



**Statement of Dusty Horwitt, Partnership for Policy Integrity
Pennsylvania Department of Environmental Protection
Listening Session on the Clean Power Plan
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Thank you for the opportunity to comment. My name is Dusty Horwitt. I represent the Partnership for Policy Integrity, a nonprofit that advocates for clean energy and provides science and legal advocacy to reduce reliance on polluting energy technologies that masquerade as “clean.”

Today I will address the issue of emissions trading. DEP has asked for input on whether Pennsylvania should enter into a regional emissions trading program to achieve compliance with mass-based CO₂ emissions goals.

This approach could help Pennsylvania meet its goals under the Clean Power Plan, but the program must be carefully limited and monitored to ensure that it truly reduces emissions.

A major problem with two emissions trading systems that currently exist – the California system, and the Northeastern Regional Greenhouse Gas Initiative, or RGGI (“Reggie”) – is that neither one requires biomass power plants to purchase carbon allowances. This exemption provides a financial incentive to build power plants that burn forest wood and industrial wood waste, or to convert coal plants to burn these materials.

However, burning wood emits *more* CO₂ per megawatt-hour than burning fossil fuels, including coal, and the idea that these emissions don’t count – that somehow, these molecules of CO₂ don’t warm the climate – is based on a thin assumption, never verified in reality, that bioenergy emissions are offset in some way.

If we are interested in reducing emissions now, then we need to count every molecule of CO₂ equally. Pennsylvania should therefore steer clear of building new in-state bioenergy capacity, and if it engages in regional emissions trading, the state should not trade with partners that are sneaking around their carbon cap by building bioenergy capacity that is essentially “off the books” for carbon trading.

Pennsylvania has the opportunity in a multi-state trading compact to influence other states to clean up their compliance plans. Pennsylvania is part of the PJM regional transmission organization, and we assume that a regional trading system would encompass all or part of PJM.

If current renewable portfolio standards give any indication, some states in the PJM region may favor heavily polluting technologies for compliance with the Clean Power Plan. For instance, utilities in Maryland can currently meet the state’s Renewable Portfolio Standard by purchasing

renewable energy credits in the PJM region and beyond. According to a recent state report, about 50 percent of Maryland's Tier I renewable energy comes from some of the most polluting wood and black-liquor burners in the PJM region. Two of these are located here in Pennsylvania.¹ These facilities – Viking Energy of Northumberland and the Glatfelter plant in Spring Grove – emitted a combined total of 225 tons of nitrogen oxides, 1,910 tons of sulfur dioxide, and 975,000 tons of carbon dioxide in 2010, the last year for which EPA provides data.²

Notably, these facilities are *not* eligible for Tier I credits in Pennsylvania itself, but they are benefiting from Maryland's more lax standards. By adopting standards that require carbon emissions from bioenergy plants to be accurately counted and by agreeing to trade emissions allowances only with states that adopt the same high standards, Pennsylvania could influence other states to follow its lead in achieving real emissions reductions.

It is still unclear to what extent EPA will allow bioenergy and waste burning to be used for compliance under the Clean Power Plan, especially since these technologies can't meet EPA's requirement that emission reductions be "quantifiable, verifiable, non-duplicative, permanent and enforceable." If Pennsylvania wants to submit a compliance plan within a year – and we strongly commend the state for its efforts to do so – then the DEP should avoid combustion-based renewable energy as compliance, and should not get tangled up with any other state that wants to burn biomass or waste as part of its compliance plan. By taking the high road and only using true zero-emissions approaches for compliance, Pennsylvania can set an example for the region and the nation.

¹ Public Service Commission of Maryland. Renewable Energy Portfolio Standard Report, With Data for Calendar Year 2012. January, 2014, at 5, 10. Accessed online September 29, 2015 at <http://webapp.psc.state.md.us/intranet/Reports/2014%20Renewable%20Energy%20Portfolio%20Report.pdf>.

² Emissions data are from EPA's E-grid system.