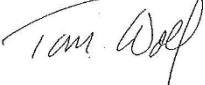


Executive Order

Commonwealth of Pennsylvania Governor's Office

Subject: Commonwealth Leadership in Addressing Climate Change through Electric Sector Emissions Reductions	Number: 2019-07
 By Direction of: Tom Wolf, Governor	Date: October 3, 2019

WHEREAS, the laws of the Commonwealth of Pennsylvania mandate that we protect the Commonwealth's air resources for the protection of public health, safety and well-being of our citizens; prevent injury to plant and animal life and to property; protect the comfort and convenience of the public and Commonwealth recreational resources; and develop, attract and expand industry, commerce and agriculture; and,

WHEREAS, globally, there is a scientific consensus that climate change is occurring and there is wide agreement amongst scientific organizations that the cause is increased concentrations of greenhouse gasses (GHG) from anthropogenic activities; and

WHEREAS, in 2015, the Pennsylvania Climate Impacts Assessment Update found that Pennsylvania has undergone a long-term warming of more than 1.8 degrees Fahrenheit 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; and

WHEREAS, average annual precipitation has increased by approximately 10 percent over the past 100 years and, by 2050, is expected to increase by an additional 8 percent; and

WHEREAS, Pennsylvania is experiencing the numerous negative effects of these trends. 2018 was the wettest year on record in the Commonwealth. The increased rainfall resulted in extreme weather events and flooding throughout the state costing residents an estimated \$144 million in reported damages, and costing the Commonwealth at least \$125 million in damages to state-maintained infrastructure; and

WHEREAS, heat-related illness and death are significant public health problems in the Northeastern United States. Projected temperature increases are expected to increase air pollution and diminish water quality, leading to more premature deaths, hospital admissions, and emergency department visits from heat stress such as exacerbated asthma and increased water-borne illnesses; and

WHEREAS, *Executive Order 2019-01, Commonwealth Leadership in Addressing Climate Change and Promoting Energy Conservation and Sustainable Governance*, committed the Commonwealth to strive to reduce net GHG emissions by 26 percent from 2005 levels, and to further reduce net GHG emissions by 80 percent by 2050; and

WHEREAS on April 29, 2019, the Department of Environmental Protection (DEP) issued a Pennsylvania Climate Action Plan that identifies GHG emission trends and baselines in the Commonwealth, recommends cost-effective strategies for reducing or offsetting GHG emissions, quantifies costs and benefits of these strategies, and recommends limiting carbon emissions through an electricity sector cap and trade program; and

WHEREAS, based upon data contained in Pennsylvania's GHG Inventory, 30 percent of Pennsylvania's total GHG emissions are produced by Pennsylvania's electricity generation sector; and

WHEREAS, cap and trade programs have an established track record as economically efficient, market-driven mechanisms for reducing pollution in a variety of contexts; and

WHEREAS, the Regional Greenhouse Gas Initiative (RGGI) is a cooperative effort of Nine East Coast states to reduce GHG emissions from the power sector. The RGGI participating states have collectively reduced power sector carbon dioxide pollution by over 45 percent since 2005, while experiencing per capita Gross Domestic Product growth and reducing energy costs for businesses; and

WHEREAS, given the urgency of the climate crisis facing Pennsylvania, the Commonwealth must take concrete, economically sound and immediate steps to reduce GHG emissions.

NOW, THEREFORE, I, Tom Wolf, Governor of the Commonwealth of Pennsylvania, by virtue of the authority vested in me by the Constitution of the Commonwealth of Pennsylvania and other laws, do order and direct the DEP as follows:

1. **Rulemaking.** By no later than July 31, 2020, develop and present to the Pennsylvania Environmental Quality Board a proposed rulemaking package to abate, control, or limit carbon dioxide emissions from fossil-fuel-fired electric power generators, which rulemaking package shall be authorized by the Act of January 8, 1960 (1959 P.L. 2119, No. 787), known as the Air Pollution Control Act. The proposed rulemaking shall:
 - a. Include a robust public outreach effort working with the business community, energy producers, energy suppliers, organized labor, environmental groups, and others to ensure that the development and implementation of this program results in reduced emissions, economic gains, and consumer savings;
 - b. Establish a carbon dioxide budget consistent in stringency to that established in the RGGI participating states;

- c. Provide for the annual or more frequent auction of carbon dioxide emissions allowances through a market-based mechanism; and
 - d. Be sufficiently consistent with the RGGI Model Rule such that allowances may be traded with holders of allowances from other states.
- 2. **Interaction with Regional Transmission Organization.** The DEP, working with the Public Utility Commission, shall engage with PJM Interconnection to promote the integration of this program in a manner that preserves orderly and competitive economic dispatch within PJM and minimizes emissions leakage.
- 3. **Effective Date.** This Executive Order shall take effect immediately and shall remain in effect until amended or rescinded by the Governor.