

RGGI Reality

Hey, people of Pennsylvania, did you know your state is in a tug of war over electricity production? A group of nearby states wants to pull PA into their club, which will force the closure of power plants, drive up your utility bills, destroy jobs, and will undermine the state's competitive advantage as an energy-producing powerhouse. This is a contest that will get extremely costly if the fight is lost.

If you haven't heard of this complicated scheme, it's called the Regional Greenhouse Gas Initiative, or RGGI. We at the Clear Energy Alliance are opposed to RGGI because we don't like hidden taxes. And we don't think governments should be in the business of needlessly eliminating thousands of good blue-collar jobs in one state, just to export those jobs and emissions to neighboring states.

RGGI is what's called a "cap and trade" program, but it's really just a tax. In this scheme, the RGGI states put a cap on how much emissions power plants can emit and forces them to buy "allowances"... a tax... for all the CO₂ produced. This drives up the cost of electricity for consumers and it also forces coal and some natural gas plants to shut down.

That's exactly what's been happening in RGGI states, which have significantly increased the electricity they import from non-RGGI states along with raising their citizens electric bills. Pennsylvania is the nation's largest exporter of electricity. Providing low-cost power has attracted thousands of manufacturing jobs back to the state as a result of the shale gas revolution and plentiful supplies of coal. Why in the world would PA voluntarily give up that advantage? Crazy, right?

What's even crazier is that Governor Wolf has declared his intent to join RGGI and impose a hidden carbon tax without getting approval from the General Assembly. Uh, Governor, we don't think that's constitutional. The legislative branch has that power, not you.

We understand the motivation. The Governor thinks he can raise a lot of money with the RGGI tax, but ultimately that money comes from Pennsylvanians. We also wonder if he is considering the enormous amount of collateral damage RGGI will cause. Coal plants in PA recently spent billions of dollars complying with tighter federal and state regulations. If Pennsylvania joins RGGI, those plants will be forced into bankruptcy as well as a number of older natural gas plants. That's a kick in the teeth for following the rules.

Those vital electricity providers are in the rural part of the state where good jobs are hard to come by. And as electricity rates go up, citizens of PA can count on new investment coming to a screeching halt. Energy is the number one input in manufacturing.

And what would joining RGGI even accomplish when it comes to emissions? With all coal and some natural gas plants closing around the state, other non-RGGI states would be incentivized to pick up the slack. Consequently, more power plants would be built or expanded in states such as Ohio and West Virginia. Emissions would simply be exported out of state, along with thousands of jobs.

What makes RGGI even more galling is that while Pennsylvania has become a manufacturing powerhouse and electricity exporter, it has made more progress in reducing CO2 emissions than RGGI states while PA's electricity bills are 51 percent lower.

But don't despair people of Pennsylvania. Labor, business leaders, and citizens from across the state are working with the general assembly to stop the Governor's unconstitutional RGGI money grab. Now that's a tug of war worth having.

For the Clear Energy Alliance, I'm Mark Mathis. Power On.



CLEAR ENERGY
ALLIANCE