

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 2354

**PRINTER'S NO.** 4290

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund  
Clean Air Fund

**DATE INTRODUCED**

June 18, 2014

**PRIME SPONSOR**

Representative Snyder

**DESCRIPTION AND PURPOSE OF BILL**

House Bill 2354 establishes the Pennsylvania Greenhouse Gas Regulation Implementation Act. The bill requires the Department of Environmental Protection (DEP) to submit the state implementation plan to regulate carbon dioxide emissions from existing power plants, to the General Assembly for consideration, prior to submitting the plan to the U.S. Environmental Protection Agency (EPA) for approval.

In developing the state plan required by federal regulation, the bill requires DEP to do the following:

- Summon witnesses and examine documents necessary for discharging duties under the act;
- Conduct at least four public hearings;
- Accept written testimony and consider all written and oral testimony;
- Prioritize the components of the plan based on a least-cost compliance approach to benefit electric consumers;
- Take into consideration the necessity and value of a diverse generation fleet to ensure electric reliability;
- Consider:
  - Whether to rely on measures used by the EPA to calculate the reduction goal;
  - Whether Pennsylvania (PA) should participate in multistate programs;
  - Whether PA should invest in energy efficiency programs to meet the goal;
  - Whether PA should partner with other states;
  - When individual plants must make reductions;
  - How best to avoid stranded investments in existing plants;
  - Extent to which the following should be included in the plan:
    - Demand-side energy efficiency programs;
    - Renewable energy standards;
    - Efficiency improvements at existing plants;
    - Co-firing or switching to natural gas;

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- Transmission efficiency improvements;
- Energy storage technologies;
- Retirement or deactivation of existing units or facilities;
- Expansion of non-emitting sources (nuclear);
- Market-based trading programs; and
- Other energy conservation programs.

Section 4 of the bill, Enhanced public review procedures, provides that the Senate Environmental Resources and Energy Committee and the House Environmental Resources and Energy Committee each conduct four public hearings on options for the state's compliance with its State Plan. The hearings must be held in geographically dispersed locations in the Commonwealth, including locations which would be directly economically affected by EPA's carbon dioxide regulation. The two committees must accept written testimony and consider the written and oral testimony provided and submit a written report of their findings to the DEP for their consideration. The committees must also post copies of the written reports on their respective websites.

The DEP must submit the state plan to the General Assembly for consideration no less than 100 days before it submits it to the EPA for approval. Upon transmission to the General Assembly, the state plan will be:

- Proposed as a resolution in each chamber;
- Placed on the calendar of each chamber for the next legislative day following transmission; and
- Considered by each chamber within twenty days after transmission.

Each chamber of the General Assembly must consider the State Plan resolution and vote to either endorse or disapprove. If either chamber disapproves the resolution, that chamber must present the DEP with a summary of the reasons for disapproval. Within 90 days of receipt of the chamber's summary of reasons for disapproval, the department shall provide a report addressing the chamber's concerns and identifying potential strategies to address the concerns, including but not limited to a discussion of the benefits and drawbacks of submitting a revised State Plan to the EPA.

Section 6 provides that notwithstanding the language in this act, the department has the authority to submit the State Plan to the EPA, as required by Federal law.

The act takes effect immediately.

### **FISCAL IMPACT:**

Any administrative costs incurred by the DEP to implement the provisions of this legislation shall be covered by existing resources available from the department's General Fund appropriations and the Clean Air Fund.