



Remarks

Submitted on behalf of the
Pennsylvania Chamber of Business and Industry

**DEP Listening Session on EPA's Proposed CO2 Emissions Rule for
Modified, Reconstructed, and Existing Power Plants**

Presented by:

Shawn Good
Director, Government Affairs

Harrisburg, PA
December 16, 2013

417 Walnut Street
Harrisburg, PA 17101-1902
717.720.5443 phone
<http://www.pachamber.org>

Good afternoon. My name is Shawn Good, Director of Government Affairs for the Pennsylvania Chamber of Business and Industry, the largest broad-based business advocacy association in Pennsylvania. The Pennsylvania Chamber represents thousands of businesses from all industry sectors and of all sizes, from sole proprietorships to Fortune 100 corporations. The Pennsylvania Chamber would like to thank the DEP for inviting us to provide remarks to this listening session on the EPA's proposed standards, regulations, or guidelines that address carbon emissions from modified, reconstructed, and existing power plants under Section 111(d) of the federal Clean Air Act.

Even though the Pennsylvania Chamber believes that the issue of carbon emissions needs to be addressed more globally--especially given that more and more of the world's emissions of carbon dioxide are coming from developing countries and fewer are coming from developed countries, including the United States--we understand that reality dictates that the current EPA has every intention of proceeding with this proposed rule on power plants next year and into the foreseeable future, and we truly thank the DEP for being proactive in its outreach to the regulated community regarding this matter. With that in mind, I would like to convey the following points and ask that they be incorporated into the DEP's vetting and analysis of the proposed CO₂ emissions regulation on modified, reconstructed, and existing power plants.

First, we ask that the DEP seriously and thoroughly consider the economic impact of this proposed regulation on electric generation units. We would ask that you evaluate this impact in the context of current marketplace conditions of Pennsylvania's electric generation industry and the existing regulations and mandates to which this industry is

subjected. In addition, the DEP should take into account the emissions reductions already achieved by the electric generation industry in sulfur dioxide, nitrous oxide, particulate matter, and, of course, carbon dioxide. Projected CO2 emissions reductions by the industry in the near future under current federal and state environmental rules should be also considered.

Second, we ask that you consider the financial impact on manufacturing, industrial, and commercial users of electricity. There is a very strong likelihood that this proposed regulation will translate into higher electricity rates for our members who use electricity—from large industrial users to small businesses. So, we ask that the likely costs of this proposed regulation to the end users be considered seriously by the DEP during the development of its Section 111(d) State Plan.

Third, as alluded to earlier, the Pennsylvania Chamber has not come here today to debate whether there should be a CO2 emissions regulation for existing power plants. However, we are concerned that requiring our state's power plants to comply with an additional regulation, especially in light of the recently announced closings of coal-fired power plants in the state, may make it more difficult for them to generate the amount of electricity that is necessary to ensure grid reliability, which, of course, is very important to our members both big and small. So, we ask that you consider this proposed regulation's impact on the reliability and sustainability of our electricity grid.

Fourth, we ask that the DEP work with the EPA to ensure that this proposed regulation provides for enough flexibility in terms of compliance and that the technologies, practices, and methods required are truly achievable, practical, and commercially viable. In addition, we would ask that the science used in the proposed

rule be sound, verifiable, and inclusive of a variety of sources, including those that may counter the scientific findings of the EPA as they relate to this proposed regulation.

In closing, I would like to stress that abundant, reliable, and competitively priced energy production and delivery are critically important components of a healthy and robust economy. A lack of these components would significantly hamper the Commonwealth of Pennsylvania's ability to attract and retain businesses. We ask that you keep this fact in mind as well as the need to balance environmental protection with economic development as you are developing your State Plan. Again, I want to thank the DEP for soliciting input from the regulated community on this proposed regulation well in advance of it being issued by the EPA in June 2014, and I welcome any questions that you may have.