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## Governor Wolf Takes Executive Action to Combat Climate Change, Carbon Emissions

**Harrisburg, PA** – Governor Tom Wolf today took executive action instructing the Pennsylvania Department of Environmental Protection (DEP) to join the Regional Greenhouse Gas Initiative (RGGI), a market-based collaboration among nine Northeast and Mid-Atlantic states to reduce greenhouse gas emissions and combat climate change while generating economic growth.

"Climate change is the most critical environmental threat confronting the world, and power generation is one of the biggest contributors to greenhouse gas emissions," said Governor Wolf. "Given the urgency of the climate crisis facing Pennsylvania and the entire planet, the commonwealth must continue to take concrete, economically sound and immediate steps to reduce emissions. Joining RGGI will give us that opportunity to better protect the health and safety of our citizens."

Participating states have agreed, either through regulation or legislation, to implement RGGI through a regional cap-and-trade program involving CO2 emitting electric power plants. These states (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont) set a cap on total CO2 emissions from electric power generators in their states. In order to show compliance with the cap, power plants must purchase a credit or "allowance," for each ton of CO2, they emit. These purchases are made at quarterly auctions conducted by RGGI. The most recent RGGI auction held September 4th resulted in an allowance price of \$5.20 per ton. The proceeds from the <u>auctions</u> are allocated back to the participating states in proportion to the amount of carbon subject to regulation in each state.

"This initiative represents a unique opportunity for Pennsylvania to become a leader in combatting climate change and grow our economy by partnering with neighboring states," said Patrick McDonnell, secretary of the Department of Environmental Protection. "As a major electricity producer, Pennsylvania has a significant opportunity to reduce emissions and demonstrate its commitment to addressing climate change through a program with a proven track record."

The <u>RGGI states</u> have reduced power sector CO2 pollution by 45 percent since 2005, while the region's per-capita GDP has continued to grow. Through its first six years of existence, RGGI investments were found to return \$2.31 billion in lifetime energy bill savings to more than 161,000 households and 6,000 businesses that participated in programs funded by RGGI proceeds, and to 1.5 million households and over 37,000 businesses that received direct bill assistance.

Pennsylvania exports nearly a third of the electricity it produces, and the cost of RGGI compliance for exported electricity will be paid by electric customers in the states where that electricity is ultimately used.

"We know that we can't complete this process in a vacuum. The conversation we've begun over the past year needs to continue if we are going to craft regulations that fit Pennsylvania's unique energy mix, while making sure that the transition to a cleaner energy mix doesn't leave behind workers and communities our state has relied on for decades to produce its power," said Gov. Wolf. "And it will take buy in from the legislature to ensure we're protecting Pennsylvanians from the increasing effects of the climate crisis."

Reducing CO2 emissions as part of combatting climate change is a top priority for the Wolf Administration. In January, Governor Wolf signed an <u>executive order</u> to set Pennsylvania's first statewide climate goals, aiming to reduce greenhouse gas emissions by 26 percent by 2025 and by 80 percent by 2050, compared to 2005 levels.

The scientific consensus is the planet is experiencing climate change in real time, and the impacts are felt everywhere. In 2015, the Pennsylvania Climate Impacts Assessment Update found that Pennsylvania has undergone a long-term warming over the prior 110 years, and that current warming trends are expected to increase at an accelerated rate with average temperatures projected to increase an additional 5.4 degrees by 2050. Average annual precipitation has also increased by approximately 10 percent over the past 100 years and, by 2050, is expected to increase by an additional 8 percent.

The numerous negative effects of these warming and wetting trends are currently being experienced in Pennsylvania. Last year was the wettest year on record in the commonwealth, and these increases in rainfall resulted in extreme weather events and flooding throughout the state costing residents an estimated \$144 million in reported damages, and at least \$125 million in state-maintained road and bridges damage throughout the state

"We are seeing the immediate and devastating impact of climate change right here in Pennsylvania, with more intense rain storms leading to flooding occurring outside flood zones, and dry conditions that can increase the threat of fire in our wooded areas," said Randy Padfield, director of the Pennsylvania Emergency Management Agency. "Combatting climate change demands cooperation among many state agencies but also a proactive approach, and joining RGGI will help reduce carbon emissions, which will, in turn, reduce the threat of weather-related natural disasters."

Following the governor's executive order, DEP will draft a regulation to present before the Environmental Quality Board for approval, and a public comment period will follow. As directed in the Executive Order, DEP will conduct robust outreach to the business community, energy producers, and labor and environmental stakeholders.

Read the full executive order.

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