



# South Central Pa Building and Construction Trades Council

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**SERVING: BEDFORD, BLAIR, CAMBRIA, FULTON, HUNTINGDON,  
INDIANA & SOMERSET COUNTIES**

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February 5, 2020

Testimony for the Pennsylvania State House Environmental Resources & Energy Committee.

Good morning, Chairman Metcalfe, Chairman Vitali, and members of the Committee. My name is Donald Arena. I am the President of the South-Central Building & Construction Trades Council. Our Council consists of 22 affiliated Building Trades local unions serving Bedford, Blair, Cambria, Fulton, Huntingdon, Indiana & Somerset Counties here in the Commonwealth of Pennsylvania.

Our affiliated local unions provide manpower to every aspect of the construction, maintenance, repair, and service industries throughout the seven counties. Projects that you may see our members on are as small as dollar general stores to large industrial manufacturing plants and power generation plants. One of our larger projects recently completed in Cambria County was a 1050 MW combined cycle natural gas energy facility. This facility provided our members with approximately 1.75 million-man hours of work over a 30-month construction period, at a cost of approximately a billion dollars. I have provided you a fact sheet with a brief overview of this project.

We also provide manpower to contractors that service Conemaugh, Homer City, and Seward Generating Stations as well as power plants outside our territory. We have members in these plants year-round. In addition, we do forced outages throughout the year, as well as larger outages of 7 to 8 weeks in the spring or fall on 24-month cycles. As an example, in 2018 at Conemaugh Station, Unit 1 fall outage was roughly 8 weeks long and was over 215,000 craft manhours at an economic benefit to our members approximately 19 million dollars. The 2019 Unit 2 outage at Keystone Power station was a similar duration and 259,000 manhours at an economic benefit to our members approximately 23 million dollars. I want to provide with this background information, so you can understand the impact RGGI will have on the craft people in the reduction of manhours.

Based on the last 15 years we have seen numerous coal fired power plants either convert to natural gas or retire which in turn reduced carbon emissions. Without RGGI in place it is estimated that the remainder of coal fired plants retire in next 5 to 10 years, if not sooner. With RGGI in place these plants will close almost immediately after it is implemented. We need to let these plants retire on their own pace. By doing this we will have an opportunity to replace these plants with another form of energy, instead of giving the opportunity to another state in the PJM operation market. We need to entice investors to build new facilities on these retired power generation sites, not deter them. This would give the communities a chance to recoup some of the tax revenue losses from the current plants closing. Just the mere fact that the governor has announced that he would like to become a part of the RGGI program, has already deterred investors from looking in our Commonwealth to build future plants. In Fayette County there is a closed

fossil fuel plant that retired in 2012 called Hatfield Ferry. This plant is slated to have a new combined cycle gas fired power plant built on its site. We understand that the investors were considering not building this plant because RGGI is a possibility in this Commonwealth. Let's face facts, if I were an investor and had billions of dollars to invest in energy, and I have a choice between investing in the Commonwealth of Pennsylvania as a RGGI state, or investing in Ohio or West Virginia that doesn't have an additional cap and trade mechanism in place , which one would I invest in? Why would developers build a gas fired plant in a state that would have additional operating costs of \$2.35 per MW hour. I think we need to look at the big picture. We are part of the PJM operating market that consists of 13 states, so developers can build anywhere in that market and still provide power to the grid. The power generation business in our commonwealth is already exceeding the CO2 benchmarks. Again why not let these plants retire at a natural progression? This will give us an opportunity for investors to put power plants on these old fossil fuel sites, which in turn would give a community that will be in a distress status an opportunity to recoup some of its losses in tax revenue. As I mentioned before, 1050 MW combined cycle power plant provides construction workers with 1.75 million-man hours of work. Granted we don't get the maintenance out of these plants, like we do out of coal fired plants and these plants operate with a lot less manpower, but at least the community will regain some of its tax revenue losses.

My hometown is Johnstown PA. Johnstown was a thriving Steel making town until the early 80s. During the years of the Cold War, Johnstown PA was one of the targets because of the fact it produced so much steel. When the steel mills closed, our town was devastated. By 1992 the city of Johnstown became a distressed city under Act 47. By October 2021 they will be out of their distressed status. That's 29 years, and at this point they aren't 100% sure how it is going to work out. The point I'm trying to make is that communities don't recoup as fast as you think when major industry moves out of their area. Now in Johnstown's case it was unavoidable based on economic conditions and a major flood in 1977. In this case by implementing RGGI you are creating this economic hardship for these communities. The reason I feel this way, is with RGGI in place, once again investors are less likely to come.

In closing I ask that all branches of our state government look at all factors and all the data before deciding in entering in to the RGGI program. Thank you again for my opportunity to testify.