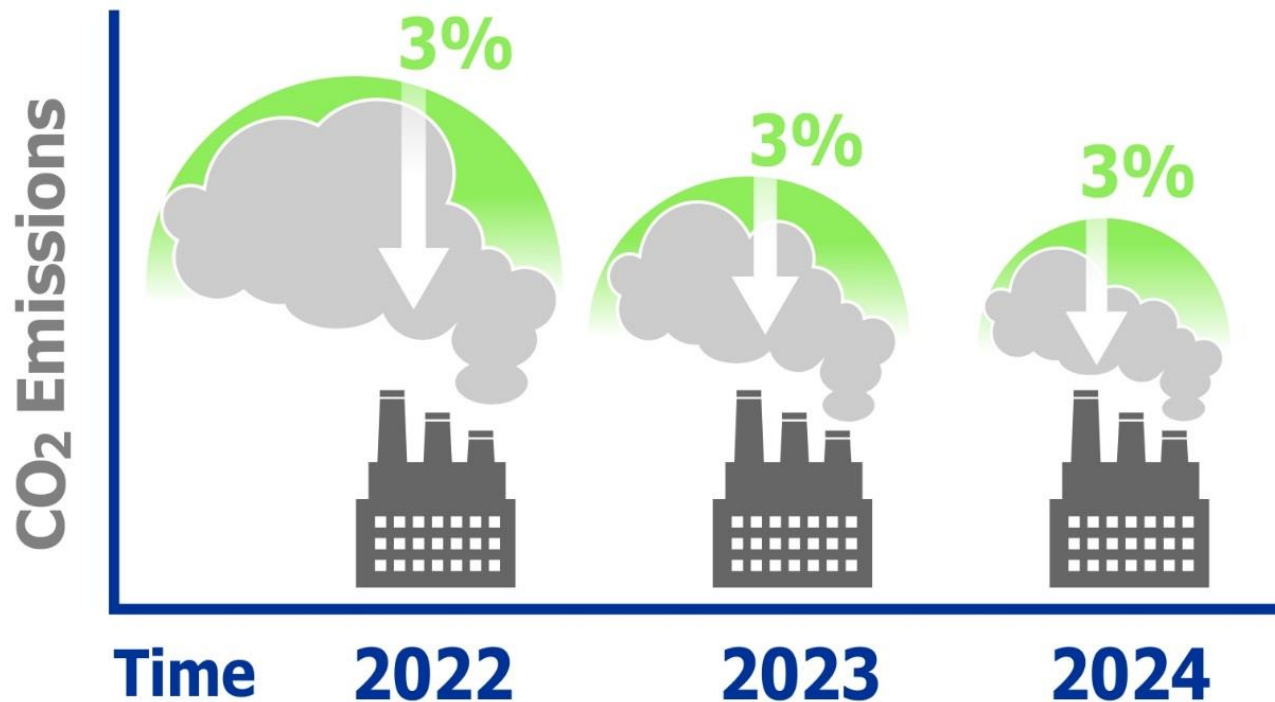
Implementation Timeline



Benefits of RGGI Participation

Environmental Benefits of RGGI

Based on modeling, participation in RGGI would result in the elimination of 188 million tons of CO₂ in Pennsylvania by 2030.



Note: Based on IPM modeling results for the 'RGGI + Investments' scenario.

Co-Benefits of CO₂ Reductions

When powerplants pollute less....



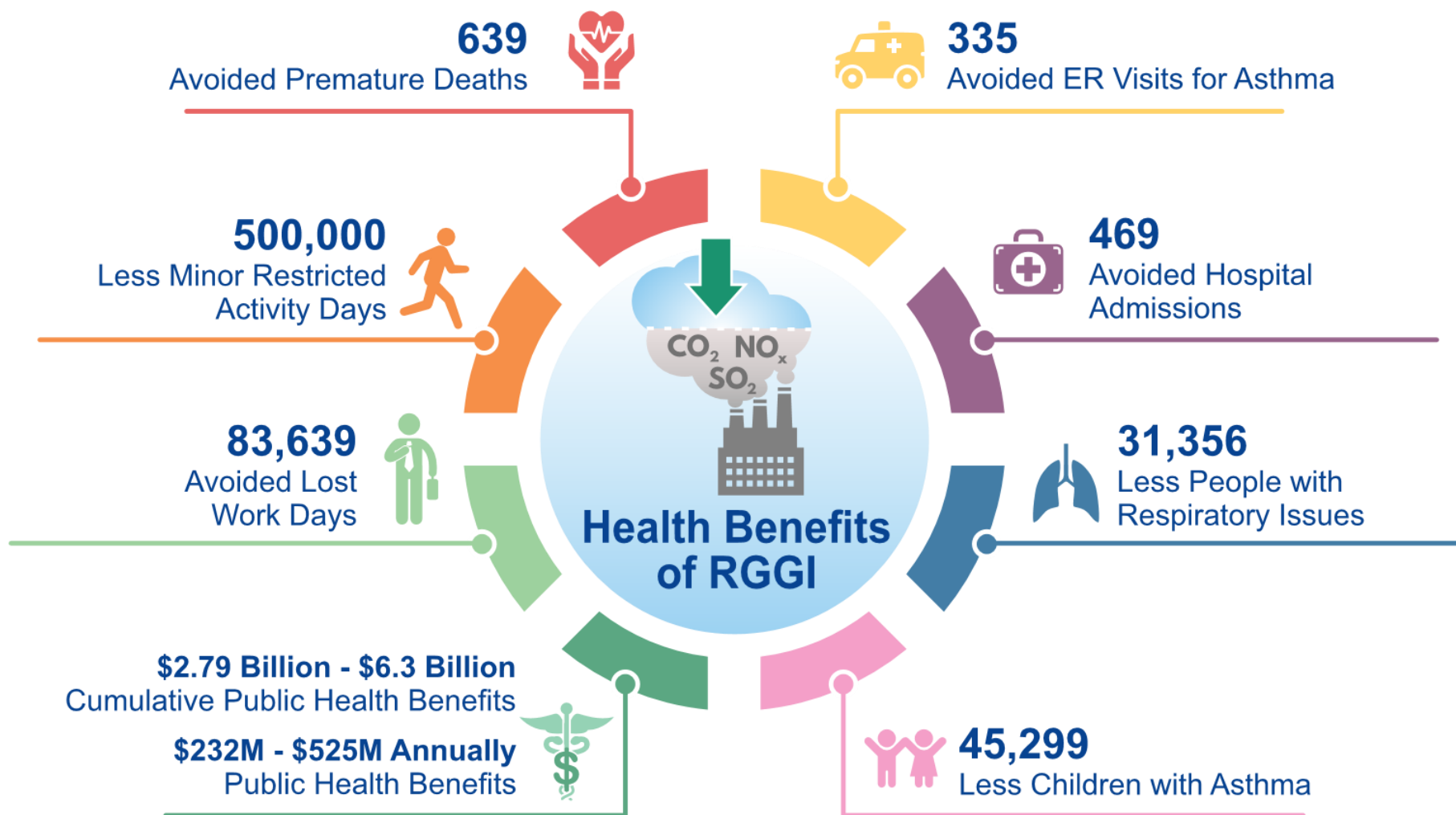
CO₂ Decreases by 188 Million Tons

SO₂ Decreases by 67,000 Tons

NO_x Decreases by 112,000 Tons

Air and Water are Cleaner. People are Healthier.

Health Benefits of RGGI*



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

RGGI Investments Yield Benefits

Modeled RGGI Revenue in a 'Balanced Approach'

Utilize auction revenue to spur innovation, technology deployment and incentivize private sector investments.



- ***Generates Jobs:*** Net increase 30,000+ job years in this Commonwealth by 2030.
- ***Grows the Economy:*** Gross State Product (GSP) increases by \$1.9 billion by 2030.
- ***Slight Decrease in Disposable Household Income*:***
on the order of a decline of .017% by 2030 – and then an increase by 2033.

**Not reflective of the health or other societal benefits related to emissions reductions.*

Additional RGGI Considerations

Environmental Justice & RGGI

Environmental justice embodies the principles that communities and populations should not be disproportionately exposed to adverse environmental impacts.

DEP has publicly committed to a set of **RGGI Equity Principles** that include:

- Inclusively gathering and considering input from the public related to decisions made under RGGI.
- Protect public health and welfare, mitigating any adverse impacts on human health, especially in EJ communities.
- Work equitably and with intentional consideration to distribute environmental and economic benefits of the proceeds of allowance auctions.

“Confronting the threat of climate change cannot come at the expense of vulnerable communities, and these principles will guide us in finalizing the RGGI regulation and associated community investments.”

-Secretary McDonnell

Traditional Energy Communities

The Department is seeking to create investment mechanisms through RGGI revenue to support communities who are impacted by the ongoing energy sector transformation from coal.

- Hired the Delta Institute to facilitate conversations with traditional energy communities about how to economically diversify.
- The Delta Institute has extensive relevant experience working with communities on economic diversification.
- Delta Institute will create a final report and communication strategy, to help DEP guide investment opportunities.



PLANNING FOR PENNSYLVANIA'S FUTURE
*ECONOMIC DIVERSIFICATION THROUGH
COMMUNITY ENGAGEMENT AND INVESTMENT*

RGGI Program Investment Options

RGGI Investment Options

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

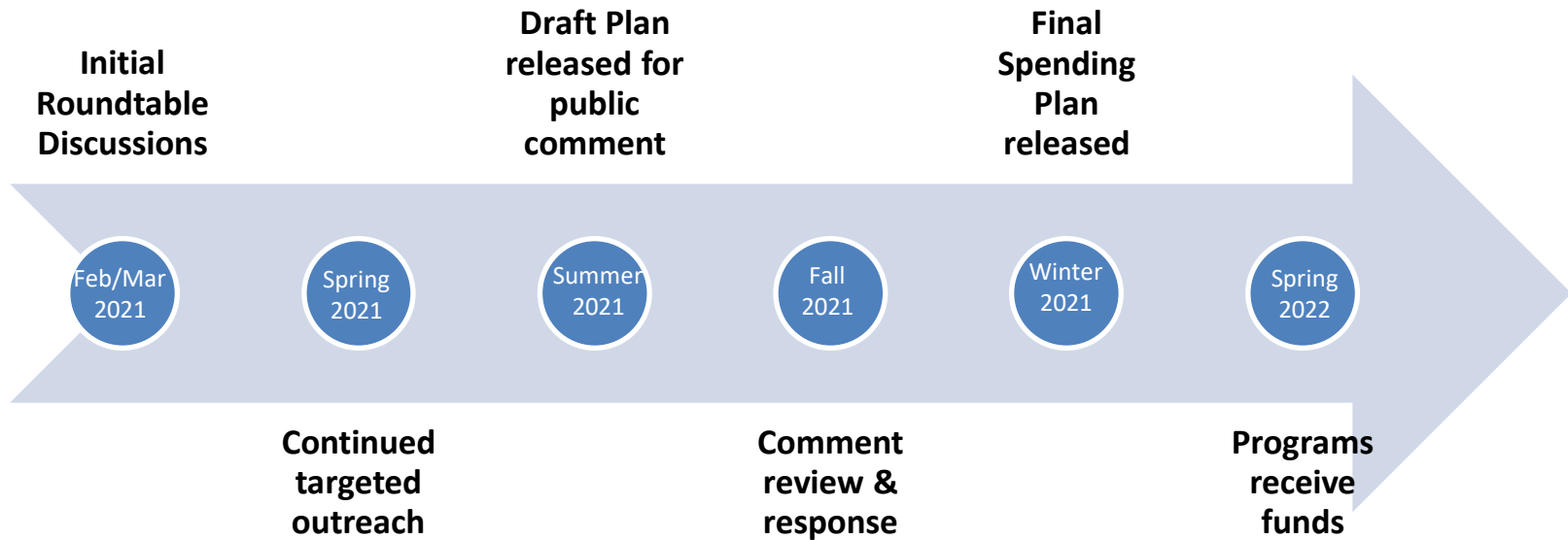
<u>Options Using Existing Authority</u>	<u>Options Requiring Additional Authority</u>
<p>Energy Efficiency (Weatherization Assistance, Energy Efficiency Upgrades, Workforce Retraining)</p> <p>Clean & Renewable Energy (Solar, Wind, Anaerobic digesters, Brownfield redevelopment, etc.)</p> <p>Greenhouse Gas Abatement (Carbon Capture Utilization and Storage (CCUS), Oil and gas well plugging, CHP/Micro-grids)</p>	<p>Energy Communities: 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>Environmental Justice Communities: targeted investments to minimize and correct adverse environmental impacts, empower communities, and foster economic opportunities.</p>

RGGI Investment Plan Development

DEP will be conducting robust stakeholder engagement process to consider wide range of investments that maximum program proceeds and reduce air pollution.

- Will engage 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.
- Stakeholder engagement and plan development process will unfold throughout 2021 to allow ample time for input.

Investment Plan Timeline





For Additional Information

Visit the RGGI website @ www.dep.pa.gov/RGGI

Email staff with specific questions @
ra-epclimate@pa.gov