

**BEFORE THE
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

Electric Generating Units: Advance)	
Notice of Proposed Rulemaking)	EPA-HQ-OAR-2017-0545-0001
on State Guidelines for Greenhouse)	
Gas Emissions from Existing Sources)	

**COMMENTS OF ANDREW G. PLACE, VICE CHAIRMAN
PENNSYLVANIA PUBLIC UTILTY COMMISSION**

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Respectfully, I submit the following comments regarding the Advance Notice of Proposed Rulemaking on State Guidelines for Greenhouse Gas Emissions from Existing Sources. These comments do not reflect the view of the Pennsylvania Public Utility Commission as a whole, but are my comments offered as Vice Chairman of the Pennsylvania Public Utility Commission, and a Pennsylvania resident and businessman.

While the Pennsylvania Public Utility Commission does not regulate generation, we have a responsibility to Pennsylvania ratepayers, businesses and consumers alike, to maintain just and reasonable rates and are keenly aware of impacts that wholesale generation market changes have on Pennsylvania's consumers. As a Commissioner, I have the responsibility and authority to represent Pennsylvania's consumers before the courts, and in proceedings involving the state and federal government. While the U.S. Environmental Protection Agency has a responsibility to move forward with regulation of GHGs from existing sources, in what form that takes is key to the impacts on individual states. Acknowledging the related albeit separate docket regarding the potential repeal of the Clean Power Plan¹, much is to be garnered from the Clean Power Plan requirements and organization in terms of how a future rulemaking should be structured. I am a proponent of maintaining the Clean Power Plan structure, with a reconsideration of appropriate state targets and timeframes, given the time that has elapsed and the resulting changes in technology and the energy sector since its introduction. While my recommendation is to maintain the Clean Power Plan, with the above-mentioned adjustments, if EPA is going to move forward

¹ Repeal of Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units; Reopening of the Comment Period; Docket NO. EPA-HQ-OAR-2017-0355-14998
<https://www.regulations.gov/docket?D=EPA-HQ-OAR-2017-0355>

creating a rulemaking structure from whole cloth, my recommendations for consideration as you move forward are below.

A. EPA Has the Responsibility and Authority to Proceed With Regulatory Action

Under the 2009 endangerment finding, EPA has a responsibility to regulate GHGs from existing sources. However, how EPA interprets this responsibility and implements the associated rulemaking is extremely important in regards to balancing, environmental, economic and consumer interests.

EPA does not require a second endangerment finding and has the necessary authority at this juncture to move ahead with a rulemaking regarding existing sources. It is recommended that EPA continue forward with the Clean Power Plan, amended by comments received, but not completely abandon that framework or structure, and lose the understanding, coordination, research and preparation states have completed in anticipation of compliance with the associated requirements. Time and expertise would be lost if the Clean Power Plan were to be abandoned in its entirety. I would encourage EPA to borrow to the greatest extent possible from the Clean Power Plan in the development of a new proposed rulemaking.

B. Ensure Maximum Flexibility for State Implementation

Any future rulemaking should provide for maximum flexibility for state compliance plans. A provision of a Model Plan from EPA may be helpful to the states so far as it does not interfere with a state's ability to develop a plan that suits the local economy, energy sector and energy markets (regulated vs. deregulated). States should be provided the tools and ample time to conduct stakeholder listening sessions, modeling and other analyses before submitting a plan to EPA.

Additionally, the requirements should allow maximum flexibility in terms of compliance options available, so that Pennsylvania can identify the combination of compliance options that achieves compliance in the most efficient and cost-effective way. This point is key to maximizing environmental benefits while balancing costs and associated ratepayer impacts.

C. Provide for Beyond the Fence Compliance Measures

Include Energy Efficiency and Renewable Energy as Means to Compliance

Under the Clean Power Plan, in certain circumstances, energy efficiency and renewable energy programs resulting in measurable GHG reductions were eligible for compliance purposes, though inclusion of them in a state plan resulted in state programs being federally enforceable. I'd ask the EPA to acknowledge the important role of these programs in the suite of compliance options available to states and provide for their inclusion while not requiring states to relinquish control and oversight of key state programs.

Renewables, especially solar, are increasingly of value in Pennsylvania. It's important that we be able to effectively harness the growth in renewable deployment and energy efficiency measures for compliance purposes.

While energy efficiency and renewable energy should be a means of compliance, such "outside the fence" measures should not be used to establish state requirements for reduction in GHG emissions related to wholesale power markets.

Allow for Trading and Carbon Pricing Options

Trading and pricing mechanisms, whether a national model, as considered under the Clean Power Plan, or regional models, such as the formalized Regional Greenhouse Gas Initiative (RGGI), or more informal trading among states, or even within state boundaries allows for

compliance flexibility. Allowance of carbon or credit trading allows for credits to be generated and reductions to be made where it is most cost effective to do so. Compliance options that do not allow for trading are not able to fully realize the efficiencies and unique opportunities not only among generators of carbon, but also among other types of entities such as renewable generation, demand response or other energy efficiency opportunities. Under the modeling conducted by Pennsylvania, in preparation for compliance with the Clean Power Plan, of all the scenarios modelled, those that included trading allowed for more cost-effective compliance which lessened impacts on Pennsylvania businesses and ratepayers.

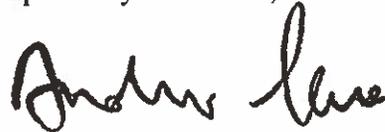
Allow for Carbon Capture and Sequestration Options

Carbon capture and sequestration (CCS) has the potential to be a valuable tool for cost efficient carbon reductions while maintaining Pennsylvania's coal and natural gas generation assets. Act 129, signed into law by Pennsylvania Governor Rendell in 2009, in addition to establishing Pennsylvania's energy efficiency and conservation program, mandated the Department of Conservation and Natural Resources (DCNR) to explore the potential for CCS within the Commonwealth. The 2009 DCNR report, entitled *Geologic Carbon Sequestration Opportunities in Pennsylvania*, indicated that geologically, Pennsylvania has the capacity to store significant quantities of carbon, (88.5 billion metric tons of CO₂), equating to several hundred years' worth of PA's CO₂ emissions.² While discussions and research continue regarding the opportunities for implementation as a climate change strategy, I support its inclusion as a potential compliance strategy.

² Geologic Carbon Sequestration Opportunities in Pennsylvania. DCNR, 2004.
http://www.docs.dcnr.pa.gov/cs/groups/public/documents/document/dcnr_20033315.pdf

I appreciate the opportunity to file comments on this docket and will continue to follow this and the associated Clean Power Plan repeal docket with great interest. Pennsylvania has a strong energy economy, and our position as a net energy exporter is extremely important to Pennsylvania's economic future. Flexibility; beyond the fence compliance options such as harnessing our efficiency and renewable sector; and carbon capture and sequestration are key to ensure least-cost compliance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Andrew Place". The signature is fluid and cursive, with the first name "Andrew" and the last name "Place" clearly distinguishable.

Andrew G. Place
Vice Chairman, Pennsylvania Public Utility Commission