

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 2025

PRINTER NO. 3907

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

November 20, 2019

PRIME SPONSOR

Representative Struzzi

DESCRIPTION

House Bill 2025 enacts the Pennsylvania Carbon Dioxide Cap and Trade Authorization Act.

This bill clarifies that the Department of Environmental Protection (department) does not have the authority to join the Regional Greenhouse Gas Initiative (RGGI) or similar state or regional greenhouse gas cap-and-trade programs unless authorized by the General Assembly.

The department is required to complete the following before submitting the proposal to the General Assembly:

- Submit for publication in the PA Bulletin for public comment, the proposed action in the form of draft legislation;
- Hold at least four public hearings throughout the state including areas directly impacted by the proposed regulations;
- Compile a report to be submitted to the standing committees that includes:
 - A list of individual facilities that would be subject to the measure and the following information:
 - The amount of carbon dioxide emitted by each facility;
 - An estimated cost for each facility to comply;
 - The effect on price of electricity each facility generates;
 - A list of facilities that would be unlikely to continue to operate;
 - An assessment of the extent to which other facilities would be likely to operate;
 - An assessment of the decrease in electricity exports; and
 - An assessment of the resilience and diversity of the state's generation fleet if any or all facilities close.

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- A summary of the impacts on all industries that submitted public testimony or comment;
- An estimate of net carbon dioxide emission reductions within the PJM Interconnection;
- A summary and justification of any provisions in the proposal to address leakage;
- A description of the economic and fiscal impacts from the proposed measure including:
 - The direct and indirect costs to the Commonwealth and its political subdivisions;
 - The impact on the wholesale price and retail price of electricity for consumers including residential, commercial, industrial and transportation;
 - The adverse effects on the price of goods and services;
 - The extent of required reports, forms or other paperwork required for the implementation and administration of the action;
 - Estimates of the costs of legal, consulting or accounting services required for the implementation and administration of the action; and
 - The impact of providing exemptions or requiring compliance with less stringent standards.
- Whether a less costly or less intrusive method to achieve the goals of the proposed measures have been considered.

Once the public comment period has concluded and the department has submitted the report, the department shall submit the measure in legislative form to the standing committee with the request that a member of the standing committee introduce the legislation. This shall constitute submission to the General Assembly.

FISCAL IMPACT:

House Bill 2025 will have no fiscal impact on Commonwealth funds. The requirements proposed in this legislation can be accomplished by current regulatory staff who already conduct similar activities as part of the regulatory review process, including public participation and similar reports as provided through the Environmental Quality Board.