

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
BUDGET HEARING

STATE CAPITOL
HARRISBURG, PENNSYLVANIA
HOUSE CHAMBER

DEPARTMENT OF
ENVIRONMENTAL PROTECTION

MONDAY, FEBRUARY 28, 2022
10:00 A.M.

BEFORE :

HONORABLE STANLEY SAYLOR, MAJORITY CHAIRMAN
HONORABLE MATTHEW BRADFORD, MINORITY CHAIRMAN
HONORABLE LYNDA SCHLEGEL-CULVER
HONORABLE TORREN C. ECKER
HONORABLE JONATHAN FRITZ
HONORABLE KEITH J. GREINER
HONORABLE DOYLE HEFFLEY
HONORABLE JOHNATHAN D. HERSHEY
HONORABLE R. LEE JAMES
HONORABLE JOHN A. LAWRENCE
HONORABLE ZACHARY MAKO
HONORABLE NATALIE MIHALEK
HONORABLE TIMOTHY J. O'NEAL
HONORABLE CLINT OWLETT
HONORABLE CHRISTOPHER B. QUINN
HONORABLE GREG ROTHMAN
HONORABLE LOUIS C. SCHMITT, JR.
HONORABLE MEGHAN SCHROEDER
HONORABLE JAMES B. STRUZZI, II
HONORABLE JESSE TOPPER
HONORABLE RYAN WARNER
HONORABLE JEFF C. WHEELAND
HONORABLE DAVID H. ZIMMERMAN

*Pennsylvania House of Representatives
Commonwealth of Pennsylvania*

BEFORE (continued):

HONORABLE AMEN BROWN
HONORABLE DONNA BULLOCK
HONORABLE MORGAN CEPHAS
HONORABLE AUSTIN DAVIS
HONORABLE ELIZABETH FIEDLER
HONORABLE MANUEL GUZMAN
HONORABLE PATTY KIM
HONORABLE EMILY KINKEAD
HONORABLE STEPHEN KINSEY
HONORABLE LEANNE KRUEGER
HONORABLE KYLE J. MULLINS
HONORABLE BENJAMIN V. SANCHEZ
HONORABLE PETER SCHWEYER
HONORABLE JOE WEBSTER

NON-COMMITTEE MEMBERS PRESENT:

HONORABLE TIM HENNESSEY
HONORABLE GREG VITALI
HONORABLE MARY ISAACSON
HONORABLE MICHAEL B. CARROLL
HONORABLE GINA CURRY

COMMITTEE STAFF PRESENT:

DAVID DONLEY
REPUBLICAN EXECUTIVE DIRECTOR
RITCHIE LAFAVER
REPUBLICAN DEPUTY EXECUTIVE DIRECTOR

ANNE BALOGA
DEMOCRATIC EXECUTIVE DIRECTOR
TARA TREES
DEMOCRATIC CHIEF COUNSEL

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

TESTIFIERS

* * *

NAME

PAGE

PATRICK MCDONNELL
SECRETARY,
DEPARTMENT OF ENVIRONMENTAL PROTECTION.....6

SUBMITTED WRITTEN TESTIMONY

* * *

(See submitted written testimony and handouts
online.)

REQUEST FOR PRODUCTION OF INFORMATION

* * *

PAGE	LINE	PAGE	LINE	PAGE	LINE
43	24	49	11	61	21
130	24	160	1	172	3

P R O C E E D I N G S

* * *

1
2
3 MAJORITY CHAIRMAN SAYLOR: If everybody
4 would rise for the Pledge of Allegiance, we do
5 that the beginning of every week. And then we
6 will swear in the Secretary.

7 (Whereupon, the Pledge of Allegiance was
8 recited.)

9 MAJORITY CHAIRMAN SAYLOR: Again, I
10 remind everybody, five minutes. The lights are
11 in front of the Secretary there, as you can see.
12 I will try to be as lenient as possible, but I
13 know there's going to be a lot of questions here
14 today, as there is with every Secretary. So we
15 will try to keep things moving.

16 with that, Mr. Secretary, if you would
17 rise and raise your right hand.

* * *

18
19 (Whereupon, the testifier was duly sworn
20 by Majority Chairman Saylor.)

* * *

21
22 MAJORITY CHAIRMAN SAYLOR: Very good.
23 Mr. Secretary, is there anybody else
24 that's going to be giving information today?
25 I should have asked that before I

1 actually got started.

2 SECRETARY MCDONNELL: No.

3 MAJORITY CHAIRMAN SAYLOR: Okay. Just
4 you. Very good.

5 with that, we will be joined -- the
6 Secretary today, I should have introduced you.
7 Mr. Secretary, I apologize.

8 It's Secretary Patrick McDonnell, who is
9 the Secretary of DEP. And we will start off
10 today. I do not know if the standing committee
11 chairmen of Environmental Resources are here. I
12 do see -- okay, Mr. Vitali. I don't know if
13 Mr. Daryl Metcalfe will be here or not.

14 But with that, we'll start off with our
15 first questioner, which is Representative Torren
16 Ecker.

17 REPRESENTATIVE ECKER: Thank you,
18 Mr. Chairman.

19 And good morning, Mr. Secretary.

20 SECRETARY MCDONNELL: Good morning.

21 REPRESENTATIVE ECKER: Thank you for
22 joining us today.

23 I'm going to dive right into some new --
24 some new money that is being proposed to be spent
25 by the Department of Environmental Protection, so

1 specifically, the Environmental Program
2 Management line. I notice that there's an
3 increase there of about \$8.3 million, a
4 24-percent increase there. And some of that is
5 for continued operations, but I believe there's
6 also a new \$5 million dollar initiative to hire
7 41 employees.

8 Is this -- so before we get into that, is
9 this money for this new initiative, is that
10 coming from the Federal ARP money?

11 SECRETARY MCDONNELL: No, it is not.

12 REPRESENTATIVE ECKER: So the reason I
13 ask that question is because if you look at the
14 out years, I'm not seeing any increases in that
15 budget line. So I'm just -- and I'm guessing
16 they're going to be, you know, they'll be half --
17 excuse me, they would only be working half the
18 year.

19 So if they are full -- so these aren't
20 temporary positions, I guess, is what I'm getting
21 at, right?

22 SECRETARY MCDONNELL: Correct.

23 REPRESENTATIVE ECKER: So what is -- what
24 exactly are these folks going to do for the
25 Department, these new --

1 SECRETARY MCDONNELL: Sure. No. Thank
2 you very much for the question. The purpose of
3 the \$5 million dollars to hire the 41 staff is
4 really focused on our water -- water quality and
5 waterways engineering, dam safety efforts. So
6 some of the things that will occur with those
7 dollars are increase in permitting staff. We've
8 successfully driven down the number of backlog
9 permits. We're at kind of the lowest level of
10 pending as we have been in the past 10 years, but
11 that's taken some overtime work and other things.

12 So hiring those folks, bringing in staff
13 to do dam safety inspections, which is something
14 that is critically important that we're behind
15 on. And then a new program that we've been
16 working over the last several years to stand up,
17 but we're kind of at that inflection point, which
18 is wetland mitigation, banking, and the in-lieu
19 fee program, which provides an alternative way
20 for permit applicants to achieve their wetland
21 mitigation.

22 REPRESENTATIVE ECKER: Sure. And
23 Mr. Secretary, look, I know our Caucus has
24 advocated a long time for making this permit
25 process happen a little quicker. And we've

1 advocated to the Governor. We've sent some
2 legislation to the Governor, which ultimately, I
3 don't think ever was signed into law. So I
4 guess, you know, in the budget book -- the
5 Governor's budget book doesn't really highlight
6 the fact that these are used to speed up the
7 permitting process.

8 So how are these 41 individuals, how are
9 they going to speed up the permitting process?

10 Because, look, I think we're in a time
11 now that, you know, there's economic development
12 being delayed because of some of these permits
13 that are taking forever. We have, you know,
14 companies leaving Pennsylvania because of it.

15 How are these 41 new folks going to solve
16 that program? We'll start there.

17 SECRETARY MCDONNELL: Sure. So as I
18 said, the place we've gotten to on permits, both
19 through some electronic initiatives, but really
20 just a lot of work by dedicated staff at the
21 Department is seeing those pending permits at the
22 lowest level we've seen. The way we've achieved
23 that is with people and with a number of people
24 working overtime.

25 So bringing in that additional staff

1 allows us to continue the work. Some of the
2 challenges that we face in some of the regions is
3 we may only have one or two permit engineer
4 reviewers. And at any given moment, we're kind
5 of -- we're one resignation, one retirement away
6 from being right back in that backlog.

7 So making sure we have the appropriate
8 amount of staff to help manage that work in
9 addition to do the dam safety work, in addition
10 to stand up a program that will make it -- has a
11 better environmental outcome, much easier for the
12 permittees and much easier for the Department to
13 manage.

14 REPRESENTATIVE ECKER: So going to the
15 finances of these new employees, how do you see,
16 you know, the Governor isn't really proposing --
17 I think you're level funded, especially in this
18 line over the out years here.

19 How do you see this as a sustainable way
20 to move forward for the Department?

21 Look, I think if we can break up the log
22 jam of permitting, I think that's a good thing,
23 but we also have to be able to afford it.

24 SECRETARY MCDONNELL: Absolutely.

25 REPRESENTATIVE ECKER: So if you're

1 saying that the Federal money is -- any Federal
2 funds aren't being used here, I'm just curious
3 how, from a sustainability standpoint, how do you
4 foresee us being able to fund these employees
5 over the next two, three, four years?

6 SECRETARY MCDONNELL: Again, and
7 respectfully, I think that would be a decision to
8 be made between the legislature and budget office
9 in terms of what that future funding might look
10 like. These are General Funded positions that we
11 are requesting through our budget request. And
12 as I said, I think there's tremendous upside in
13 having these positions on the complement.

14 REPRESENTATIVE ECKER: Well, thank you,
15 Mr. Secretary. My time is expired. I appreciate
16 your questions -- or answers.

17 SECRETARY MCDONNELL: Thank you.

18 MAJORITY CHAIRMAN SAYLOR: Representative
19 Sanchez.

20 REPRESENTATIVE SANCHEZ: Thank you,
21 Mr. Chairman.

22 Good morning, Mr. Secretary.

23 SECRETARY MCDONNELL: Good morning.

24 REPRESENTATIVE SANCHEZ: Good to see you
25 again.

1 I wanted to talk a little bit about some
2 of the money, the Federal funding utilization
3 proposed in the Governor's budget, particularly
4 the amounts from the Infrastructure Investment
5 and Jobs Act. And the item that I'm particularly
6 interested in is the drinking water projects
7 revolving fund, \$125 million proposed to be set
8 aside for that.

9 Could you elaborate on that and what are
10 the purposes of that and, you know, what kind of
11 problems that might address?

12 SECRETARY MCDONNELL: Certainly. So
13 under the Infrastructure Investment and Jobs Act,
14 there's a huge amount of money being put into
15 state revolving funds. And as you point out, one
16 of those here implicated is drinking water state
17 revolving fund.

18 Through that, we're in line to get an
19 additional \$55.3 million dollars in the typical
20 spend, I'll say. So the kinds of projects that
21 the Pennsylvania Infrastructure Authority would
22 typically invest in. These would be upgrades to
23 drinking water plants. About half of those
24 dollars are loan-forgiven, which means
25 effectively, they're grants. So for smaller

1 communities, it's really, really important
2 dollars and work.

3 In addition to that, there's money for
4 lead line replacement, set aside specifically
5 within that. And there's money to address
6 emerging contaminants. So that's anything from
7 perfluorinated compounds, which we have a number
8 of programs to deal with, but this would be one
9 to 1,4-Dioxane and other issues that are out
10 there, harmful algal blooms.

11 So this is money that would flow through
12 PENNVEST, but we do the technical evaluation of
13 that within the Department, to make sure that the
14 projects are good and can be completed.

15 REPRESENTATIVE SANCHEZ: And I'm very
16 pleased to hear that. You, in fact, jumped ahead
17 to where I was going with the portion of your
18 testimony that referenced protecting from
19 emerging contaminants. And these are, of course,
20 you hit it on the head, the PFAS is a big concern
21 in my area with the former -- well, the Willow
22 Grove Airbase usage in some regards, but has that
23 coming to the Abington area. Of course, the
24 Horsham and Upper Dublin area is included in
25 there, as well, so I'm pleased. It sounds like

1 that funding can be used for remediation.

2 I know we were successful in getting some
3 of that for the North Hills well located within
4 Abington Township. There's another well that
5 needs that. And these amounts, you know, for
6 filtration devices run in the several million
7 dollars. So I think North Hills well was \$3 1/2
8 million. The Abington well would run \$3 1/2
9 million. So if we can look to some of that
10 funding, it would be wonderful.

11 And if I can just get your thoughts on
12 another -- as far as the, I know the comment
13 period opened for maximum contaminant levels.
14 Does the Department have a position on that, on
15 the levels they'd be setting? Or is that to be
16 further refined from the comments?

17 SECRETARY MCDONNELL: So in working
18 through the Environmental Quality Board, we
19 proposed limits for PFAS and PFOA, kind of the
20 two most widely discussed and impactful within
21 the Commonwealth. We went through a process with
22 -- where we hired Drexel University for their
23 toxicology expertise. They gave us guidelines
24 that we then ran through our regulatory process
25 to ultimately come out with the 14 parts per

1 trillion, 18 parts per trillion limits that are
2 in the proposed reg.

3 Now it's open for comment. So we're
4 interested in hearing from others, taking in
5 other perspective on that, and getting to the
6 point of having a final rule. It is noteworthy,
7 it's the first time in the Commonwealth where we
8 have set our own MCL, not simply adopted a
9 Federal standard.

10 REPRESENTATIVE SANCHEZ: And I would just
11 encourage -- I'll obviously submit a formal
12 comment to the EQB, but I would just encourage,
13 you know, the strongest possible levels. In
14 fact, some of the water suppliers are already
15 self-policing within the limits that are -- have
16 been proposed. I think we can do better,
17 frankly.

18 You know, we are able to remove these
19 chemicals from the water with the filtration
20 devices. We have the money to do it. Let's
21 invest in that, do that, give everybody clean
22 drinking water. And you know, then we don't have
23 to worry about what's the appropriate level for
24 filtration. So with that, I'll --

25 SECRETARY MCDONNELL: Amen to that.

1 REPRESENTATIVE SANCHEZ: Right.

2 Thank you so much, Mr. Secretary.

3 SECRETARY MCDONNELL: Thank you.

4 REPRESENTATIVE SANCHEZ: Thank you,
5 Mr. Chairman.

6 MAJORITY CHAIRMAN SAYLOR: Our next
7 questioner is Representative Greiner.

8 REPRESENTATIVE GREINER: Thank you,
9 Mr. Chairman.

10 Good morning, Mr. Secretary.

11 I want to follow up on an earlier
12 question because I'm a little bit confused. We
13 talk about hiring 41 new staff positions. And
14 then when I look at your -- we're talking the out
15 years, you know. And as he said, our Caucus is
16 interested in getting this permit process rolling
17 because I think it's important.

18 But when I look at this, your own budget,
19 your own budget, you have increased costs in
20 future years, yet the Governor's proposal that
21 we're reviewing here as a caucus -- I'm not an
22 environmental manager; I'm a CPA. And I must
23 admit, the math isn't making any sense.

24 Do you actually speak with the Governor?
25 I mean, his -- his Governor [sic] doesn't have

1 any increases in future years, but yet we're
2 talking about funding 41 additional positions.

3 How do you -- help me reconcile that, as
4 an accountant and as a member of the
5 Appropriations committee.

6 SECRETARY MCDONNELL: Well, again, I
7 think the thing we are here to discuss for
8 certain is the current appropriation process,
9 which would be for those 41 positions in that \$5
10 million. Whether or not that is an appropriate
11 amount is, first, something to be decided by this
12 body and the Governor; and then, second, how that
13 continues forward is, again, not something I
14 would presume, particularly in the last year of
15 this administration.

16 REPRESENTATIVE GREINER: Yeah. But we
17 have to make decisions based on future years with
18 this Federal moneys. We can't -- I mean, we have
19 to have common sense about how we approach this.
20 Because to me, to me, as somebody who's helped
21 small business, it's not a realistic budget. And
22 there seems -- first of all, there seems to be a
23 disconnect between what you and your office is
24 suggesting years down the road compared to what
25 the Governor has presented to us.

1 And you know, I've talked about this two
2 weeks ago, too, to some of the other committees.
3 We have to be realistic in what we're looking at
4 in the future years so that we can make the
5 correct financial decisions. I guess just
6 following up, I mean, I will say, you know,
7 coming back to this year, it almost seems like
8 politics as usual. We're talking about a \$42
9 million dollars increase. Forty-two million,
10 that's a 25-percent -- million-dollar increase.

11 And I guess, you know, and then we have
12 the Governor, in his proposals, specifically
13 states to spend \$450 million dollars of the ARPA
14 money to invest in conservation, recreation,
15 preservation, and revitalization projects, and
16 address the threat to climate change. I mean, I
17 want to know, when you look at your budget
18 increase this year, is it based on some or -- or
19 just -- are we just using these funds one time?

20 I mean, what's the -- what's the plan
21 here?

22 what's your understanding of what the
23 Governor is trying to do?

24 SECRETARY MCDONNELL: Sure. The \$450
25 million, in particular, is one-time dollars.

1 That's not a recurring figure. That is moneys to
2 support water quality -- again, water quality
3 improvement across the Commonwealth, support ag
4 best management practices for soil erosion and
5 health that have positive benefits on Chesapeake
6 Bay and other benefits across the State, moneys
7 for Department of Conservation and Natural
8 Resources for their forestry and parks programs,
9 and then money within the Department of
10 Environmental Protections to support non-point
11 source watershed improvement projects, storm
12 water projects, agricultural projects.

13 REPRESENTATIVE GREINER: See, all I'm
14 saying is, when you look at the numbers, like I
15 said, in the out years, you have -- are these
16 funds going to be used up -- we need to have
17 realistic projections about what we're going to
18 be looking at in the future. You made a comment
19 that the legislature has to work with the
20 Governor or the next Governor on the amounts, but
21 if we go ahead and fund these new positions and
22 some of these projects, there's going to be an
23 expectation that they're funded in the future.
24 And right now, it's not being shown that way.

25 And that's my point. So I want a budget

1 grounded in reality. I want us to be able to
2 look at things in a commonsense methodology, you
3 know, so that we know what we're looking at in
4 the future years. That's been the issue any my
5 concern with some of the things with a lot of
6 this budget, with a lot of the agencies.

7 SECRETARY MCDONNELL: So the two things
8 there: one, I think, as I said, I think these are
9 staff that will help us achieve our mutual goals
10 in terms of permit process, in terms of making
11 sure that dam safety is taken care of, as a
12 couple of examples.

13 On the \$450 million dollars, it is
14 one-time dollars, but I also don't disagree with
15 the point. We have direction from US EPA that if
16 we do not have funding on a going forward basis
17 to fund practices within the Chesapeake Bay
18 watershed, as an example, that that may impact
19 existing permit holders in terms of increasing
20 their limits or bringing facilities that are not
21 currently permittees into the permit rubric. So
22 it is absolutely important that we -- but the
23 \$450 million, I think, is what we think we can
24 accomplish right now.

25 REPRESENTATIVE GREINER: I just want to

1 follow -- I just want to end by saying the
2 Governor's budget shows no growth in future years
3 over having all this additional spending. You
4 yourself had increases. Your -- what you're
5 saying does not agree with what the Governor is
6 presenting, and it's a real disconnect. And I
7 think it's something we as a body need to try to
8 get our hands around.

9 Thank you.

10 SECRETARY MCDONNELL: Thank you.

11 MAJORITY CHAIRMAN SAYLOR: Mr. Secretary,
12 I have to follow that up a little bit in that
13 every Governor submits a budget that projects for
14 the following year.

15 SECRETARY MCDONNELL: Uh-huh.

16 MAJORITY CHAIRMAN SAYLOR: We always --
17 in fact, the Federal government has, as well as
18 we have, and the General Assembly, and this
19 Governor has, always talked about how you use
20 dollars and not to do one-time things, for
21 long-time things. So that's why the questions
22 you're getting today is, according to this budget
23 that the Governor submitted, is that there are no
24 -- these 41 positions will only last till roughly
25 either January of 2023 or maybe June of 2023 and

1 they're ending. That's the way this budget has
2 been submitted.

3 And that's why the questions of the
4 members is concerned. Everybody here is
5 concerned about the Chesapeake Bay and the
6 environment, but where is the reality of how do
7 we fund these positions?

8 Letting it up to the next Governor to
9 say, oh, particularly when this budget is
10 projected to have a deficit going into the
11 following year. So there is no funds for those
12 41 positions, as this Governor has presented it,
13 because the next Governor won't have the money to
14 fund it. So that's why the questions are coming
15 from two members about these 41 positions. It's
16 not that, necessarily, we're opposed to those,
17 but this Governor has not provided funding or at
18 least projections for funding for those 41. And
19 I don't think it's leaving it up to the next
20 General Assembly and the next Governor to sit
21 here and say, oh, what, we're going to cut 41
22 employees we just added.

23 So that's the concern, I think the
24 previous two members, on our side at least, had
25 concerns about. Are we serious about this, or is

1 this just public relations?

2 SECRETARY MCDONNELL: We are definitely
3 serious about it.

4 MAJORITY CHAIRMAN SAYLOR: Very good.

5 SECRETARY MCDONNELL: Yep.

6 MAJORITY CHAIRMAN SAYLOR: With that,
7 we'll go to Representative Webster.

8 REPRESENTATIVE WEBSTER: Thank you,
9 Mr. Chairman.

10 Secretary McDonnell, good morning.

11 SECRETARY MCDONNELL: Good morning.

12 REPRESENTATIVE WEBSTER: Thank you for
13 joining us today.

14 I think this is kind of a softball but
15 important, and maybe just to urge you in a
16 certain direction. There's a whole bunch of ARPA
17 money in your budget for watershed and wetlands
18 restoration. And in the world I come from, where
19 we used to be rural, we have a watershed of
20 Skippack and Perkiomen Creeks and Schuylkill
21 Rivers, but we're very suburban today.

22 And I want to sort of press on you that
23 those environments, in my district, we lost
24 literally dozens of homes to flooding over the
25 last 18 months. Businesses, we had a car

1 dealership that was completely flooded. They
2 could move the cars, but all that technical gear
3 in the buildings was destroyed. So I sort of
4 just want to make sure, urgent, that it's not
5 just a state park or, you know, a million acre
6 preserve, but that some of those moneys can be
7 used, especially in the watersheds where erosion
8 and storm water runoff is having, you know, a
9 major impact on local businesses and families.

10 SECRETARY MCDONNELL: Could not agree
11 more. And in fact, a number of the storm water
12 projects, you know, sometimes we tend to talk
13 about things as one thing, even though they're
14 multiple things when you do them.

15 REPRESENTATIVE WEBSTER: Right.

16 SECRETARY MCDONNELL: So as examples,
17 we've been spending money on legacy sediment
18 projects. Those are storm water projects,
19 reconnect to floodplains, and things like that
20 that allow you to take volume and energy out of
21 storms and to help be protective. Those are also
22 things though that clean up the water. Those are
23 also things that allow people to continue to live
24 where they are and not be subjected to flood
25 water.

1 So there's multiple things that we need
2 to deal with. And in particular, as we see the
3 kind of worst ravages of climate change, you
4 know, we're going to see that increase in
5 precipitation, those concentrated events in
6 particular areas. Being resilient in how we
7 manage storm water and flooding is going to be
8 ever more important.

9 REPRESENTATIVE WEBSTER: Sort of a
10 follow-up to that and maybe more of a policy
11 question, but similar moneys go to DCNR and state
12 park environments for some of their capital
13 needs. But at the same time, as you know, within
14 the administration, do these things go together?

15 Because a lot of time, the state park is
16 where the watershed initiates.

17 SECRETARY MCDONNELL: We've definitely
18 been having conversations with not just DCNR, but
19 other State agencies. Fish and Boat Commission
20 actually has a mitigation project going on near
21 their headquarters as we speak. DGS looking at
22 ways, PennDOT looking at ways that they can use
23 some of their facilities to help manage storm
24 water in particular areas.

25 So it's definitely one of those that

1 needs to be all hands on deck. We need to be
2 very attentive to the storm water needs and be
3 working through it. So --

4 REPRESENTATIVE WEBSTER: Good answer.
5 That's what I want to hear.

6 Hopefully we'll be on the other side and
7 the community side to put those dollars to very
8 good use.

9 SECRETARY MCDONNELL: No, definitely.
10 Definitely. Yeah.

11 I'm very hopeful, assuming the \$450
12 million comes through, that we'll have that
13 capacity to really do some of that work at scale.

14 REPRESENTATIVE WEBSTER: Yep. Thank you.

15 SECRETARY MCDONNELL: Thank you.

16 REPRESENTATIVE TOPPER: The Chair thanks
17 the gentleman and recognizes the lady from
18 Northumberland, Miss Culver.

19 REPRESENTATIVE CULVER: Thank you,
20 Mr. Chairman.

21 welcome, Mr. Secretary. Glad to have you
22 here today.

23 SECRETARY MCDONNELL: Hello.

24 REPRESENTATIVE CULVER: I actually want
25 to talk about something really specifically

1 focused today, and that's recycling. And you may
2 have a hard time believing this when I say it,
3 but I spend a lot of time in my district talking
4 to my municipalities and individuals about
5 recycling. So I have numerous amount of
6 questions, so let's hope we can get through them
7 all this morning.

8 So my first question has to do with the
9 request -- can you explain the proposed transfer,
10 I guess, of \$10 million dollars from the General
11 Fund to the Recycling Fund to offset revenue
12 shortfalls to maintain municipal grant levels?

13 SECRETARY MCDONNELL: Certainly. So last
14 year, there was a \$50 million dollar transferring
15 out of the Recycling Fund. And some of the
16 impact of that is, for example, that in the
17 current budget year, our 902 grants, which are
18 the grants people use to buy equipment, are \$18
19 million dollars. That's down from \$30 million
20 dollars in 2021. The 904 grants, these are the
21 performance grants, are at \$16 million, down from
22 \$21.5 million dollars.

23 So this is money designed to bring those
24 grant levels back up to closer to where we have
25 historically been able to support municipalities.

1 REPRESENTATIVE CULVER: So I just want to
2 talk about -- I understand what you said, but I
3 think it's important that you hear what I'm
4 hearing back in the district. And I don't know
5 that you actually get to hear it because, you
6 know, we're supposed to be all partners in this
7 at all levels. And I think my municipalities are
8 feeling like they're not partners and they don't
9 have a say in this.

10 So when I talk to them, what they're
11 saying is they're required to take materials that
12 there's no longer a market for. The cost of the
13 containers, the transport, and the fuel is
14 expensive and continues to rise for them. The
15 requirement for curbside pick-up, they talk about
16 that as a ride through the municipality with no
17 stops. Very few people are using it, yet still
18 required to do it. And it's wasting fuel and
19 time of employees.

20 They're concerned about a long trend, a
21 decade or more, of the decreasing amount of
22 grants that they're receiving. At one point, it
23 was 100 percent reimbursement to them. And
24 there's this new -- not new formula -- that just
25 keeps decreasing for them. I have municipalities

1 that are having to close recycling centers.
2 Counties have invested in them and don't want to
3 close them because they put money into them.
4 They feel that you should update Act 101. They
5 feel it's antiquated. It's 34 years old.

6 They feel this is an unfunded mandate
7 that every municipality is losing money on. They
8 actually feel that this is a market-based
9 commodity. And the one thing I hear, most
10 importantly, which will lead me to my next
11 question, they feel as though this is not
12 important to DEP, but it's required to be
13 important to them.

14 So my next question goes to, they want to
15 know why should we agree to and support such a
16 transfer to the Recycling fund when the
17 Department can arbitrarily redirect and spend the
18 money as you have done under the Food Waste
19 Minimization Initiative with the Department of
20 Agriculture and then claim you need more money
21 for actual recycling programs, which are
22 specifically outlined under the Act.

23 This is very confusing for them. They
24 claim that they've been reaching out to DEP,
25 trying to get what they need to function, but I

1 think we're really close to a crisis with
2 recycling.

3 Can you explain that?

4 SECRETARY MCDONNELL: Sure. So on the
5 food recycling grant, that was --

6 REPRESENTATIVE CULVER: Could you just
7 get a little bit closer to the mic for me?

8 SECRETARY MCDONNELL: Sure.

9 REPRESENTATIVE CULVER: Thanks.

10 Secretary MCDONNELL: I can do my best to
11 do so.

12 REPRESENTATIVE CULVER: Thank you.

13 SECRETARY MCDONNELL: We'll move it over
14 in front --

15 REPRESENTATIVE CULVER: Perfect.

16 Secretary MCDONNELL: -- so I'm not
17 fighting it.

18 The food restructure -- the food
19 recycling grant was a one-time grant we did at
20 the beginning of COVID as we were trying to
21 figure out how we, you know, frankly, keep food
22 from going bad and get it into the hands of food
23 banks. So that was the purpose of that
24 particular grant.

25 In terms of the dollar amounts and what

1 has happened to them over time, I'd point out
2 there's been over \$235 million dollars of money
3 taken out of the fund for other purposes. So
4 we're constantly in this place of trying to
5 manage the fund, not sure exactly what the
6 available balance is going to be on a
7 year-to-year basis.

8 I will say we have had very active
9 Act 101 discussions. The statement that it's
10 unimportant to the Department could not be
11 further from the truth. And in fact, our Waste
12 Management folks have been working through the
13 advisory committees to look at ways that we can
14 improve Act 101 in a number of frames.

15 REPRESENTATIVE CULVER: So I see that
16 we're out of time. And I did have a few more
17 questions, which I may send off to you.

18 SECRETARY MCDONNELL: Please do.

19 REPRESENTATIVE CULVER: I want to say
20 that we think that purchasing the cold storage
21 units for the food networks is a worthwhile
22 expenditure, but did have some concerns that this
23 was not a statutorily covered program as outlined
24 in Act 101.

25 And the other thing I just want to say

1 before I finish is I know a lot of my
2 municipalities would like to see this recycling
3 program, perhaps, go out to the private market as
4 opposed to being an unfunded mandate to our
5 municipalities. But thank you for your time, and
6 I will follow up with you.

7 SECRETARY MCDONNELL: Sure. Thank you.

8 REPRESENTATIVE TOPPER: Thank you.

9 And thank you also, Mr. Secretary. There
10 have been some requests to move that mic closer.
11 I think we've got it pretty good now, so I do
12 appreciate it. You are one of our more soft
13 spoken testifiers that we've had before us, so --

14 SECRETARY MCDONNELL: I was going to say,
15 if it's any closer to me now, it would be behind
16 me.

17 REPRESENTATIVE TOPPER: No. I think
18 we're in good shape.

19 The Chair recognizes the lady from
20 Philadelphia, Miss Bullock.

21 REPRESENTATIVE BULLOCK: Thank you,
22 Mr. Chairman.

23 Good after -- good morning,
24 Mr. Secretary.

25 SECRETARY MCDONNELL: Good morning.

1 REPRESENTATIVE BULLOCK: Thank you for
2 being here today.

3 SECRETARY MCDONNELL: Of course.

4 REPRESENTATIVE BULLOCK: We've heard in
5 recent months, perhaps in the last few years,
6 about the potential cost that RGGI would have on
7 consumers. And often, those who oppose RGGI only
8 focus on carbon pricing in a vacuum. There's
9 never or rarely a discussion about the
10 health-related benefits to the Commonwealth for
11 joining RGI -- RGGI or any other cost benefit
12 analysis.

13 According to a study published by Act
14 [phonetic] Associates, member states saw a
15 reduction in the deaths, asthma attacks, lost
16 workdays, and other costs associated with air
17 quality.

18 Can you comment on the lack of such
19 consideration in the face of a pandemic, which
20 has particularly impacted communities of color
21 and other low-income communities that has already
22 taken so many lives?

23 And furthermore, what about any of the
24 realized cost savings of joining RGGI or other
25 cost benefits savings?

1 SECRETARY MCDONNELL: Sure. No. Thank
2 you very much for the question. Incredibly
3 important because there's a number of elements to
4 RGGI, but those health benefits are certainly a
5 prime one.

6 One thing, just even on the cost, at the
7 outset. When we did the modeling, it showed an
8 increase in an average homeowner's utility rate
9 of, I think, \$1.50 per month. That is if you did
10 not invest the money in any way. So when you
11 invest in energy efficiency, when you invest in
12 carbon mitigation, those prices go down. The
13 rates actually go in the opposite direction. So
14 just on the costs, there's an important
15 clarification to be made.

16 Now, that said, the amounts of health
17 benefits we expect to see through this is between
18 \$2 million and -- \$2 billion and \$6 billion
19 dollars of value. Penn State did a study where
20 they called our estimates conservative and had it
21 more in the order of \$2 to \$4 per year.

22 So the health impacts of this, at a broad
23 sense, are huge. When you get into more acutely
24 environmental justice communities, the ability to
25 electrify school buses, you know, studies showing

1 that when you're in the school bus, you're
2 sucking in twelve times the amount of pollution
3 as you might be when you're outside when you're
4 in a diesel bus, as an example. It's health
5 outcomes. It's educational outcomes. It's
6 social outcomes. It's all of it. Right. So
7 great, great opportunity for us to really drive
8 health outcomes in a positive direction.

9 REPRESENTATIVE BULLOCK: Thank you. And
10 if we've noticed anything last year during the
11 pandemic, those health outcomes have a ripple
12 effect on the lives of our people.

13 Following up on what you just touched in
14 regards to environment justice communities. Last
15 fall, we had the opportunity to join you and our
16 Governor in introducing legislation as well as
17 his Executive Order to establish and permanently
18 establish your Office of Environmental Justice as
19 well as the Environmental Justice Advisory Board.

20 Can you talk a little bit about the
21 importance of those two entities and the role
22 that they play in your Department, why we should
23 continue to invest in them?

24 SECRETARY MCDONNELL: Absolutely.

25 So the Office of Environmental Justice is

1 four staff. We're actually trying to get that up
2 to six now, particularly with some of the work
3 with the Executive Order. But the work that they
4 do is as an advocate in the regions across the
5 State, helping to guide communities through
6 evaluations of permits, address compliance
7 issues, et cetera, you know, really an interface
8 with the rest of the region, rest of the
9 Department on a number of those issues.

10 In addition to that, they have been
11 working on a number of other projects, including
12 outreach -- direct outreach to the communities.
13 I did nine environmental justice roundtables
14 across the State, heard from the communities
15 directly, what do you need. And in some cases,
16 we've been able to get resources into those
17 areas, like Shamokin, where we got some Federal
18 dollars to support blight reduction efforts that
19 they're trying to do.

20 We're also engaged in updating the public
21 participation plan under the EJ policy, as people
22 refer to it. And we expect that that will be out
23 here in the next few months. And that is really
24 expanding beyond the requirement to do some
25 additional outreach on a permit to looking at

1 what does environmental justice mean for
2 compliance and enforcement?

3 what does it mean for the way we do
4 grants?

5 what does it mean for the way, more
6 broadly, we operate as a Department?

7 So really, really important work.

8 REPRESENTATIVE BULLOCK: Thank you very
9 much. I appreciate your time, Secretary.

10 SECRETARY MCDONNELL: Thank you.

11 REPRESENTATIVE BULLOCK: Thank you,
12 Mr. Chairman.

13 REPRESENTATIVE TOPPER: The Chair thanks
14 the lady and recognizes the gentleman from
15 Indiana, Mr. Struzzi.

16 REPRESENTATIVE STRUZZI: Thank you,
17 Mr. Chairman.

18 Good morning, Secretary.

19 SECRETARY MCDONNELL: Good morning.

20 REPRESENTATIVE STRUZZI: On Valentine's
21 Day, the Homer City Generating Station released a
22 press release. And I suppose if you're going to
23 deliver heartbreaking news, it's apropos to be on
24 Valentine's Day.

25 I'm just going to read a little bit of

1 the press release that they issued. The title
2 is: Homer City Generation to Consider Reducing
3 Number of Units in Operation After May of 2023.
4 Homer City Generation recently requested an
5 exemption from the must offer requirement for
6 PJM's upcoming 2023-2024 base residual auction.
7 A final determination on not participating in the
8 base residual auction for certain units and a
9 subsequent deactivation of those units will be
10 made by April 4th. Any deactivated units will be
11 removed from service in May of 2023.

12 One of the reasons that they cite for
13 deactivating these units -- and I'll read right
14 from the press release -- regulatory
15 uncertainties, including those arising from the
16 Commonwealth of Pennsylvania's prospective entry
17 into the Regional Greenhouse Gas Initiative. So
18 we are already seeing the impacts of the Regional
19 Greenhouse Gas Initiative on our electric
20 generation industry.

21 In the Governor's budget themes -- and
22 I'll read from this, as well: RGGI revenues
23 present an opportunity to provide crucial
24 resources to support communities and employees
25 impacted by the energy transition while making

1 targeted investments in greenhouse gas abatement,
2 energy efficiency, and clean and renewable energy
3 programs to reduce air pollution in Pennsylvania.

4 So my question then is, how exactly is
5 the Governor going to support communities and
6 employees impacted? We don't see anything in
7 Indiana County. We're seeing the threat of RGGI.
8 We're seeing our industries leave Pennsylvania.
9 Cheswick Power Plant already shut down. Now, we
10 have Homer City, you know, basically saying,
11 we're going to have to shut down, too, because of
12 RGGI.

13 We don't see anything in Indiana County
14 from the Governor's administration offering to
15 help, offering to transition. All I see are
16 words and promises of future jobs, but nothing.
17 So can you explain how exactly you're going to go
18 about replacing these jobs and the energy
19 production that we're going to lose?

20 SECRETARY MCDONNELL: Sure. So two
21 elements there. Right.

22 One -- and first off, what we're seeing
23 is a long-term trend. This is not something that
24 happened yesterday or in the last two years.
25 When I started with the Department in the energy

1 office, coal was on the order of almost 60
2 percent of the energy fleet. Today it is 17
3 percent. Almost -- I think -- I believe every
4 facility has announced some sort of closure date,
5 with the exception --

6 REPRESENTATIVE STRUZZI: I would say --

7 SECRETARY MCDONNELL: -- with the
8 exception of --

9 REPRESENTATIVE STRUZZI: Excuse me,
10 Mr. Secretary. That is because of the
11 regulations that have been handed down from the
12 Federal government and now in Pennsylvania. I
13 mean, it's being forced on them, not because of
14 market demand, but because of the regulations.

15 SECRETARY MCDONNELL: It's -- it's
16 regulatory. It is the cost of coal versus
17 natural gas. It is the ever-decreasing cost of
18 renewable energy across the State, where we are
19 seeing massive upticks in that. So all of those
20 things are impacting this and leading us to a
21 place where a number of facilities are going to
22 start to look like a Mitchell Power Station or
23 someplace like that that closed well before RGGI.

24 Like these are market dynamics at work.
25 There is legislation in both chambers that

1 provides even more direct support to those
2 communities using the RGGI dollars. And we're
3 definitely encouraging of that effort and want to
4 see it happen. If that doesn't occur, we intend
5 to use the authorities we have under Air
6 Pollution Control Act to do as much as we
7 possibly can to incentivize energy efficiency,
8 manufacturing, all of the work that we can do
9 with those dollars, but it would be limited to
10 those things that show an air pollution benefit.

11 REPRESENTATIVE STRUZZI: So the \$410
12 million that you have listed as CO2 budget
13 trading revenues, that would stem from the RGGI
14 carbon tax, essentially?

15 SECRETARY MCDONNELL: That comes from the
16 fee, yes.

17 REPRESENTATIVE STRUZZI: Now if the
18 industries are gone and there's no money, how are
19 you going to compensate for that in our
20 communities that are losing all these jobs,
21 losing all these tax dollars, forcing people to
22 leave this Commonwealth?

23 How are we going to account for that if
24 there's no tax to be collected?

25 SECRETARY MCDONNELL: So again, when --

1 it's two things, right. One, when we did the
2 modeling, what we showed was a number of these
3 plants were planning on going out. And that was
4 not based on RGGI. That was based on business as
5 usual modeling, that these plants were on the
6 cusp of closing between now and 2028.

7 And we expect that -- and we expected,
8 frankly, starting in 2022, 2023 that that is when
9 we would start to see some of that ramp up. So
10 all of that is built into the assumptions that
11 we're making for that \$410 million dollars
12 specifically.

13 REPRESENTATIVE STRUZZI: Can I get one
14 more quick question in here?

15 You know, I've been fighting against RGGI
16 for a couple of years now. Worried about local
17 jobs, local taxes, everything that comes with
18 RGGI that would be devastating to our rural
19 communities. But now, what we're seeing in the
20 world the past five days is the danger that
21 energy dependence on other countries, and even on
22 other states, would create for Pennsylvania. And
23 I just cannot fathom why we continue to move
24 forward with something like RGGI at a time like
25 this, when energy costs are increasing for

1 families across the United States, when we're
2 seeing what's happening in this world.

3 I don't understand how this
4 administration can continue to support this
5 effort moving forward when it is simply not the
6 right thing to do.

7 Any comment?

8 SECRETARY MCDONNELL: Certainly. And
9 first, you know, obviously, the events of this
10 past week, and some of the images, just heart
11 really goes out to everyone dealing with it in
12 the Ukraine.

13 The -- on the specific question, I think
14 this is -- these are things that were happening
15 within the market. These are -- this was plants
16 that were on the cusp of closing, have announced
17 closings. I think in terms of the statements
18 that the reason this is happening is RGGI, there
19 is only one facility I am aware of that cited
20 RGGI as the only reason for their closure
21 decision, and that was Beaver County Power
22 Facility that said because of RGGI, they are no
23 longer closing.

24 A number of these other facilities have
25 cited, as you say, a litany of things, RGGI being

1 one of those. All of those other things existed
2 before RGGI and were continuing to erode the
3 market share for the coal plants.

4 REPRESENTATIVE STRUZZI: All right. I
5 think we could debate this a little bit further,
6 but I appreciate your time.

7 Thank you, Mr. Chairman.

8 SECRETARY MCDONNELL: Thank you.

9 REPRESENTATIVE TOPPER: The Chair thanks
10 the gentleman.

11 Just to call the Secretary's attention,
12 we've -- I think that this came out, yes, on the
13 24th that the United States imported more
14 gasoline and other refined petroleum products
15 from Russia than any other country in 2021.
16 Obviously, this is a concern.

17 This is -- you're going to, I'm sure,
18 hear more of that concern when it comes from the
19 idea -- I mean, we do talk about environmental
20 justice, but there's also the idea of national
21 security, which brings in its own form of justice
22 that we're trying to become energy independent.

23 I assume your Department is looking at
24 the amount -- maybe you specifically know how
25 much actually comes into Pennsylvania, in terms

1 of petroleum and other related products from
2 Russia?

3 SECRETARY MCDONNELL: I don't have that
4 number off the top, but I can see if we can get
5 it.

6 REPRESENTATIVE TOPPER: That would be --
7 I think that would be helpful in the coming weeks
8 for us to know.

9 SECRETARY MCDONNELL: Yeah. I would
10 point out, even particularly going to us as a
11 State, electrifying the fleet is a sure way of
12 getting to that point of energy independence
13 because we're powering it here and fueling it
14 here. It's when we're relying on outages from
15 other states and things like that that we truly
16 run into trouble.

17 REPRESENTATIVE TOPPER: Okay. Thank you.
18 And the Chair recognizes the lady from
19 Allegheny, Miss Kinkead.

20 REPRESENTATIVE KINKEAD: Thank you,
21 Mr. Chairman.

22 Thank you, Mr. Secretary, for being here
23 today.

24 I wanted to ask sort of a mile high
25 question to start, which is, you know, we've

1 talked a little bit about the significant
2 proposed increases to the budget for DEP and the
3 Governor's proposed budget. And I want to talk a
4 little bit about the history of that and why
5 these dramatic increases are necessary, you know,
6 sort of going -- can you talk to how the
7 Department has been funded in the past and why
8 these increases are necessary?

9 SECRETARY MCDONNELL: Sure. Again, back
10 when I started with the Department, we were an
11 agency of about 3300 employees. You go to today,
12 we're an agency of 2300 employees. There was one
13 year -- we had a number of years that we saw
14 budget cuts, in late 2000s, early 2010s, and one
15 of those years was a 27-percent cut to the
16 General Fund budget. That primarily hit water,
17 which is, frankly, the permits everybody here
18 tends to be most concerned about and have the
19 most conversations about.

20 We, for many years, have been funding
21 that off of the Clean Water Fund, funding those
22 positions off of Clean Water Fund in order to
23 keep up that level of work, but that's just
24 simply no longer a viable option. As we've seen
25 attrition of staff, we've seen that complement

1 come further and further down to get us to the
2 point where we are today.

3 And again, what we've seen over the last
4 year is ability to get ahead on these permits,
5 when we have staff dedicated to do it. Now, in
6 this case, we're dedicating staff through
7 overtime, which is not a sustainable model to do
8 that. So ensuring that we stay on top of this,
9 ensuring that we're able to continue to have
10 quality programs that support exactly the
11 outcomes everybody in this room wants, entails us
12 having some additional staff to accomplish that.

13 REPRESENTATIVE KINKEAD: Thank you.

14 I want to pivot a little bit. I
15 represent Allegheny County, specifically the
16 north side of Pittsburgh and the northern
17 suburbs, which have been really devastated by
18 landslides in recent years. And really, all of
19 Allegheny County has suffered in places across
20 the State. I have a bill that would provide
21 landslide insurance for folks affected, similar
22 to the mine subsidence insurance that we have
23 available right now, but I -- it hasn't moved and
24 we haven't seen much work on it.

25 And so I wondered if you could talk about

1 what resources are available to people right now,
2 given that we don't have this program available
3 to these people who have been impacted?

4 SECRETARY MCDONNELL: Sure. And I don't
5 have to tell you, you're in one of the most
6 landslide-prone areas of the country. I think
7 the reality is a lot of the best you can do on
8 this stuff is the best storm water management you
9 can do. So making sure you're giving
10 precipitation events, places to infiltrate that
11 is not further eroding some of these highly
12 erodible soils that we see in some of these areas
13 because we know, not only are we seeing
14 landslides now, but again, we know more
15 precipitation is coming in coming years that will
16 result in additional precipitation, additional
17 landslides.

18 So you know, making sure we are as
19 attentive as we can be to storm water management
20 is one thing. There's some areas it's just hard
21 and, you know, without a big, big infrastructure
22 thing, almost like a flood wall kind of approach
23 or something like that, you know, going to that
24 the gray infrastructure, it becomes really,
25 really hard to address.

1 REPRESENTATIVE KINKEAD: Thank you.

2 And the Governor's budget actually
3 includes additional funds for storm water
4 management in that regard, correct?

5 SECRETARY MCDONNELL: Yes. Yeah, for
6 storm water management, yeah. And it's outside
7 of the budget, but \$450 million dollars of the
8 ARPA money that a couple people have raised,
9 that's specifically for storm water management.

10 REPRESENTATIVE KINKEAD: Okay. Thank you
11 very much.

12 SECRETARY MCDONNELL: Thank you.

13 REPRESENTATIVE TOPPER: The Chair thanks
14 the lady and recognizes the gentleman from
15 Washington, Mr. O'Neal.

16 REPRESENTATIVE O'NEAL: Thank you,
17 Mr. Chairman.

18 Thank you, Mr. Secretary, for being here.

19 Let me just first off start by making a
20 comment, just I observed from previous
21 questioners. You made the comment that for
22 additional funding in years beyond this year,
23 that's up to the General Assembly and the Office
24 of the Budget to negotiate. And yet, DEP and the
25 Governor's Office has proceeded forward with RGGI

1 and the Carbon Tax Program without any input from
2 the legislature. I just find that a little bit
3 ironic to -- that you're here today saying it's
4 our responsibility to negotiate budgets in the
5 future, and yet you're taking unilateral action
6 when it comes to RGGI.

7 So that's not really where I'm going with
8 my questioning, but I wanted to make that
9 comment, Mr. Secretary.

10 Last year, I actually asked you for a
11 breakdown of how many permits you received as an
12 agency, and how many of those permits qualified
13 for the Permit Decision Guarantee Program. And I
14 have yet to receive that information. And to my
15 knowledge, the Committee hasn't received it
16 either.

17 So last year, I think you touted a number
18 in the 90 percent completion of the Permit
19 Decision Guarantee Program. What is that
20 percentage this year?

21 SECRETARY MCDONNELL: This year, it's 94
22 percent.

23 REPRESENTATIVE O'NEAL: Okay. And out of
24 how many total applications?

25 SECRETARY MCDONNELL: I'm not sure

1 exactly off the top of my head how many are PDG
2 eligible. And I apologize, I thought we had
3 gotten you that information. I'll verify with
4 staff. I thought we had sent that to the
5 Committee.

6 REPRESENTATIVE O'NEAL: If it was sent to
7 the Committee, I'm unaware of it.

8 SECRETARY MCDONNELL: Okay.

9 REPRESENTATIVE O'NEAL: So that's really
10 the heart of my questioning though. So one of
11 the things I was -- where I was going last year
12 with the questioning was, you know, 94 percent
13 completion through the Permit Decision Guarantee,
14 but the agency has unilateral authority to decide
15 whether or not it qualifies for the PDG or not.

16 So how many applications, how many permit
17 applications are actually included in that 94
18 percent, and how many are excluded?

19 How many total applications does the
20 Department receive?

21 SECRETARY MCDONNELL: Yeah. And again,
22 I'll have to get you that specific number. The
23 one thing I will say is it is also not the only
24 way we manage it. So one of the -- one of the
25 things we've taken to tracking is the amount of

1 permits we see coming in, the amount of permits
2 we see coming out on -- on a monthly basis.

3 And in doing that, what we're seeing is
4 that we are moving anywhere between 1,000 and
5 2,000 more permits than we are receiving, to take
6 bites out of that -- significant bites out of
7 that backlog. And that includes those permits
8 that are not PDG. We actually saw -- I think the
9 fiscal year number is 94 percent. I think the
10 number dropped to like 89 percent.

11 In part, that's because we're going back
12 and dealing with some of those that fell out of
13 PDG and are pushing those along, as well. I
14 think one of the other things that's going to be
15 really helpful, we're putting together a tool
16 that you'll be able to see online, where you'll
17 be able to see kind of where it is, like do we
18 have it or is it back with an applicant for some
19 decision point for them, which is good
20 transparency for you, but good transparency,
21 frankly, for applicants and others that they know
22 it fits back with their consultant or whatever.

23 REPRESENTATIVE O'NEAL: Okay. So that's
24 great to hear. When can we expect that total?

25 SECRETARY MCDONNELL: I know they've run

1 into some technical issues with it, with the
2 database, but I think it's coming within the next
3 several months here.

4 REPRESENTATIVE O'NEAL: Okay. Great.

5 SECRETARY MCDONNELL: Uh-huh.

6 REPRESENTATIVE O'NEAL: Okay. So it's
7 not a secret that permitting timeframes, and
8 specifically in the southwest Pennsylvania
9 regional office, have been notoriously -- have
10 notoriously been a problem. And here, last year,
11 I think you even acknowledged when I cited a
12 permit that took somewhere around 400 to 500
13 days. And I believe you acknowledged that that
14 was unacceptable to you, just as much as it was
15 to me.

16 So can you outline what specific steps
17 have been taken the last year to approve the
18 permit decision timelines in the southwest
19 regional office?

20 SECRETARY MCDONNELL: Sure. There's a
21 few things we've done. One is, started a process
22 where working with the union actually that allows
23 us to move permits around. So where we have an
24 issue in one particular area, an overload, we can
25 move it to another region. It gives us more

1 adaptability in terms of who and how we're doing
2 the work.

3 Each week, there's a senior staff level
4 meeting with all of the regional managers to go
5 over kind of permit steps, permit timelines,
6 using visual management, making sure we can see
7 kind of where things are in process, authorizing
8 overtime in regions to get more and more of that
9 work done, and make sure we're pushing things
10 forward. And I think, you know, the electronic
11 tools have come a long way.

12 You know, I think beginning of pandemic,
13 we were on our back foot a bit because we were
14 still getting paper, which meant it was getting
15 delivered to an office. Someone had to go empty
16 a mailbox. People had to come get it, distribute
17 it, and go home to work on it. Now, we're
18 receiving a lot of these things either through
19 the e-permitting system or through our on-base
20 tool that allows us to be a lot more agile in
21 moving the applications around.

22 REPRESENTATIVE O'NEAL: All right. If I
23 could, my time is just about up, but I want to
24 just -- a slightly different question.

25 President Biden has been known to

1 highlight that climate change is the most serious
2 threat facing not only our nation, but the world.
3 Given the political situation across the world
4 right now with Russia attacking Ukraine, would
5 you agree with that statement? And just provide
6 some comments to that effect.

7 SECRETARY MCDONNELL: Sure. So in terms
8 of climate, you know, the Governor has also said
9 it's the biggest environmental issue that we
10 face.

11 REPRESENTATIVE O'NEAL: Well,
12 specifically, President Biden said it's the
13 biggest threat --

14 SECRETARY MCDONNELL: Sure.

15 REPRESENTATIVE O'NEAL: -- facing the
16 world.

17 SECRETARY MCDONNELL: So there's a reason
18 that within the discussion around Ukraine are
19 discussions around pipelines. There's a reason
20 that within the discussion of climate change, the
21 Department of Defense has a significant interest,
22 because they look at it as a threat multiplier,
23 specifically when you get into situations like we
24 start to see in this past week. I'm not sure
25 that you can uncouple those things in as clean a

1 line as you would want.

2 I'm certainly no foreign policy expert
3 and wouldn't pretend to be, but I see --

4 REPRESENTATIVE O'NEAL: But just -- if
5 you don't mind --

6 SECRETARY MCDONNELL: I see a lot of.

7 REPRESENTATIVE O'NEAL: If you don't
8 mind, Mr. Secretary --

9 SECRETARY MCDONNELL: Yeah.

10 REPRESENTATIVE O'NEAL: I think you can
11 decouple projections of future impact of
12 environmental changes, which are all just
13 basically forecasted years into the future and
14 literal people dying on the ground in Ukraine
15 right now. You can absolutely decouple those.
16 So look, I understand your position --

17 REPRESENTATIVE TOPPER: Mr. Secretary,
18 the questioning has concluded, so you don't need
19 to answer further.

20 REPRESENTATIVE O'NEAL: I understand your
21 position. And thank you very much for your time.

22 REPRESENTATIVE TOPPER: The Chair thanks
23 the gentleman and recognizes the lady from
24 Philadelphia, Miss Cephas.

25 REPRESENTATIVE CEPHAS: On a lighter

1 note, thank you, Chairman.

2 And good morning, Secretary.

3 I want to switch the topic over to blight
4 reduction. So I represent the City of
5 Philadelphia. And we have what's called a litter
6 index, which is a map-based survey of the litter
7 conditions on city streets, vacant lots, parks,
8 and recreation sites, rural ways, transit
9 stations, and other public spaces.

10 And naturally, we established this index,
11 like a series of other counties, to, you know,
12 one, identify hot spots, but also study trends
13 and to develop strategies to remediate these
14 conditions. And essentially, this work has a
15 direct impact on the work of your office,
16 especially as it relates to pollution reduction
17 in our water, airways, and on land.

18 So with the influx of dollars that you
19 are receiving in your Department, the resources
20 that you're getting from the Federal government,
21 the roundtable discussions that you've had with
22 the Office of Environmental Justice and the
23 Environmental Justice Advisory Board -- and thank
24 you for coming to Jerome Shabazz over at the
25 Overbrook Environmental Center. He would kill me

1 if I didn't give him a shout out.

2 But with those conversations, with the
3 challenges of municipalities managing litter, not
4 just coming from the city, but also from
5 surrounding counties, with the increase in, you
6 know, construction projects and dumping, what do
7 you feel like your approach is with your
8 Department with the additional resources, the
9 conversations that you've been having with these
10 advisory boards, how do you feel like the
11 Department can be more helpful to municipalities
12 and counties that are dealing with this
13 challenge?

14 SECRETARY MCDONNELL: Sure. No. Thank
15 you for the question.

16 We had -- over the last couple of years,
17 we've been doing a lot of work with PennDOT in
18 Keep Pennsylvania Beautiful and some municipal
19 organizations to really try to throw arms around
20 the litter issue in particular. It's an economic
21 issue. It's environmental. It's health.

22 REPRESENTATIVE CEPHAS: Right.

23 SECRETARY MCDONNELL: Again, it's all of
24 it. And to put into some scoping, nine
25 municipalities in the State spend \$68 million

1 dollars a year on litter. That's money out of
2 people's pockets --

3 REPRESENTATIVE CEPHAS: Right.

4 SECRETARY MCDONNELL: -- going towards
5 litter. So it's not just -- you know, even if
6 you don't think it affects you, it affects you.

7 REPRESENTATIVE CEPHAS: Right.

8 SECRETARY MCDONNELL: We worked with
9 PennDOT, put together a litter action plan --

10 REPRESENTATIVE CEPHAS: Okay.

11 SECRETARY MCDONNELL: -- and are going to
12 be working that through with stakeholder groups.
13 Some of that is regulatory. Actually, one of the
14 things, again, not as germane to Philadelphia,
15 but we just put out a proposed reg for rural
16 transfer stations. So in some of those areas
17 where people don't have access to trash and
18 recycling, it's a drop-off point --

19 REPRESENTATIVE CEPHAS: Right.

20 SECRETARY MCDONNELL: -- that we're doing
21 as a permit by rule, that a municipality or
22 county can establish.

23 So you know, working through a number of
24 means of doing this. It is kind of everything.
25 It's, you know, working with retailers on --

1 REPRESENTATIVE CEPHAS: Right.

2 SECRETARY MCDONNELL: -- packaging and
3 plastic bags and all of that. It's working with
4 the public on making sure it's working, you know,
5 working with municipalities on making sure they
6 have enough resources.

7 Lancaster city, one of my favorite recent
8 things, just put out of front of people's homes
9 has these little refuse bins. And the homeowner
10 actually agrees to throw it in with their trash,
11 so there's -- it's kind of a public
12 infrastructure that communities are taking pride
13 in. So a lot of good ideas out there that we're
14 trying to figure out best ways to adapt.

15 REPRESENTATIVE CEPHAS: I appreciate
16 that. And I thank you for bringing up rural
17 areas because I don't ever want it to just assume
18 that it's just an urban issue, but some of our
19 suburban and rural counties are having similar
20 challenges. And if we can collectively use your
21 advisory board as a way to share best practices
22 and best ideas, I think it would go a long way
23 for the Commonwealth.

24 SECRETARY MCDONNELL: Absolutely.

25 REPRESENTATIVE CEPHAS: Thank you.

1 SECRETARY MCDONNELL: Thank you.

2 REPRESENTATIVE TOPPER: The Chair thanks
3 the lady and recognizes the lady from Bucks,
4 Miss Schroeder.

5 REPRESENTATIVE SCHROEDER: Thank you,
6 Chairman.

7 Hello, Mr. Secretary.

8 SECRETARY MCDONNELL: Hello.

9 REPRESENTATIVE SCHROEDER: So I have some
10 questions in regards to your press release you
11 put out Friday, February 25 regarding the PFAS
12 and PFOA issue and the standards that we're
13 looking to set here.

14 So what is the Department's plan moving
15 forward as it relates to communicating with
16 municipalities, water authorities, ratepayers and
17 consumers, and is it really practical to start
18 down this road without further guidance from the
19 Federal government?

20 SECRETARY MCDONNELL: So a couple of
21 things. One, in putting together this standard,
22 there's been a great deal of outreach with all of
23 the organizations, entities that you cite. When
24 it comes down to it, the path that the Federal
25 government was on was a much, much longer term

1 path for what we were hearing from residents from
2 drinking water companies in terms of what was
3 needed. So we, for the first time, as I said
4 earlier, proceeded with our own MCL for two of
5 the chemicals.

6 Now, that is proposed. So in addition to
7 that, it will continue now to go through a public
8 involvement process, including hearings,
9 including public comment, including any
10 additional information people want to provide us
11 as we consider this in going to final.

12 REPRESENTATIVE SCHROEDER: So is DEP or
13 DOH going to be overseeing that? Because I know
14 -- I believe we did hire a toxicologist. That's
15 how we're starting to develop all these.

16 SECRETARY MCDONNELL: So we ended up --
17 we hired -- we did a contract with Drexel
18 University to provide the toxicological services
19 related to this.

20 REPRESENTATIVE SCHROEDER: Okay. And
21 when was that? How long ago did we actually make
22 those contracts happen?

23 SECRETARY MCDONNELL: Two years ago.

24 REPRESENTATIVE SCHROEDER: Okay.

25 SECRETARY MCDONNELL: I think. We can

1 get you -- I'll get you the exact timeframe.

2 REPRESENTATIVE SCHROEDER: I think it was
3 right before COVID really hit hard.

4 SECRETARY MCDONNELL: Yeah.

5 REPRESENTATIVE SCHROEDER: So is it that
6 then we're going down this road, right, of saying
7 that the Federal government was going to take
8 many years to establish something. I think we
9 started talking about this in 2016 a lot louder
10 and hearing that from them.

11 Is that still the case that the Federal
12 government is looking longer? I heard it's maybe
13 going to be a year or so after maybe we establish
14 this, that they're going to do it. And then we
15 spent how many years now trying to make, you
16 know, this happen, and all those resources and
17 money that we have put and invested in this and
18 they're going to do it any way in like a year or
19 so.

20 SECRETARY MCDONNELL: So the couple
21 things I'd say are, one, the MCL is a piece that
22 has broader implication, in terms of how we do
23 state clean-ups and things like that. So right
24 now, we're using the health advisory limit from
25 the Federal government --

1 REPRESENTATIVE SCHROEDER: which is
2 recommended at 70 parts per trillion.

3 SECRETARY MCDONNELL: Yeah, 70 parts per
4 trillion.

5 These numbers are more protective, are
6 protective according, again, to toxicologists.
7 And I should point out that the actual number we
8 got from Drexel was lower, but when we run it
9 through what's economical --

10 REPRESENTATIVE SCHROEDER: For PFAS and
11 PFOA? Because I think --

12 SECRETARY MCDONNELL: Yes.

13 REPRESENTATIVE SCHROEDER: -- PFOA is 14,
14 PFAS is 18 parts per trillion.

15 SECRETARY MCDONNELL: Yes. So --

16 REPRESENTATIVE SCHROEDER: So they wanted
17 lower --

18 SECRETARY MCDONNELL: So they gave us
19 what's called an MCLG. It's MCL guidance, and
20 then we run that through the regulatory piece to
21 see, like, what's economic, you know, all of
22 those kinds of triggers, to come up with the
23 final number.

24 The Federal government is looking to
25 finalize it by 2023. And it would be effective

1 in 2025.

2 REPRESENTATIVE SCHROEDER: So when we do
3 this public comment for 60 days, that takes us
4 out to April. Then what's the next steps here?

5 Because then by the time we're finished
6 -- because regulatory process, what, takes like
7 two years anyway, I would say, in this building
8 usually?

9 SECRETARY MCDONNELL: We're well into
10 that now, too.

11 REPRESENTATIVE SCHROEDER: Oh, but after
12 the public comment period. So I'm just --

13 SECRETARY MCDONNELL: It's --

14 REPRESENTATIVE SCHROEDER: -- like a year
15 or so later. And putting so much money --
16 because like, since we started this, which I feel
17 like we should have been on this a couple years
18 ago, hiring someone, because we didn't have the
19 expertise in-house, which we admitted many times.

20 Why weren't we on this sooner? Because
21 this is -- I mean, I'm from the southeast. I
22 know my colleague is also from Montgomery County
23 who spoke. I mean, this is very important to our
24 residents and to the taxpayer that we're spending
25 it efficiently and that we're not trying to play

1 catch-up later and spending all this money.

2 SECRETARY MCDONNELL: So again, the
3 importance -- and it's both the Safe Drinking
4 Water Act, as well as the Regulatory Review Act.
5 So there's information that we need going into
6 that. So one of the things that we did do was
7 spend a year sampling across the State. So we
8 had some idea of what the prevalence of this was.

9 And then, in addition to that, we went
10 through the toxicology contract, so we could
11 overlay those numbers on top of it. And it's
12 really the combination of those kinds of efforts
13 that get us to the point that we have something
14 under the Regulatory Review Act that we have the
15 date, the economics --

16 REPRESENTATIVE SCHROEDER: To go forward,
17 yeah.

18 SECRETARY MCDONNELL: -- all of those
19 things to go forward.

20 REPRESENTATIVE SCHROEDER: So then to
21 also put out there also because, you know,
22 thinking about everything -- you have to think
23 long-term, big picture, is it also moving forward
24 with this regulation, does that mean that
25 organizations like the DRBC, for example, will be

1 following this, as well, in requiring additional
2 environmental testing and treatment of drinking
3 water sources for public and private providers?

4 SECRETARY MCDONNELL: I'd have to
5 double-check on the specific way that that
6 intersects, but I think when it's our
7 jurisdictional issue, they follow our number.

8 REPRESENTATIVE SCHROEDER: What your
9 guideline is.

10 SECRETARY MCDONNELL: Yeah, what our
11 guideline is.

12 REPRESENTATIVE SCHROEDER: Okay. Thank
13 you very much. I appreciate it.

14 SECRETARY MCDONNELL: Thank you.

15 REPRESENTATIVE SCHROEDER: Thank you,
16 Chairman.

17 REPRESENTATIVE TOPPER: The Chair thanks
18 the lady and recognizes the lady from
19 Philadelphia, Miss Fiedler.

20 REPRESENTATIVE FIEDLER: Thank you. Good
21 morning.

22 SECRETARY MCDONNELL: Good morning.

23 REPRESENTATIVE FIEDLER: Thank you for
24 joining us today.

25 I want to talk a little bit about climate

1 change and about the steps that the State is
2 taking or could take to mitigate the
3 Commonwealth's role in climate change.

4 I'm sure you saw a report that was just
5 released by the UN, which really paints a pretty
6 alarming picture of our long-term future, our
7 near future, and our present. And I'll just read
8 the headline which says: Climate Change is
9 Harming the Planet Faster Than We Can Adapt. It
10 includes the warning that countries are not doing
11 nearly enough to protect against the ecological
12 disasters and human impact as the planet keeps
13 heating up. And Pennsylvania was ranked fourth
14 in the nation for carbon emissions in 2016.

15 Given the dire situation that we face, do
16 you believe that Pennsylvania is doing enough to
17 play our part to reduce pollution, protect our
18 waterways and air, and to reduce energy
19 consumption?

20 SECRETARY MCDONNELL: As with everything,
21 there's always more we can be doing. You know,
22 scaling up electrification of vehicle fleets
23 faster, moving into the carbon market, as we're
24 trying to do, dealing with industrial sources,
25 you know. We're moving forward regulations that

1 will reduce methane emissions, as an example, but
2 there's always more. It's good to have a partner
3 at the Federal level who's kind of pushing and
4 we're pulling at the same time on these issues.

5 But no, I mean -- and the piece I always
6 come back to on it is the people most impacted
7 are the poorest, most disadvantaged communities,
8 both here within our State, across our nation,
9 and across the world, people who aren't -- don't
10 have an option to do a lot of infrastructure
11 around sea level rise and other things.

12 It definitely, you know, I read through a
13 couple of the articles this morning. And for
14 those who haven't had a chance, it's definitely
15 recommended reading because it's -- if there's
16 anything the scientists think they're getting
17 wrong it's this is happening faster and looking
18 worse than they anticipated.

19 REPRESENTATIVE FIEDLER: Thank you. I
20 was glad to see support for DEP in the Governor's
21 budget proposal and would just love to talk just
22 a little bit more along this line because I think
23 it's so incredibly important to talk about some
24 of the negative consequences that we will face.
25 And as you said, negative consequences that will

1 impact poor and working class people first and
2 hardest.

3 The UN report mentioned investments that
4 governments are making right now to try to limit
5 the damage from storms, flooding, heat waves,
6 things that we are seeing in Philadelphia and
7 across the Commonwealth. They're spending
8 billions of dollars on these adaptation measures,
9 right, on flood barriers, air conditioning
10 installation, early warning systems for severe
11 weather.

12 Can you talk about steps that
13 Pennsylvania is taking towards this and to
14 address things right now and what more you can do
15 to help protect Pennsylvanians and the
16 environment if you were to receive those
17 additional funds?

18 SECRETARY MCDONNELL: Sure. And I'll say
19 at the outset, one of the big things going on in
20 the flooding kind of issues in particular is
21 through the Governor's Office, the Department of
22 Community and Economic Development, and the
23 Emergency Management Agency have been convening
24 to really look at how we leverage State planning
25 board and things like that better to work through

1 some of these issues.

2 As I've said before, you know, a lot of
3 the things that you want to do to address
4 climate, address climate resiliency are also
5 things that clean up water, are things that are
6 protective of people's homes. So you know, those
7 are the opportunities we look to leverage, you
8 know, looking at how we can use these dollars to
9 support communities in ways that allow them to be
10 resilient in a changing climate, and in
11 particular, in those most disadvantaged areas,
12 where we know they tend to be the hardest hit and
13 least responsible, frankly, for the impact.

14 REPRESENTATIVE FIEDLER: Thank you for
15 your answers, and thank you for joining us.

16 SECRETARY MCDONNELL: Thank you.

17 REPRESENTATIVE TOPPER: The Chair thanks
18 the lady and recognizes the gentleman from Tioga,
19 Mr. Owlett.

20 REPRESENTATIVE OWLETT: Thank you,
21 Mr. Chairman.

22 And thank you, Mr. Secretary, for being
23 here.

24 SECRETARY MCDONNELL: Thank you.

25 REPRESENTATIVE OWLETT: I just want to

1 talk quickly about the conservation districts. I
2 see they're level funded this year in the budget.
3 Really, the boots on the ground in all of our
4 communities, and we're talking about flooding on
5 both sides of the aisle today.

6 why would they be level funded if they're
7 the boots on the ground when it comes to such
8 critical issues in all of our communities?

9 SECRETARY MCDONNELL: No. Thank you for
10 that. And I know -- I know the district said it
11 had, through the association, expressed interest
12 in some additional dollars. I think that's
13 something the Department, the administration is
14 definitely open to in terms of moving forward.
15 As you say, they are critical partners for us.
16 You know, the Bay Initiative, in particular,
17 wouldn't be anywhere near where we're at without
18 those boots on the ground.

19 REPRESENTATIVE OWLETT: So as we continue
20 to talk about flooding, we had a hearing in our
21 district around flooding.

22 Are you aware of that hearing?

23 SECRETARY MCDONNELL: Yes.

24 REPRESENTATIVE OWLETT: We visited a
25 bridge that is now in the creek because of a

1 policy that's in place at DEP. And I'm happy to
2 hear of some funding that the Governor has talked
3 about with -- for flood mitigation efforts.

4 Are there any policy changes that DEP is
5 considering or has considered, along with this
6 money to allow access to our creeks and streams
7 for meaningful maintenance to protect our
8 infrastructure and to protect homes and
9 livelihoods and, really, lives.

10 SECRETARY MCDONNELL: So I think, you
11 know, really -- and I've been out on some of
12 those tours, as well. And I think the place I
13 always start is where are we having the issue?
14 What is causing the flooding or the --

15 REPRESENTATIVE OWLETT: Well, I can tell
16 you that. I can tell you where we're having the
17 issue is. We're not allowed to maintain above an
18 infrastructure to a meaningful level to the
19 engineered specifications when the bridge was
20 built. That's why the bridge failed in our
21 district.

22 So my question is, are we going to be
23 able to actually have meaningful maintenance
24 above where we can actually remove gravel, so
25 that the bridge will stay in alignment the way

1 the bridge was drawn? Because if not, I mean, we
2 lost a \$2.5, \$3.3 million dollar bridge. I mean,
3 wouldn't it make sense to take that from your
4 budget?

5 If your policy is keeping us from doing
6 maintenance that we need to do to keep that
7 stream straight, why -- the taxpayers are the
8 ones that are paying for this.

9 SECRETARY MCDONNELL: And again, I guess
10 on that specific one, I'd need to know a little
11 more of the detail. I will say, in being out on
12 some of those, people have asked, why can't I go
13 in and do X, Y, or Z?

14 And in most of those cases, the answer
15 has been, you can. And then the follow-up
16 question becomes, who's going to pay for it,
17 which is a question, both in the immediate, but
18 also a question at a much larger level, right, as
19 again, when you pull that gravel out, you know
20 you're going to be back in doing it.

21 REPRESENTATIVE OWLETT: Right. Exactly.

22 SECRETARY MCDONNELL: You know you're
23 going to be --

24 REPRESENTATIVE OWLETT: But isn't that
25 what we want to do? I mean, there's a

1 commonsense measure here that my district is
2 screaming about right now, and it's to have
3 meaningful access to maintain the channel of
4 which the bridge was engineered for. The bridge
5 that failed -- and I know you haven't -- I don't
6 know if you've seen the picture. I have a
7 picture here that I will show you at the end, I
8 might even give it to you, so you can take it
9 home whenever you're done --

10 SECRETARY MCDONNELL: Yeah, certainly.

11 REPRESENTATIVE OWLETT: -- you know,
12 serving, to take it with you. But this is a big
13 issue. And they're asking to be able to go in on
14 an ongoing basis to be able to maintain that
15 structure, so it does not fail and then turn into
16 a tax burden and a huge inconvenience for the
17 taxpayers of that community.

18 So would you today be willing to work
19 with us on changing that policy to allow
20 municipalities, townships, whoever owns that
21 infrastructure, meaningful access to go to the
22 point necessary to get it back to the point where
23 the channel was whenever that bridge or structure
24 was drawn?

25 SECRETARY MCDONNELL: Absolutely willing

1 to have that conversation. And I will point out
2 we've done some work with Bradford County and
3 Tioga County, two different types of pilots that
4 they were doing. I think the Bradford County
5 one, in particular, unfortunate timing with COVID
6 and the training and things that they needed to
7 do, but there's real potential there for some of
8 that emergency permitting and things like that to
9 get in and deal with things that need to get
10 dealt with.

11 REPRESENTATIVE OWLETT: I would
12 appreciate the opportunity to chat about this.
13 After that hearing --

14 SECRETARY MCDONNELL: Certainly.

15 REPRESENTATIVE OWLETT: -- we had all the
16 information, all the testimonies, the signatures
17 from the community that are engaged on this
18 issue. We gave it to the Governor's Regional
19 Office. And on January 11th, I gave it to the
20 Governor's Office down here with a letter asking
21 for his engagement and for your engagement.

22 Did you receive this letter asking for
23 engagement on this issue?

24 SECRETARY MCDONNELL: That -- I don't
25 recall seeing a letter specifically, although I

1 don't see everything.

2 REPRESENTATIVE OWLETT: well, I'm asking
3 you today --

4 SECRETARY MCDONNELL: Yeah.

5 REPRESENTATIVE OWLETT: -- to engage on
6 this issue.

7 SECRETARY MCDONNELL: Let me check
8 with --

9 REPRESENTATIVE OWLETT: And it seems to
10 me, if we're going to do -- if we're going to put
11 money towards it, I totally agree with the idea,
12 but we have to change the policies along the way
13 that have led us to this point where our
14 infrastructure and our homes and our livelihoods
15 and our farmland is being jeopardized because of
16 the policies that DEP has in place.

17 And I would love to see, if we're going
18 to do \$450 million, why don't we give it to the
19 conservation district. They're the boots on the
20 ground. Let them figure out how to best protect
21 the area that they serve. I think that would be
22 something that I will be advocating for. So
23 thanks for being here.

24 SECRETARY MCDONNELL: Thank you.

25 REPRESENTATIVE TOPPER: The Chair thanks

1 the gentleman and recognizes the gentleman from
2 Berks, Mr. Guzman.

3 REPRESENTATIVE GUZMAN: Thank you,
4 Mr. Chair.

5 And thank you, Mr. Secretary, for your
6 time this morning.

7 SECRETARY MCDONNELL: Thank you.

8 REPRESENTATIVE GUZMAN: Mr. Secretary,
9 I'd like to talk today and ask you some questions
10 specifically regarding water safety and water
11 quality, and specifically lead.

12 A couple years ago, the City of Reading,
13 we actually led the nation and actually had more
14 lead in our water than Flint, Michigan at one
15 point in time. And so lead continues to be an
16 issue that we're facing as the City of Reading.
17 And I know it's a challenge all across the
18 Commonwealth.

19 But very briefly, Mr. Secretary, and I
20 know that you're not a medical professional, but
21 in your opinion, can you briefly describe the
22 adverse effects that lead has on humans and the
23 environment?

24 SECRETARY MCDONNELL: Sure. And thank
25 you for giving me the caveat that I'm not a

1 medical expert because I certainly am not. But
2 blood levels, you know, as they increase,
3 particular in children can lead to developmental
4 issues and other things. So I mean, in
5 particular, for our children, it's a big issue.

6 And then, when you look at the vectors --
7 sorry. When you look at the vectors, this all
8 comes through. You know, you mentioned drinking
9 water, but it's also paint in older urban areas,
10 some in the soils, you know, leaded gasoline, all
11 of that still around, can have significant
12 impacts.

13 REPRESENTATIVE GUZMAN: So and in your
14 opinion, you would say that the most significant
15 category or the most significant subgroup of
16 people that would be impacted by lead would be
17 children?

18 SECRETARY MCDONNELL: Correct.

19 REPRESENTATIVE GUZMAN: would that be
20 correct?

21 And so when we're talking about our
22 school systems and we're talking about
23 underfunding -- underfunding of our school
24 districts, and we're talking about the lead
25 exposure that our kids face on an everyday basis,

1 there's no wonder why our kids are not performing
2 as well as they probably could be on these
3 standardized tests. But in terms of the lead,
4 specifically, what is the Governor's plan to keep
5 PA towards a path, towards a path where we're
6 removing or starting to remove the lead from our
7 waters and across not only just the City of
8 Reading, but across the Commonwealth?

9 SECRETARY MCDONNELL: Sure. So again, a
10 couple of things there. One, lead in particular
11 is a tricky issue in our world because a lot of
12 what we do is at a filter plant, you know, in
13 delivering the water. In the case of lead,
14 you're picking it up in between the filter plant
15 and your faucet, your drinking fountain, what
16 have you.

17 So dealing with, in particular, privately
18 owned lead lines has been a challenge. We've
19 leveraged some tools when we were dealing with
20 this issue with Pittsburgh Water and Sewer, a
21 significant part of the penalties there just went
22 right back in to do lead line replacement, as an
23 example. York Water Company went to the PUC, got
24 permission to go in and do lead line replacements
25 in order to deal with an action level exceedance

1 that they had without getting it onto their rate
2 base.

3 I think the opportunity right now is the
4 Federal dollars coming in through the Drinking
5 Water State Revolving Fund. I think it's
6 something on the order of over \$80 million
7 dollars that we'll have access to, will be
8 available to communities across the Commonwealth
9 in order to address lead line replacement, those
10 private service lines, which are some of the most
11 challenging.

12 And having that amount of money doesn't
13 just give you the opportunity to replace this
14 line or that line, but when you're doing it at
15 scale, you can actually drive down some of those
16 costs where you're replacing them on a block, for
17 example, or things like that. So I think there's
18 real opportunity there. It's an exciting
19 opportunity to turn around what's really been a
20 health and environmental issue for us within the
21 Commonwealth.

22 REPRESENTATIVE GUZMAN: Yes. And I would
23 agree with you, Mr. Secretary, that we have a
24 huge opportunity right now using our Federal
25 stimulus dollars to really make a dent on an

1 issue that's impacting generations of
2 Pennsylvanians, not just now but moving forward.
3 So you know, the time to act is now. Moving
4 forward though, Ken, because I want to be mindful
5 of my time. Another issue that we're dealing
6 with in the City of Reading -- and I'm sure we're
7 not alone of course -- are the issues of brown
8 fields.

9 In the City of Reading, we have a huge
10 brown field literally right in the City of
11 Reading. It's about two and a half acres that's
12 right in the middle of the City of Reading, that
13 unfortunately, is not usable. And so can -- and
14 I know that we're not alone in that issue.

15 So can you talk specifically about what
16 is the Department's goal to help cities like
17 Reading and other urban cities across the
18 Commonwealth to decontaminate these brown fields
19 and eventually get them back on tax rolls?

20 SECRETARY MCDONNELL: Sure. And knowing
21 we're running low on time, three things very
22 quickly. One, under the Federal act, again,
23 there's \$3.5 billion dollars for Superfund. So
24 to the extent any of these would be national
25 priority list sites, those can be funded with

1 those Federal dollars. Usually, we have to match
2 10 percent of that. For these dollars, we do
3 not.

4 They also have brown field dollars. So
5 if it doesn't rise to the level of that, there's
6 brown field dollars available. And then,
7 unfortunately, then on the back end, it's a
8 couple years out at this point, but funding for
9 the hazardous sites cleanup program within the
10 State was funded by the capital stock and
11 franchise tax, now is underfunded and we need to
12 figure out a path forward there to support
13 projects like that.

14 REPRESENTATIVE GUZMAN: well, definitely
15 please keep that in mind, you know, we have brown
16 fields in the City of Reading and I'm sure all
17 across the Commonwealth that need to get put back
18 on tax roll dollars.

19 And finally, you know, my time is up, so
20 I'll be very quick and say that, you know, it's
21 difficult for people in the City of Reading to
22 understand issues like climate change when their
23 basic needs are not being met, Maslow's Hierarchy
24 of Needs. And when we're talking about lead in
25 our water, when we're talking about all of these

1 other issues that are adversely affecting their
2 environment, those issues definitely need to be
3 addressed.

4 Thank you very much, Mr. Chair.

5 SECRETARY MCDONNELL: Thank you.

6 MAJORITY CHAIRMAN SAYLOR: Our next
7 questioner is Jonathan Fritz.

8 REPRESENTATIVE FRITZ: Thank you,
9 Mr. Chairman.

10 And good afternoon, Mr. Secretary.

11 SECRETARY MCDONNELL: Good morning.

12 REPRESENTATIVE FRITZ: Now, listen, I'm a
13 good guy, so I want to start off on the right
14 foot. And along those lines, I'll mention that
15 you and I have had opportunity and occasion to
16 work together and have meetings. And through
17 that experience, I've recognized that you're
18 professional, you're courteous. And even on a
19 one-on-one basis, I would say that you're fairly
20 reasonable.

21 That stated, Mr. Secretary, your agency
22 really leaves one shaking their head. And I'm
23 going to speak to that. Back in December, just a
24 few months ago, we had a hearing in Tioga County
25 concerning flooding. And I'm going to cite from

1 one of your personnel, who was a testifier there.
2 Again, this is quoted: past practices have been
3 to straighten, dredge, and dike streams.
4 Historically, the mindset was to force these
5 highly dynamic systems to follow a specific
6 course and be confined within a channel.
7 However, when we try to control these dynamic
8 systems, the results can be unpredictable. And
9 sometimes our best intentions end up creating
10 conditions that are worse than the original
11 problem.

12 So I'm curious, Mr. Secretary, is this a
13 policy that you endorse and fostered, or was it
14 adopted by personnel below you?

15 SECRETARY MCDONNELL: I'm not sure I
16 would describe it as a policy. I think what
17 they're getting at is, for many, many years, we
18 dealt with flood protection through a lot of gray
19 scale, gray scaling infrastructure, right, a lot
20 of cement, dikes. And what you are doing is
21 putting more volume and more energy into those
22 waters, which exacerbates the problem, maybe not
23 right where that infrastructure is, but it
24 creates a need to create more infrastructure
25 downstream of it, as that next community gets

1 blown out and that next community gets blown out.

2 We have seen that over and over again.

3 So finding ways -- and to give an example, in the
4 north central region, we've worked with the North
5 Central Conservancy and with our regional office
6 in order to reestablish floodplains on marginal
7 lands and on agricultural fields as an example.

8 We see --

9 REPRESENTATIVE FRITZ: Okay. So --

10 SECRETARY MCDONNELL: We see that
11 sediment clean up immediately.

12 REPRESENTATIVE FRITZ: So thank you.
13 That's a perfect segue because that's exactly
14 where I'm going.

15 So in my district -- and I have a very
16 rural district -- we have an increasing amount of
17 floods because of unremoved gravel bars,
18 accumulation of sediment, and accumulation of
19 debris in the waterway. And again, along the
20 same lines of what you just shared with us, your
21 Tioga County testifier asserted that water was
22 just doing what water does. It seeks a
23 floodplain.

24 And where I'm going is, I'm going to
25 assert that this philosophy runs counter,

1 Mr. Secretary, counter to the generations of
2 township supervisors, county commissioners, and
3 private property owners that took action to keep
4 water within a channel, that when water, water
5 stays within a channel, stays within its banks,
6 that less flooding occurs and there's less damage
7 to property and infrastructure, homes, and
8 businesses. And when we leave water to just do
9 what water does, there's a disregard for the
10 roads, bridges, and buildings that are impacted
11 by this uncontrolled water.

12 So Mr. Secretary, can you please help me,
13 please help me, my constituents, county
14 supervisors, county commissioners to understand
15 why we would deviate from past practice of
16 keeping water confined to a channel?

17 SECRETARY MCDONNELL: Again, I think
18 you're turning it into a binary when one doesn't
19 exist. We certainly have roads. We have
20 culverts. We permit culverts every day. Right.
21 That's a thing that happens. We permit gray
22 infrastructure. We work with the Corps on flood
23 infrastructure projects.

24 The idea that that is the only -- that
25 the only solution is that, or that that solution

1 doesn't create -- have the potential to create
2 additional problems downstream or additional
3 problems within that area, I'll say one of the
4 things we're encountering right now in the flood
5 protection projects is lack of maintenance on the
6 projects sponsor.

7 So when we're going in to try to get it
8 fixed under the Corps program, it hasn't been
9 maintained. And that's part -- that's
10 contributing to these flooding issues, as well.

11 REPRESENTATIVE FRITZ: Well, what I'm
12 trying to drill into, I guess, Mr. Secretary, is
13 that there's counterintuitive and really policy
14 that is not from a commonsense place within your
15 agency. And it begs the question -- and I want
16 your honest reply here. Do you feel as though
17 you have personnel within your agency that have,
18 perhaps, an overzealous environmental view or an
19 activist bent?

20 SECRETARY MCDONNELL: No, I do not.

21 REPRESENTATIVE FRITZ: So help me to
22 understand why --

23 SECRETARY MCDONNELL: Here's --

24 REPRESENTATIVE FRITZ: -- an industry
25 such as oil and gas -- and it speaks to this --

1 specifically oil and gas industry, a sector that
2 employs hundreds and thousands of people and has
3 led in part to a renaissance for the
4 Commonwealth, why are they met with such
5 objection by your agency?

6 SECRETARY MCDONNELL: I -- I don't know
7 that I could even begin to characterize it that
8 way.

9 REPRESENTATIVE FRITZ: Well, listen, I
10 know my time is up.

11 SECRETARY MCDONNELL: We have -- we have
12 permitting programs --

13 REPRESENTATIVE FRITZ: Mr. Secretary,
14 Pennsylvania is so uninviting to businesses and
15 industry. And it's two reasons. It's our tax
16 policy -- and we'll talk about that in a
17 different hearing -- but the other reason that is
18 readily given as a response is we have a punitive
19 regulatory environment.

20 And Mr. Secretary, again, I respect you.
21 I appreciate your reference. But this has
22 happened under your watch, under this
23 administration. And it's wronged my
24 constituents. And frankly, it's sad. I'll end
25 my comments there.

1 Thank you.

2 MAJORITY CHAIRMAN SAYLOR: Next
3 questioner is Representative Krueger.

4 REPRESENTATIVE KRUEGER: Thank you,
5 Mr. Chairman.

6 Thank you, Mr. Secretary, for joining us
7 here today. As someone who sits on both the
8 Appropriations Committee and the Environmental
9 Resources and Energy Committee, I've got a couple
10 questions for you.

11 First, during the first week of budget
12 hearings, some members of this Committee
13 discussed the Governor's proposal for a strategic
14 plan for carbon capture and hydrogen hubs.
15 Significant Federal funds are going to be
16 available later this year through the Federal
17 Infrastructure Investment and Jobs Act. And I
18 know the Governor has a proposal to make sure
19 that Pennsylvania is ready to apply.

20 What role will DEP be playing with this
21 project?

22 SECRETARY MCDONNELL: No. Thank you for
23 the question. And you know, it's -- when we talk
24 about climate, it's not one thing, it's a lot of
25 things that we need to be dealing with. And the

1 carbon capture and hydrogen hub is definitely
2 part of that. So I know DCED has the lead, in
3 terms of those dollars, but we've been
4 coordinating with them, as well as Conservation
5 and Natural Resources because they have the State
6 geologist on a number of carbon capture topics
7 kind of leading up to this.

8 We know there's interest out there from
9 someone in the regulatory -- regulated community,
10 rather, to participate and establish such jobs.
11 But we'll have to see where all of those
12 conversations go ultimately.

13 REPRESENTATIVE KRUEGER: In drilling down
14 a bit into the focus on carbon capture, do you
15 expect the focus to be on the industrial sector
16 or on the power sector?

17 Where do you think the best return on
18 investment is for us here in Pennsylvania?

19 SECRETARY MCDONNELL: So I think some of
20 it will depend on time and scale of the resource.
21 Industrial has, frankly, it's just a very tough
22 nut to crack. There are just some activities
23 that we have and are completely necessary that
24 produce carbon. So coming up with means to
25 manage that until -- until there's some other

1 options or better solutions is, I think,
2 critical.

3 So I know, personally, when I look at
4 this stuff, I always think industrial is the
5 place where kind of the solution set is the most
6 lacking. So carbon capture fits -- and hydrogen
7 fit right into that.

8 REPRESENTATIVE KRUEGER: And where is the
9 biggest potential return on investment from a
10 climate perspective?

11 Is it in the industrial sector, do you
12 think?

13 SECRETARY MCDONNELL: I mean, it could --
14 there's certainly applications in the energy
15 sector, but you know, as they say, when we start
16 talking about things like cement making, steel
17 making, there aren't great alternatives out there
18 for additional energy sources or things like that
19 that scale up to meet those needs. So those are
20 places where it starts to satisfy a much more
21 immediate need.

22 REPRESENTATIVE KRUEGER: Okay. Well, I
23 do hope that the strategic planning process is
24 successful and Pennsylvania is able to compete
25 for these dollars.

1 My second question is on a whole other
2 topic, crypto currency, and specifically, about
3 the energy needs in climate impacts of crypto
4 currency here in Pennsylvania. Last week, there
5 was an announcement of a new crypto facility in
6 Beaver County, and the announcement implied that
7 DCED had been very involved in this process.

8 Was the DEP also involved?

9 SECRETARY MCDONNELL: We only get
10 involved in that stuff on the permitting end.

11 REPRESENTATIVE KRUEGER: Okay.

12 SECRETARY MCDONNELL: So looking at what
13 the permit ramifications would be.

14 REPRESENTATIVE KRUEGER: So this is a
15 topic that I'm learning about currently. And
16 it's -- I know that it's a fairly new field. My
17 understanding is that there's a real potential
18 climate impact here for crypto currency. While
19 it's something that is emerging and, you know, we
20 need to be tracking to be competitive, right now,
21 the crypto currency is using as much energy as
22 the entire country of Sweden. And the data
23 mining that needs to happen, not the physical
24 mining, is highly energy intense.

25 So how is the DEP looking at climate

1 mitigation or the regulatory environment for this
2 field?

3 SECRETARY MCDONNELL: So I think in
4 particular there, some of what we're looking at
5 is, for example, some of the permits that we have
6 on the air side for these. There's exemptions
7 built within that are designed so that if a
8 facility operates partial -- part of the year or
9 something like that, that they can operate under
10 certain conditions.

11 I don't think we envision that being an
12 11 month off, 1 month off -- 11 month on, 1 month
13 off kind of process at these kinds of scales. So
14 we're still kind of wrapping our head around it,
15 thinking it through in terms of exactly what we
16 need to be looking at on the regulatory end. But
17 kind of similar to you, if anybody had told me I
18 would be testifying about crypto currency at a
19 hearing a year ago, I would not have believed
20 them.

21 REPRESENTATIVE KRUEGER: Okay. Thank
22 you, Mr. Secretary. My time is up.

23 SECRETARY MCDONNELL: Thank you.

24 MAJORITY CHAIRMAN SAYLOR: Next
25 questioner is Representative Jesse Topper.

1 REPRESENTATIVE TOPPER: Mr. Secretary,
2 good to see you from this microphone. I
3 appreciate your time this morning.

4 You had mentioned earlier, as we talked a
5 little bit about importing from Russia gas, and
6 you had said -- and oil. And you had said that
7 one of the ideas was electrifying the fleet. And
8 while I understand, you know, we're going to
9 expound on that a little bit. I understand the
10 need for a diverse portfolio.

11 One of the things I think many of us have
12 advocated for, let's be as diverse as possible.
13 Let's talk about solar. Let's talk about wind,
14 but let's also talk about the facts on the
15 ground, which is we're not Arizona. Even
16 environmental groups don't like windmills going
17 up everywhere. We understand what it does to the
18 natural habitats, including the birds that are in
19 those areas. And of course, people simply don't
20 want them around. And the idea of constructing
21 them is very expensive, and we're subsidizing so
22 much of that.

23 What we do have -- we do have the ability
24 to get stuff out of the ground, get energy out of
25 the ground in terms of our natural gas, and move

1 it to point A and point B. And we can be -- we
2 can be -- I think somebody described us once as
3 the Saudi Arabia of natural gas. We can actually
4 be helping not just our own State, but states
5 around us, and now Europe.

6 And what we've seen with this conflict,
7 for years we've said that energy policy really
8 does come down to national security. And I'm not
9 asking you to be, you know, a national security
10 expert. I'm not asking you to be a foreign
11 policy expert, but you are an expert in terms of
12 the environment.

13 what can we do right now to get our
14 resources out of the ground quicker and move from
15 point A to point B in a way that actually
16 contributes to what we're seeing going on
17 globally, but also what we need to do here in
18 Pennsylvania? Because we can be, I think you
19 would agree, we can be an exporter of this
20 product.

21 SECRETARY MCDONNELL: I think the brake
22 that you see on the natural gas industry has been
23 the price of natural gas, in terms of pulling
24 things out of the ground. We have wells that
25 have been drilled that are not producing, you

1 know, and able to produce that are not producing
2 simply because there's no need for that in terms
3 of -- in terms of the value of that --

4 REPRESENTATIVE TOPPER: But is there a
5 place for them to go?

6 In other words, one of the price points
7 is the lack of the ability to get it out to where
8 it needs to be.

9 SECRETARY MCDONNELL: Sure. And you
10 know, I think you've seen in our State a number
11 of pipelines built over the last eight years
12 across the Commonwealth.

13 REPRESENTATIVE TOPPER: We've seen a lot
14 stalled, too.

15 SECRETARY MCDONNELL: Huh?

16 REPRESENTATIVE TOPPER: We've seen a lot
17 stalled, too.

18 SECRETARY MCDONNELL: Not on our end.

19 REPRESENTATIVE TOPPER: Well, I think --
20 I think when -- what we're looking at is the
21 ability -- we do feel it's been stalled, not just
22 on the end of DEP, but of regulation overall.
23 The Biden Administration came out and said they
24 want to focus on renewable energies, not pulling
25 more production, whether it comes with oil. And

1 I know the EPA also has some -- to that, but do
2 you agree with that or do you think we need to
3 continue to get more out of what we have here in
4 our natural resources?

5 SECRETARY MCDONNELL: I think -- I think
6 we already have a strong position on natural gas.
7 We also have 15.7 gigawatts of solar currently in
8 the PJMQ, representing \$17 billion dollars worth
9 of investment in the Commonwealth of
10 Pennsylvania. So I think there's a discussion to
11 be had around all of these energy sources and the
12 impacts that they bring, both positive and
13 negative to the Commonwealth.

14 REPRESENTATIVE TOPPER: And from a
15 national perspective, we've heard the diverse
16 portfolio argument. And again, I understand
17 that, but it's also a practical argument that I
18 think sometimes people think electricity is its
19 own resource, that it just somehow appears, but
20 that's not true.

21 SECRETARY MCDONNELL: It comes from the
22 outlet, right?

23 REPRESENTATIVE TOPPER: That's right. It
24 comes from the outlet, but it's not. It's driven
25 by the other energy sources that we're talking

1 about.

2 SECRETARY MCDONNELL: Absolutely.

3 REPRESENTATIVE TOPPER: And one thing
4 that my people can see right now, my constituents
5 and everyone's around the State is the price of
6 gas and the price of energy overall. Which
7 again, we would anticipate because of what's
8 going on globally, that those will continue to
9 rise.

10 What can we do to bring those down?

11 SECRETARY MCDONNELL: So right now, we've
12 already seen some of that. And obviously, we'll
13 need to see what happens here over the next week.
14 But as we were seeing some of these spikes over
15 the last couple of months, the price of natural
16 gas went up over \$5.00.

17 That's now down between \$3 and \$4. And
18 the expectation was it will stabilize there.
19 We'll have to see, right, over the coming weeks
20 here. So I think, you know, it's things like
21 that that are going to drive this down
22 ultimately. The thing none of us can control is
23 what's happening overseas in terms of that kind
24 of impact.

25 REPRESENTATIVE TOPPER: We can't control

1 it, but I think what it does do is it
2 highlights --

3 SECRETARY MCDONNELL: Sure.

4 REPRESENTATIVE TOPPER: -- what we need
5 to do here and what many of us have been talking
6 about for years, which is it's not just about
7 energy and not just about making money and not
8 just about -- it's about actually having security
9 when we can produce our own energy, when we can
10 support our own grids because we know there are
11 bad actors all over the world that are looking to
12 disrupt that.

13 Thank you, Mr. Chairman.

14 MAJORITY CHAIRMAN SAYLOR: Next is
15 Representative Mullins.

16 REPRESENTATIVE MULLINS: Thank you,
17 Mr. Secretary. Good morning.

18 SECRETARY MCDONNELL: Good morning.

19 REPRESENTATIVE MULLINS: I wanted to
20 touch briefly on landfill policy. You know, I
21 put my garbage out before I left town this
22 morning. I'd like my wife to keep voting for me,
23 you know, it's little things like that that keep
24 her okay with me coming down here so much, but --

25 SECRETARY MCDONNELL: I have a reminder

1 on my phone because of that.

2 REPRESENTATIVE MULLINS: Yep. It's a
3 wise -- it's a good career move, but in that
4 vein, you know, I wouldn't be a conscientious
5 lawmaker from northeastern Pennsylvania without
6 discussing, you know, refuse and landfill policy.
7 And northeast PA, in my district specifically, is
8 home to the Keystone Sanitary Landfill, which was
9 just given a major permit modification approval
10 by the DEP, a very controversial matter in
11 northeastern Pennsylvania with a host of
12 environmental and property value concerns, which
13 are certainly widespread and understandably felt.

14 Now, again, I mentioned putting my trash
15 out. I'd be -- it would be disingenuous of me to
16 rail against any landfill, particularly in, you
17 know, in spite -- in light of the fact that we
18 don't have as robust of a recycling plan or
19 composting technology as we could. We all
20 understand that our trash has to go somewhere,
21 and I think there's always that
22 not-in-my-backyard aspect to it.

23 The fact of the matter is the Keystone
24 Sanitary Landfill has been accepting trash in our
25 backyard, in our collective backyard, for quite a

1 long time. And you know, just -- you guys do --
2 DEP does reapplication windows in 10-year
3 segments, renewal -- renewal permits. Yet the
4 recent permit modification allowed for over 40
5 years of acceptance at the current volume of
6 intake, much of it out-of-state waste.

7 I'm just trying to understand how you're
8 able to accept a volume of trash that far exceeds
9 a 10-year renewal period as prescribed within
10 DEP's statute.

11 SECRETARY MCDONNELL: Sure. And the
12 fundamental answer there is the design may be for
13 that, but every 10 years, that goes through an
14 evaluation process under permit. So that is the
15 design for the landfill, in terms of what we
16 approved, but that doesn't necessarily mean that
17 they get that approval. Every 10 years, they
18 have to go through that same kind of process in
19 terms of justification.

20 I mean, the broader piece, and it's
21 something, you know, I mentioned earlier in
22 looking at Act 101, you know, I think a couple of
23 the things you had said really strike home. You
24 know, one was Act 101 was done at a time we did
25 not have landfill space and did not know where it

1 was going. So it was designed to get landfills
2 built. Now, as you say, we have a significant
3 amount coming out, and from out-of-state, and
4 it's a conversation worth having, right.

5 REPRESENTATIVE MULLINS: Which of course
6 the out-of-state stuff is certainly --

7 SECRETARY MCDONNELL: Yeah.

8 REPRESENTATIVE MULLINS: -- an interstate
9 commerce issue that we at the State level can't
10 control or dictate. But when you make these
11 decisions, is regional landfill capacity also
12 considered in that decision process?

13 SECRETARY MCDONNELL: The -- it's part of
14 it, yes. The capacity issues are part of it.
15 Will the -- is there waste to come there is
16 essentially the way that gets evaluated.

17 REPRESENTATIVE MULLINS: Okay. And then
18 one other issue on refuse and waste. Electronic
19 recycling, electronic waste is a major problem
20 plaguing Pennsylvania roadsides, forests, other
21 -- other places where people end up dumping them
22 because, let's face it, it's not profitable for
23 recycling markets to be accepting those things.
24 And I know there are international components to
25 all of this, but in your -- in your experience,

1 is any other statement doing a better job than we
2 are?

3 And are there lessons that we can be
4 taking as a General Assembly, and then, as the
5 industry producing these electronics?

6 SECRETARY MCDONNELL: Definitely. And I
7 believe Michigan is one of the states that we
8 looked at, but I can get you that fuller list. I
9 think the reality, in terms of lesson learned, is
10 when you base manufacturer's obligation on a
11 weight and that weight relates to lead line CRT
12 TVs need to be thrown out. And the weight that
13 it's based on is the newest LED.

14 You're going to have a disparity. People
15 are going to meet that need immediately. So
16 there has to be a better way to do this. I know
17 we've had some conversations, but would look
18 forward to having further on the Covered Device
19 Recycling Act.

20 REPRESENTATIVE MULLINS: Thank you.

21 SECRETARY MCDONNELL: Thank you.

22 MAJORITY CHAIRMAN SAYLOR: Our next
23 questioner is Representative David Zimmerman.

24 REPRESENTATIVE ZIMMERMAN: Thank you,
25 Mr. Chairman.

1 Good to see you, Mr. Secretary. Good to
2 have you here.

3 SECRETARY MCDONNELL: Good to see you.

4 REPRESENTATIVE ZIMMERMAN: So I want to
5 just give a shout out to our conservation
6 districts. I mean, they do just a phenomenal
7 job. And they're the ones so close to the people
8 and communicating with them and so forth.

9 My question to you is that whenever there
10 seems to be an issue related to the conservation
11 district and a constituent, for example, it's
12 normally the comment is, well, it's bogged down
13 at DEP. So my question is, is policy clear on
14 what the conservation districts can do from
15 beginning to end?

16 And where does DEP step in?

17 And then, what's the communication
18 between DEP and the conservation district?

19 It seems like maybe we have an issue
20 going on there, but that could be addressed, as
21 well, so what's your --

22 SECRETARY MCDONNELL: Sure. So on our
23 end, we have, in each of the regions, we have
24 conservation district field representatives, who
25 are the primary interactors with the conservation

1 districts. I don't know exactly -- like I think
2 those lines are relatively clear.

3 I think there's things they know that
4 they can do, things they know they can't, and
5 then sometimes there's questions and, you know,
6 we'll have those discussions about particular
7 projects or particular issues, but if there's a
8 particular scenario, you know, would love to kick
9 that around with staff.

10 REPRESENTATIVE ZIMMERMAN: Okay. Good.
11 Well, it seems -- I mean, that's what I -- when
12 I hear a complaint, it's always that it's bogged
13 down at DEP. So I just ask if there's a way to
14 kind of clarify that and make sure that's working
15 as well as it could. So thank you for that.

16 So a second question, switching gears a
17 little bit and talking just a little bit about
18 the carbon capture market and where that's at.
19 So in the Governor's budget address, you know,
20 his theme is carbon capture utilization and
21 storage, or CCUS. And you know, he spoke about
22 that whole thing. So my question really, there
23 is -- and my colleague from the other side a bit
24 ago talked briefly about that, as well, but it
25 sounds like DEP may be working with DCED.

1 My question though is, in all the carbon
2 conversations and, you know, the industrial side
3 and working with, you know, with the whole carbon
4 market, has agriculture been considered at all in
5 that -- in that process?

6 SECRETARY MCDONNELL: So again, I think
7 the specifics in terms of some of the carbon
8 capture we're talking about are very much the
9 injection kind of technologies, things like that.
10 We definitely -- and I talk all the time about
11 the critical work in ag as we do the Chesapeake
12 Bay efforts, as an example. Some of what is
13 happening there is the sequestration of carbon,
14 you know, as you move to no till and these other
15 best management practices on the field.

16 So them being engaged on the carbon
17 sequestration piece of this carbon capture,
18 absolutely critical.

19 REPRESENTATIVE ZIMMERMAN: Yeah. Well,
20 the reason I bring that up, I think it's crucial
21 that we recognize that everything that's green
22 actually is capturing carbon. That anything --
23 any plant life needs carbon to grow and thrive.
24 And so like a young tree, for example, uses up or
25 captures much more carbon than an older mature

1 tree. A plant that has, you know, deep roots
2 captures much more and so forth. But I think
3 that's a conversation that I hope is going to be
4 a big part of that conversation.

5 So what are we doing to compete with
6 neighboring states in this whole market?

7 SECRETARY MCDONNELL: In the -- in which
8 market.

9 REPRESENTATIVE ZIMMERMAN: In the whole
10 carbon capture market.

11 SECRETARY MCDONNELL: So again, I think
12 nationally, really on this stuff, there really is
13 like one market. It's primarily driven by the
14 California prices today. That obviously may
15 change at the Federal level with things that they
16 may be examining. But in terms of competing with
17 other states, I think that's part of the purpose
18 of the Governor's initiative for the 100,000, is
19 to do the work, to figure out exactly where and
20 frankly probably in southwestern part of the
21 state would be a good hub for this kind of
22 capture, even if it is as a Demonstration
23 Project.

24 Again, I know there's entities out there
25 already interested in this prior to either the

1 Governor or President Biden's announcement.

2 So I think working through that is going
3 to be -- and putting forth the next best plan we
4 can, which is what really what that \$100,000 is
5 for.

6 REPRESENTATIVE ZIMMERMAN: Okay. Looks
7 like my time is up. I was just going to ask one
8 real quick and last question.

9 And that is what are we doing or going to
10 do to make sure that we don't overregulate and
11 limit timelines and so forth related to that
12 whole market, as well?

13 With that, thank you.

14 Thank you, Mr. Chairman.

15 MAJORITY CHAIRMAN SAYLOR: Next
16 questioner is Representative Johnathan Hershey.

17 REPRESENTATIVE HERSHEY: Thank you,
18 Chairman.

19 Good morning, Secretary.

20 SECRETARY MCDONNELL: Good morning.

21 REPRESENTATIVE HERSHEY: Thank you for
22 being here.

23 SECRETARY MCDONNELL: Of course.

24 REPRESENTATIVE HERSHEY: I would like to
25 follow up on my colleague from Adams County's

1 question about the proposal for the \$5 million
2 dollar proposal for the new hires.

3 You had mentioned that it's hopefully to
4 address some waterways and wetlands programs, and
5 that's what the Governor's executive budget lays
6 out, as well. But at the same time, Budget
7 Secretary Thall indicated that some of these
8 positions would go toward filling and expanding
9 the complement for the purpose of permit reviews
10 and improving timeframes for permit reviews. And
11 you've expressed interest in hiring staff for
12 that purpose in the past, as well.

13 So what exactly is the plan for these
14 employees that you plan to hire?

15 SECRETARY MCDONNELL: So again, it's
16 additional staff in the regions to do the permit
17 review work. It is dam safety inspection, it is
18 standing up this new program that, again, we've
19 been working on, but it's really one half-time
20 person who's been doing all of the wetland
21 mitigation work across the state, now it's taking
22 off.

23 We're about to launch an in-lieu fee
24 program, which is preferred way of doing wetland
25 mitigation, but it requires staff to oversee that

1 program. Again, it should simplify the process
2 for the applicant, for the Department, and lead
3 to better environmental outcome because you're
4 doing wetland at scale as opposed to on this
5 property and on that property.

6 So those are the kinds of things. I
7 think, again, it all comes back to the
8 environmental health and safety mission of the
9 Department.

10 REPRESENTATIVE HERSHEY: And it just
11 sounds like a lot of work for 41 people.

12 SECRETARY MCDONNELL: Well, they're not
13 the only ones, you know. It's additional, right.
14 So there are people reviewing permits today in
15 each of the regions. We do have dam safety
16 inspectors. It's just more work than they can
17 keep up with, particularly without engaging in
18 thousands of hours of overtime.

19 REPRESENTATIVE HERSHEY: Yeah. And you
20 know, certainly we appreciate addressing those
21 issues. And as a member of the Bay Commission,
22 you know, we want to address that, but also
23 getting consistency and just certainty for our
24 permit holders and applicants is really
25 important --

1 SECRETARY MCDONNELL: Absolutely.

2 REPRESENTATIVE HERSHEY: -- to me and my
3 constituents.

4 So to that end, as we're coming out of
5 the pandemic here and trying to get back into the
6 office, are you implementing procedures right now
7 to try to get employees to come back into the
8 office and meet some of these permitting demands?

9 SECRETARY MCDONNELL: So we have -- our
10 current -- the current setup that we have is
11 about 67 percent are part-time. So they're
12 getting into the office two days a week. We have
13 18 percent that are full-time telework. And
14 then, the remaining 15 percent are no tele-work.
15 What we have found, as I said, is driven down the
16 amount of permits we have been backlogged over
17 the last several months under that scenario.

18 So what we're seeing in the telework
19 space is more work being accomplished. Again, I
20 think there's other things going on there in
21 terms of some of the IT improvements we've made,
22 some of the management meetings we've put in
23 place, et cetera. But we're seeing the permits
24 move.

25 REPRESENTATIVE HERSHEY: Okay. And of

1 that -- of this staff that's working remotely,
2 how many of them do you plan to transition back
3 into a full-time in-office setting?

4 SECRETARY MCDONNELL: At this point, the
5 plan is to have, you know, unless something
6 changes with individual employees, individual
7 programs, I think that's how we're moving forward
8 at this point. We're also, in terms of, you
9 know, in addition to the not having enough
10 people, the other thing we're doing is frankly
11 competing with engineering firms and other
12 companies for this staff. And we're seeing that
13 staff in the private sector definitely taking
14 advantage of telework opportunities.

15 So if we want to maintain quality staff
16 at the Department, it's part of what we need to
17 do. We need to get the work done, but you know,
18 I think we can accomplish both.

19 REPRESENTATIVE HERSHEY: That's certainly
20 encouraging to hear. As you heard from most of
21 my colleagues here, certainty and predictability
22 are something that our small businesses and our
23 farmers in my area are looking for.

24 So I appreciate that and appreciate what
25 you've addressed to try to work through that

1 process. And thank you for your time.

2 MAJORITY CHAIRMAN SAYLOR: Our next
3 questioner is Representative Doyle Heffley.

4 REPRESENTATIVE HEFFLEY: Thank you,
5 Mr. Chairman.

6 Thank you, Mr. Secretary, for being here.

7 Earlier this year, this body had to pass
8 legislation dealing with the California Clean Air
9 Act and emissions standards that were
10 automatically adopted by the State of
11 Pennsylvania. When industry leaders had found
12 out that the State was going to adopt the
13 standards requiring all commercial vehicles or
14 heavy trucks sold in the State of Pennsylvania to
15 pay an extra \$2,000 per vehicle for warranties
16 that did not affect the standard of Clean Air at
17 all, but just an added cost, the contact at
18 DEP -- DEP wasn't even, I don't think, aware of
19 it at the time and then subsequently passed
20 legislation work with DEP, and they overturned
21 that regulation, which would have drove
22 businesses out of the State of Pennsylvania.

23 Now, once again, we're looking at
24 regulations that I'm hearing that DEP has been
25 pursuing to adopt the California zero emissions

1 vehicle standards, which would require auto
2 dealers to have so many electric vehicles on
3 their lot. Right now, I think California
4 requires 26, but they're looking at doubling that
5 to 52 percent.

6 In a time when many of these dealers are
7 struggling, and we're all struggling with
8 shortages of equipment, shortages of chips, a
9 logistics nightmare is getting that, you know,
10 getting those products in to even fix the cars,
11 why would DEP once again be pursuing California
12 dictate to the residents of Pennsylvania? These
13 are unelected bureaucrats, which are adopting
14 policies by people that are not elected in the
15 State of Pennsylvania, but elected in California,
16 to change our emissions standards and our clean
17 air.

18 What is DEP doing to stand up for the
19 residents here instead of just blindly adopting
20 these things which will really hurt the residents
21 here in the Commonwealth of Pennsylvania?

22 SECRETARY MCDONNELL: So two things.
23 One, just it's always for every state, a binary
24 choice, right. We don't have the option to
25 develop a Pennsylvania standard.

1 REPRESENTATIVE HEFFLEY: So we
2 automatically then adopt the California standard?

3 SECRETARY MCDONNELL: It's either the
4 California standard or the Federal standard.
5 Those are the only two options.

6 REPRESENTATIVE HEFFLEY: Well, Federal
7 standards I can see. That would require -- but
8 just adopting California standards wouldn't make
9 sense. And with that, there's also other
10 policies that I see DEP has not really stood up
11 for the residents here in this Commonwealth. And
12 when we look at the DRBC, blocking natural gas
13 development in that area, whether it be the DRBC
14 blocking pipelines to ship our natural gas to
15 states like New Jersey and New York.

16 And I found it interesting that the good
17 gentleman from Lackawanna County talked a little
18 bit about the garbage and the sanitation issue we
19 have where New York and New Jersey can send us
20 all their trash to pile in landfills, but yet,
21 they're blocking our natural gas from going into
22 their markets, while at the same time taking
23 natural gas from Russia.

24 When is our DEP, through your vote on the
25 DRBC, willing to stand up to New York and New

1 Jersey?

2 Also at the same time, New York Water
3 Authority is making a play to have a grip on more
4 of the water in the Delaware River Basin
5 Commission through studies on dams like the
6 Francis E. Walter dam. I just want to know --
7 and I think the residents here in Pennsylvania
8 want to know -- and instead of adopting policies
9 from California, instead of kowtowing to New York
10 Water Authority, New York State, or New Jersey
11 when it comes to our economic development, what
12 is our DEP doing to stand up for the residents
13 here in Pennsylvania?

14 SECRETARY MCDONNELL: So Representative,
15 specifically on the dam in particular, I think we
16 are, if anything, doing the opposite of kowtowing
17 to New York and New York City, who would love to
18 see us use that dam in order for them not to have
19 responsibility for the sulfur near and on the
20 Delaware River. We want to make sure -- and
21 that's why we made sure, we pulled other
22 resources into that, so it wasn't a State of New
23 York show -- pulled other resources into it to
24 make sure we're evaluating the drought impacts,
25 the recreational impacts, which I know are

1 incredibly important to your constituents.

2 The one thing, in terms of the earlier
3 mention of serving the residents of Pennsylvania,
4 for vehicles, you can't go to a lot in
5 Pennsylvania -- and this is pre-COVID -- you
6 couldn't go to a lot in Pennsylvania and get an
7 electric car. You couldn't do it. I tried.

8 So you look at what is happening on, say,
9 the Super Bowl, where they're advertising all of
10 these electric vehicles. Today, you cannot go to
11 one of those dealerships and find one of those
12 vehicles available for a Pennsylvania resident.

13 REPRESENTATIVE HEFFLEY: And a lot of
14 that isn't solely because -- it's driven by two
15 things. One is, is the public going to purchase
16 those vehicles and people putting things on their
17 lot that people are going to purchase. The other
18 part is, those vehicles aren't readily available.
19 Now, you're going to put a requirement onto
20 Pennsylvania dealerships to adjust to what the
21 California standard is and require 50 percent of
22 the vehicles, when they can't even get them in.

23 People that are ordering electric
24 vehicles now are waiting on the list for two to
25 three years to get that in. How can we then

1 require dealerships to have so many on their lot?

2 SECRETARY MCDONNELL: So again, there's
3 -- what's happening now, which is, you know, you
4 can't get a traditional internal combustion
5 engine car, let alone an electric very easily.
6 When this came up first -- and I need to point
7 out, too, California is moving through some
8 changes to their regs, so we're evaluating. We
9 haven't made a decision yet on whether we're
10 proceeding with that rule or not, but when we
11 were going through some of that early evaluation,
12 some of the -- some of the organizations would
13 literally refer to the electric cars as their
14 Maryland car or their Oregon car or their
15 California car because that's where they're being
16 sold.

17 It's not that those cars were unavailable
18 in Pennsylvania. It's that those states had a
19 requirement under that reg, which required those
20 vehicles to be there and available to their
21 residents.

22 REPRESENTATIVE HEFFLEY: I'm out of time,
23 but they had a Maryland standard. They didn't
24 automatically adopt the California standard.

25 SECRETARY MCDONNELL: They adopted

1 the --

2 REPRESENTATIVE HEFFLEY: What I'm saying
3 is if we want to do something, I say we should be
4 doing it internally --

5 SECRETARY MCDONNELL: Yeah.

6 REPRESENTATIVE HEFFLEY: -- and be
7 working with our -- with those partners in
8 business and the government to make that happen,
9 not just blindly adopting out-of-state standards.

10 Thank you.

11 SECRETARY MCDONNELL: They adopted the
12 California standard.

13 MAJORITY CHAIRMAN SAYLOR: Our next
14 questioner is Representative Lee James.

15 REPRESENTATIVE JAMES: Thank you,
16 Mr. Chairman.

17 Good morning, Secretary McDonnell.

18 SECRETARY MCDONNELL: Good morning.

19 REPRESENTATIVE JAMES: I want to talk a
20 little oil and water, so to speak. In
21 Pennsylvania, the shale gas industry as well as
22 some of your own oil and gas professionals have
23 been disparaged by Attorney General Shapiro on
24 environmental compliance matters. Yet the
25 industry has an environmental compliance rate of

1 about 97 percent versus inspection data findings
2 from your own Department that drinking water
3 companies in Pennsylvania have only a 66 percent
4 average compliance rate.

5 Can you comment on AG Shapiro's
6 indictment of DEP oversight of the oil and gas
7 industry? Is it accurate?

8 SECRETARY MCDONNELL: So I think in the
9 grand jury report, one of the things you will see
10 is our reply where we clearly took issue with any
11 number of statements that were made about our
12 employees or the way some of those facts were
13 approached.

14 REPRESENTATIVE JAMES: Would you please
15 comment on your agency statement that AG
16 Shapiro's report is factually and legally
17 inaccurate and, quote, relies on hearsay?

18 SECRETARY MCDONNELL: Again, I think the
19 reply that we gave to the report speaks for
20 itself in terms of what is in there.

21 MAJORITY CHAIRMAN SAYLOR: Mr. Secretary,
22 I appreciate you had a report, but you have to
23 answer the question. He's asking you to
24 basically repeat whatever you've said previously.
25 Just referring back to the report doesn't help

1 the public who are listening in as to what you
2 said at that point in time. So I ask that you
3 please answer his question as to directly what
4 you had to say about Josh Shapiro, the Attorney
5 General's report. Because again, the public
6 listening don't know what's in that report. And
7 that's the point of this.

8 SECRETARY MCDONNELL: Sure. I mean,
9 there was particular cases and particular
10 complainants that we deal with that were
11 interviewed in the report. You know, the
12 Department side of that was not necessarily
13 represented throughout the report, I think it's
14 fair to say. And there were comments about, you
15 know, of a revolving door almost between industry
16 and State employees, which I have not seen exist
17 and I don't think exists.

18 REPRESENTATIVE JAMES: One more question.
19 Three sentences really.

20 The Department of Environmental
21 Protection has a lawsuit to force the premature
22 effective rate -- date, excuse me -- for RGGI
23 compliance. Can you please explain why the
24 Department of Environmental Protection hired the
25 firm of Ballard Spahr, headquartered in

1 Philadelphia with over 600 lawyers as counsel and
2 not the Office of the Attorney General of
3 Pennsylvania?

4 Is -- unless Ballard, of course, is
5 working pro bono, this is kind of an enormous
6 waste of taxpayer dollars. Did the AG refuse the
7 case because he believes that DEP is wrong on the
8 law, or is there another reason?

9 SECRETARY MCDONNELL: I'm not familiar
10 with any conversation that might have taken place
11 between general counsel and AG's Office on it, so
12 I can't really comment on that element of it.

13 REPRESENTATIVE JAMES: Okay. No comment
14 on why your agency hired not the Department of
15 the Attorney General?

16 SECRETARY MCDONNELL: Correct. Yeah. I
17 mean, we work that through the Office of General
18 Counsel.

19 REPRESENTATIVE JAMES: I'm stunned.

20 SECRETARY MCDONNELL: I --

21 REPRESENTATIVE JAMES: I yield my time.

22 MAJORITY CHAIRMAN SAYLOR: Next is
23 Representative Natalie Mihalek.

24 REPRESENTATIVE MIHALEK: Thank you,
25 Mr. Chairman.

1 Thank you, Mr. Secretary, for being here
2 today.

3 SECRETARY MCDONNELL: Of course.

4 REPRESENTATIVE MIHALEK: I'm sure you've
5 seen the headlines, and it was spoken about
6 earlier with one of my colleagues about the
7 Ukraine in recent days. And I'm sure you would
8 join me in condemning this unprovoked invasion of
9 the you Ukraine. The loss of innocent lives, the
10 destruction of homes and families and
11 infrastructure has laid bare the true nature of
12 Russian aggression.

13 Russia has now shown beyond any doubt
14 that they will go to any length to advance their
15 agenda at the expense of their neighbors and the
16 general world order. As you know, Russia, like
17 Pennsylvania, has abundant natural gas supplies,
18 and Russian pipelines supply much of Europe and
19 our allies with natural gas.

20 There are legitimate concerns at this
21 point that Russia could cut natural gas supplies
22 to Europe, leaving tens of millions of people to
23 freeze. I've heard in recent years about the
24 need to diversify Russia's energy portfolio and
25 the potential that Pennsylvania natural gas could

1 play in that process. Pennsylvania liquified
2 natural gas exported to Europe is only going to
3 become more important as we move forward.

4 Now, your Department oversees this
5 industry. In light of these recent global
6 events, do you think further development of
7 Pennsylvania's natural gas industry, perhaps with
8 the processing facility on the Delaware River, is
9 warranted?

10 SECRETARY MCDONNELL: Sure. No. Thank
11 you for the question.

12 And the thing -- and I've said this
13 before when we dealt with specific pipelines,
14 what we look at at the agency is does the project
15 being proposed to us meet the regulatory
16 standards of our agency? So if somebody brings
17 us a pipeline project, a warehouse, a residential
18 development, that is the evaluation that we go
19 through. We are not in the space of saying, we
20 need another pipeline, or we do not. That is for
21 markets and others to decide.

22 REPRESENTATIVE MIHALEK: Certainly as,
23 you know, leaders within the Commonwealth, you
24 know, with the Governor, and then with the
25 regulatory agency that, you know, it goes above

1 and beyond just merely, you know, should we grant
2 the permit or should we not grant the permit, but
3 creating an environment where people actually
4 want to apply for permits and be under the guise
5 of DEP.

6 So with the amount --

7 SECRETARY MCDONNELL: We --

8 REPRESENTATIVE MIHALEK: -- of natural
9 gas here in Pennsylvania -- and I'm sure you know
10 that we're quickly moving to a phase where our
11 takeaway capacity will be full, what do you see
12 as the future?

13 Has anybody contacted you, so we're not
14 putting the stuff on trucks to New York or rails
15 to Maryland?

16 Are you taking any steps right now other
17 than, you know, serving as the regulatory agency
18 to foster this development, to create a more
19 friendly environment for these industries to want
20 to come here and move our gas out of the ground?

21 SECRETARY MCDONNELL: I think, again,
22 it's two different questions. One, if there's
23 markets therefore and somebody wants to bring a
24 project forward, that's something we'd evaluate.
25 On the other side of it, I'd say, you know,

1 there's a number of things we've done based on
2 lessons learned, for example, putting the
3 permitting for projects across multiple regions
4 underneath one office out of central office to
5 oversee the permitting of that, so you're not
6 dealing with three different offices in a variety
7 of ways.

8 we're working, as part of some
9 settlements, on guidance around trenchless
10 technology and around alternatives in the 105
11 space and creating some provisions in the 105
12 regulations in that reg development, so that
13 you're not needing to apply for a series of
14 separate ones, just based on county or region,
15 but can apply for a 105 permit that captures the
16 entirety of what is going on with the project,
17 which is really what we mean to do under the
18 context of the regs.

19 REPRESENTATIVE MIHALEK: And that sounds
20 like there are certainly some smaller changes,
21 positive changes being made within the system,
22 and I'm talking about on a more global scale,
23 just given the fact that we're the number two
24 producer of natural gas in the entire country.
25 we have the ability to export freedom.

1 what is being done right now to effect a
2 more global change with this?

3 we know that, you know, the Governor --
4 and I was appreciative that he did, and I think
5 it was one small way that he was, you know,
6 standing in solidarity with the Ukraine, to ask
7 the LCB to stop selling Russian products. But
8 with something like this, where we have the
9 ability to export this product that is likely to
10 be withheld from other nations, is the Governor
11 or DEP or both of you planning an announcement, a
12 task force, you know, a speech about how
13 Pennsylvania natural gas can play a role in this
14 stabilization of the globe?

15 SECRETARY MCDONNELL: I don't think
16 anything beyond what, you know, the Governor said
17 in the past. He's -- he's supportive of the
18 natural gas, you know, industry broadly, but also
19 supportive of our climate goals and needing to
20 manage, you know. So those are two things that
21 can support each other in a variety of ways, but
22 we need to make sure how we're managing it,
23 but --

24 REPRESENTATIVE MIHALEK: I see my time is
25 up. I'd love to follow up on the support from

1 the Governor of the natural gas industry another
2 time.

3 SECRETARY MCDONNELL: Sure.

4 MAJORITY CHAIRMAN SAYLOR: Representative
5 Amen Brown.

6 REPRESENTATIVE BROWN: Good morning.

7 SECRETARY MCDONNELL: Good morning.

8 REPRESENTATIVE BROWN: Thanks for being
9 here today. I just have a few questions.

10 what works goes into developing standards
11 for lead and water?

12 SECRETARY MCDONNELL: So in terms of the
13 lead standards in water, it's really driven at
14 the Federal level. So they've established --
15 they've established an action level of 16 parts
16 per billion. And there's a really complicated
17 way that they figure out exactly how many faucets
18 and a 90th percentile, but if you're above that
19 action level, it means a number of things for
20 that system: notices to the public, advice on how
21 to like flush the system to minimize the amount
22 of lead, et cetera.

23 There's a new lead and copper rule that
24 passed under the previous administration that the
25 current administration is starting to -- has

1 allowed to go forward. So our next step is going
2 to be to take that new rule and incorporate that
3 into our regulations. It has some provisions in
4 it that, I think, are more protective. Because
5 if you get to that 16 action level, it means if
6 you were at 14, there was lead somewhere, right.

7 So making sure we're about it all and not
8 just focused on where it goes above the 16 is a
9 critical thing going forward.

10 REPRESENTATIVE BROWN: Okay.

11 SECRETARY MCDONNELL: That -- as you
12 heard somebody say earlier, from a starting
13 point, we're probably two years away from having
14 that reg in place.

15 REPRESENTATIVE BROWN: Okay. Thank you.
16 Do you believe the Federal standards are
17 safe?

18 SECRETARY MCDONNELL: Are safer -- I
19 think the new reg is a better -- is definitely
20 better than the old one. I know -- and don't
21 have off the top of my head, some of the specific
22 issues we had cited with the new regulation, but
23 I do know the Biden Administration is actually
24 proceeding down the path of yet another
25 rulemaking on this issue to try to make that more

1 protective and fix some of those gaps.

2 REPRESENTATIVE BROWN: Okay. What are
3 your thoughts on State and local legislative
4 efforts to arbitrarily adopt different standards
5 not based on science?

6 SECRETARY MCDONNELL: So we should always
7 adopt based on science. As I said earlier, you
8 know, one of the things that we go through in
9 developing our regs under the Regulatory Review
10 Act is the full evaluation of: what is the
11 science; what can you even detect, based on
12 analytical methods and things like that; and what
13 are some of the costs for effectively taking care
14 of this issue?

15 In the case of lead, part of the
16 challenge, as I said earlier, is you're needing
17 to go to an individual's house, do that dig out
18 of the service line, so having the Federal
19 dollars in place that let you do it at scale,
20 where you can drive down some of those costs and
21 not have an excavator, one excavator one day on a
22 block, I think, is valuable.

23 REPRESENTATIVE BROWN: Okay. Thank you.

24 And my last question is, is there a water
25 system in the State that does not have trace of

1 lead amounts -- well, amounts of lead? Sorry.

2 SECRETARY MCDONNELL: I don't know. I
3 would have to double-check on the trace question.

4 I know there's a few systems that are
5 under the -- that are over the action level,
6 rather, that we deal with. Recently, Pittsburgh
7 Water and Sewer came out from under that, so
8 they're below the action level now. But
9 continuing with a lot of their line replacement
10 work, but I'd have to check on specifics on the
11 traces, the trace question.

12 REPRESENTATIVE BROWN: I look forward to
13 that.

14 Thank you.

15 SECRETARY MCDONNELL: Thank you.

16 And I should point out that testing
17 actually happens at the residence -- at the
18 faucet. Right. So you're not testing it at the
19 facility. So even the knowledge that we would
20 have wouldn't necessarily be complete knowledge,
21 right, because you're testing a certain amount of
22 the faucets.

23 REPRESENTATIVE BROWN: Okay. Great.

24 Thank you.

25 MAJORITY CHAIRMAN SAYLOR: Our next

1 questioner is Representative Ryan Warner.

2 REPRESENTATIVE WARNER: Thank you,
3 Mr. Chairman.

4 Thank you, Mr. Secretary, for joining us
5 today.

6 SECRETARY MCDONNELL: Of course.

7 REPRESENTATIVE WARNER: So I saw a
8 statistic. It said that over the past decade,
9 Pennsylvania CO2 emissions have fallen by 37
10 percent, while maintaining the same electric
11 generation; is that accurate?

12 SECRETARY MCDONNELL: I believe that's
13 accurate, yeah.

14 REPRESENTATIVE WARNER: Okay. So we have
15 successfully reduced our CO2 emissions, but we
16 are still producing as much electric.

17 So in 2018, when referring to RGGI,
18 Governor Wolf stated that Pennsylvania did a
19 great job reducing CO2 emissions -- which
20 obviously, we are -- and that it wasn't necessary
21 to sign on to something that we're already doing
22 a better job at.

23 So since 2018, what's changed?

24 SECRETARY MCDONNELL: Well, what's
25 changed is, as you're -- it's not even anything

1 that's changed. As you're looking forward, one,
2 that reduction is basically natural gas --

3 REPRESENTATIVE WARNER: Well, what -- I'm
4 sorry.

5 SECRETARY MCDONNELL: -- is basically --

6 REPRESENTATIVE WARNER: Let me interrupt
7 you for a second.

8 SECRETARY MCDONNELL: -- natural gas.

9 REPRESENTATIVE WARNER: Let me interrupt
10 you.

11 Specifically, the Governor said it wasn't
12 necessary to join RGGI three years ago. Why is
13 it necessary now?

14 In a three-year timeframe, it wasn't
15 necessary to join RGGI. Now, today, it's
16 necessary to join RGGI. Why?

17 SECRETARY MCDONNELL: Because the data
18 shows that while we achieved great reductions,
19 the way we went about that, that ability to do it
20 is -- has effectively run out. Natural gas
21 displacing coal is what led to those --

22 REPRESENTATIVE WARNER: Is that
23 information the Governor didn't have three years
24 ago?

25 SECRETARY MCDONNELL: I can't speak to --

1 REPRESENTATIVE WARNER: Okay. Moving on.

2 How many states are a part of RGGI?

3 SECRETARY MCDONNELL: Eleven.

4 REPRESENTATIVE WARNER: Eleven. Out of
5 those 11 states, how many of those states joined
6 RGGI without the approval of their legislature?

7 SECRETARY MCDONNELL: One.

8 REPRESENTATIVE WARNER: One?

9 SECRETARY MCDONNELL: Uh-huh.

10 REPRESENTATIVE WARNER: But they
11 retroactively went and joined it with their
12 legislature; is that correct?

13 SECRETARY MCDONNELL: Yes.

14 REPRESENTATIVE WARNER: You're referring
15 to New York?

16 SECRETARY MCDONNELL: Yes.

17 REPRESENTATIVE WARNER: When New York did
18 pass the bill through their legislature to join
19 -- initially, they didn't, but now they have. So
20 the answer would be zero, corrects?

21 SECRETARY MCDONNELL: You said that --

22 REPRESENTATIVE WARNER: Every state
23 that's currently a part of this pact has --

24 SECRETARY MCDONNELL: Your question was
25 initially. And initially --

1 REPRESENTATIVE WARNER: No. I didn't say
2 initially.

3 SECRETARY MCDONNELL: Oh.

4 REPRESENTATIVE WARNER: I said, how many
5 states joined RGGI without the approval of their
6 legislature?

7 SECRETARY MCDONNELL: They joined RGGI
8 through regulation.

9 REPRESENTATIVE WARNER: Through the
10 approval of their legislature?

11 SECRETARY MCDONNELL: Later.

12 REPRESENTATIVE WARNER: Just one state?

13 SECRETARY MCDONNELL: Yes.

14 REPRESENTATIVE WARNER: Okay.

15 All of them -- so just for the record,
16 every state that's part of this pact has done so
17 through the approval of their legislature. New
18 York initially did not, but then retroactively
19 did.

20 SECRETARY MCDONNELL: Uh-huh.

21 REPRESENTATIVE WARNER: So what makes
22 Pennsylvania able to implement this without the
23 approval of the House and the Senate here?

24 SECRETARY MCDONNELL: The House and the
25 Senate approved the Air Pollution Control Act,

1 which gives us broad authority to regulate
2 pollution.

3 REPRESENTATIVE WARNER: So does that
4 bypass --

5 SECRETARY MCDONNELL: Pollution --

6 REPRESENTATIVE WARNER: -- the
7 Constitution of this Commonwealth?

8 SECRETARY MCDONNELL: Pollution being
9 defined under the Clean Air --

10 REPRESENTATIVE WARNER: Does that bypass
11 the --

12 Excuse me, Mr. Secretary.

13 SECRETARY MCDONNELL: Do I get to answer
14 a question?

15 REPRESENTATIVE WARNER: I'm reclaiming my
16 time, sir.

17 The Constitution of this Commonwealth
18 states the legislative power of this Commonwealth
19 shall be invested in a General Assembly, which
20 shall consist of a Senate and a House. It
21 doesn't say the legislative power shall be
22 invested in bureaucrats and State departments,
23 sir.

24 Does that law override the Constitution
25 of this Commonwealth?

1 SECRETARY MCDONNELL: That law was passed
2 by this legislature to give our agency the --

3 REPRESENTATIVE WARNER: I understand.

4 SECRETARY MCDONNELL: -- authority --

5 REPRESENTATIVE WARNER: But do you think
6 that you have the authority to make laws?

7 SECRETARY MCDONNELL: I'd be interested
8 in having a period in one of my comments.

9 MAJORITY CHAIRMAN SAYLOR: Mr. Vitali, if
10 you don't sit down, you will not be recognized to
11 ask questions later. Sit down.

12 Sit down, Mr. Vitali, or you will not be
13 recognized later. I'm warning you for the last
14 time.

15 REPRESENTATIVE WARNER: May I continue,
16 Mr. Chairman? Thank you.

17 Okay. Moving onto that -- moving on from
18 that, I heard that earlier in Representative
19 Struzzi's question, you're projecting \$410
20 million dollars for this budget from fees or
21 taxes collected from RGGI; is that correct?

22 SECRETARY MCDONNELL: Correct.

23 REPRESENTATIVE WARNER: And again, you
24 think you have the authority to do that, based on
25 the Clean Streams and Air Act; is that correct?

1 SECRETARY MCDONNELL: The Air Pollution
2 Control Act --

3 REPRESENTATIVE WARNER: Yes.

4 SECRETARY MCDONNELL: -- yes.

5 REPRESENTATIVE WARNER: I'm sorry. Yes.
6 Our Constitution states: all bills for
7 raising revenue shall originate in the House of
8 Representatives, but the Senate may propose
9 amendments as in other bills. Again, it doesn't
10 say except where the Governor decides if he wants
11 to tax a business or when the DEP thinks it's a
12 good idea. It says all revenue from this
13 Commonwealth must be generated in the House and
14 the Senate, sir.

15 So let me ask you, this \$410 million
16 dollars that we're not deciding how it's being --
17 how it's being spent, who makes that decision in
18 the DEP?

19 SECRETARY MCDONNELL: It will be based on
20 putting out an investment plan that will go
21 through the --

22 REPRESENTATIVE WARNER: No, no. Not how,
23 who. who is making the decision, sir?

24 SECRETARY MCDONNELL: It is.

25 REPRESENTATIVE WARNER: who is making the

1 decision on how that money is being spent?

2 SECRETARY MCDONNELL: I'm giving you the
3 answer. It is going to -- there is going to be
4 an investment plan put out that will have public
5 input. And that investment plan will be the
6 basis upon which we spend the dollars.

7 REPRESENTATIVE WARNER: Mr. Chairman, if
8 I may, on my time. Thank you.

9 Pennsylvania is an energy exporter; is
10 that correct?

11 SECRETARY MCDONNELL: Correct.

12 REPRESENTATIVE WARNER: Okay. So in
13 other words, we produce enough energy that we can
14 export to other states?

15 SECRETARY MCDONNELL: Correct.

16 REPRESENTATIVE WARNER: If energy
17 producers immediately comply with RGGI, would you
18 admit that Pennsylvania would immediately produce
19 less energy?

20 If we complied -- if we complied with the
21 regulation, would we immediately produce less
22 energy in Pennsylvania?

23 SECRETARY MCDONNELL: I -- so the year
24 one number is based on business as usual number.
25 So the \$78 million number of allowances is based

1 on the current admissions we modelled. And we've
2 had a plant closure since then announced.

3 REPRESENTATIVE WARNER: Okay.

4 Mr. Secretary, to conclude, we've recently seen
5 the fight to shut down pipelines in this
6 Commonwealth. After being elected, the President
7 immediately shut down the Keystone XL Pipeline,
8 and then he literally begged Russia and Saudi
9 Arabia to produce more oil.

10 Now, the President has announced a series
11 of sanctions against Russia recently. The
12 Governor has announced a ban on the sale of
13 Russian alcohol, which I agree with, but we're
14 kind of just talking about slaps on the wrist
15 here. Banning Russian vodka isn't going to stop
16 a Russian threat. And the President even
17 admitted that, that the sanctions were weak. One
18 noticeable sanction missing from the Governor and
19 the President that would actually give an
20 economic blow to Russia would be a sanction
21 against the importation of Russian energy, but
22 the reality is, Mr. Secretary, we can't do that
23 because we've shot ourself in the foot with
24 pointless and destructive regulations, and we
25 rely on Russian energy in this country.

1 Mr. Secretary, not only is RGGI a threat
2 to the principles of democracy by bypassing this
3 legislatures, it is a threat to our economy and
4 as we can see on the world stage right now, is a
5 threat to the very security and safety of this
6 nation.

7 Thank you, Mr. Chairman.

8 MAJORITY CHAIRMAN SAYLOR: I want to
9 clarify something here. As Chairman of this
10 Committee -- and I think it's been custom of the
11 Appropriations Committee, we invite the chairmen
12 of all standing committees to come here, but they
13 are here at the pleasure of this Committee. They
14 have no other jurisdiction in this Committee.
15 That's the way it is.

16 So I just want to clarify, nobody has
17 standing of this Committee, but the members of
18 this Committee. The rest are here at the
19 pleasure of this Committee.

20 With that, we'll move to the next
21 questioner, Representative Peter Schweyer.

22 MINORITY CHAIRMAN BRADFORD: And if I
23 could, Chair. I want to thank you. We've had a
24 good year.

25 The one thing I would ask -- and I didn't

1 want to interrupt at the time -- is if we can
2 just let the Secretary ask -- I know people have
3 strong feelings on an issue. And if we can just
4 give the Secretary that courtesy, it would be
5 appreciated.

6 Thank you.

7 MAJORITY CHAIRMAN SAYLOR: Representative
8 Bradford, I understand that members, whether
9 Republican or Democrat, sometimes feel
10 Secretaries drag out their time and they have
11 five minutes and members want to make sure
12 Secretaries get to it. It's everybody's
13 interpretation as to whether the Secretary is
14 answering the questions, and it's like anything.

15 MINORITY CHAIRMAN BRADFORD: But let's be
16 honest --

17 (Inaudible crosstalk.)

18 MINORITY CHAIRMAN BRADFORD: -- during the
19 filibuster game. I've seen it plenty of times.
20 This wasn't it.

21 MAJORITY CHAIRMAN SAYLOR: I understand.

22 MINORITY CHAIRMAN BRADFORD: This was
23 kind of trying to drink from a fire hydrant.

24 MAJORITY CHAIRMAN SAYLOR: We try and be
25 as courteous as possible.

1 With that, Representative Schweyer.

2 REPRESENTATIVE SCHWEYER: Thank you,
3 Mr. Chairman.

4 And like a good member of the
5 Appropriations Committee who has been here for
6 sevens years, I'm going to blow right past the
7 five minutes because I -- I'm going to be the one
8 filibustering my own five minutes, just so you
9 know.

10 Representative Warner, do you need an
11 extra minute because I'm going to take like seven
12 or eight. So you may certainly -- you're good?
13 All right. Cool. Thanks, Ryan.

14 So Mr. Secretary, thank you for joining
15 us today. I think like everybody in this
16 chamber, and judging by news coverage, social
17 media, conversations everywhere, I think
18 everybody is genuinely concerned about the crisis
19 in eastern Europe. The unlawful and disgusting
20 invasion of a sovereign nation is something that
21 we're all concerned about.

22 One of the things that, candidly, I'm
23 concerned about from us locally, what our
24 jurisdiction here is in the Commonwealth of
25 Pennsylvania, is securing our energy future. And

1 one of the things that I think is a misnomer, and
2 one of those things that concerns me is that
3 there seems to be a fundamental either
4 misconception or shall we say emphasis on only
5 one source -- one fuel source of energy.

6 So I'm going to ask a rhetorical
7 question. Natural gas is not, in fact, the only
8 kind of way that we can generate electricity in
9 the Commonwealth of Pennsylvania, correct?

10 SECRETARY MCDONNELL: No, it is not.

11 REPRESENTATIVE SCHWEYER: Okay.

12 SECRETARY MCDONNELL: It is not.

13 REPRESENTATIVE SCHWEYER: Neither is
14 coal, right?

15 SECRETARY MCDONNELL: No, it is not.

16 REPRESENTATIVE SCHWEYER: Last I checked,
17 in the last couple of years, we've actually lost
18 a nuclear power plant in the Commonwealth of
19 Pennsylvania, which manufactured electricity,
20 right?

21 SECRETARY MCDONNELL: Correct.

22 REPRESENTATIVE SCHWEYER: Okay. So there
23 seems to be an unfortunate conversation, that the
24 only way that we can maintain our energy
25 independence, not only from states around us that

1 are purchasing and acquiring our electricity
2 that's produced here in the Commonwealth of
3 Pennsylvania, but as we look towards getting away
4 from -- for a long time, it was questions about
5 middle eastern oil. Now it's questions about
6 Russian gas, which last I checked, the
7 Commonwealth of Pennsylvania doesn't buy a lot of
8 natural gas from Russia.

9 I could be wrong about that, but I'm
10 pretty sure I'm right about that. So as we're
11 looking to create and develop an electric grid
12 that's safer across the Commonwealth of
13 Pennsylvania, sources of energy that are
14 manufactured here that we can actually use
15 ourselves, the sources of clean energy, not just
16 renewable energy, but even things like nuclear,
17 for example, are things that we're not doing as
18 good of a job as we could be here in the
19 Commonwealth of Pennsylvania.

20 would you agree with that?

21 SECRETARY MCDONNELL: Yeah, I think
22 that's, you know, one of the reasons why we have
23 the interest in RGGI, why we have the interest in
24 Alternative Energy Portfolio Standards, for sure.

25 REPRESENTATIVE SCHWEYER: So let's talk

1 about APS and let's talk about some of the
2 initiatives that are in your budget, because this
3 is ultimately a budget address -- a budget
4 conversation.

5 what are some of the things that are in
6 DEP's budget that could help us achieve a higher
7 level of energy independence from, you know,
8 Middle East, Russia, whatever we want to talk
9 about today that will protect American jobs,
10 protect Pennsylvanians jobs, while at the same
11 time having this other benefit of, I don't know,
12 the planet not melting?

13 SECRETARY MCDONNELL: So the starting
14 point is -- for me, I always go to energy
15 efficiency because it's jobs that get done here,
16 and it's immediate impact on people's lives here.
17 When you look at renewable energy, you have grid
18 scale and you have distributed and community, but
19 it's all -- by having it spread out, you're
20 actually making yourself more resilient. By not
21 relying on one plant here, one plant there, but
22 instead building these things out across a grid,
23 you're making yourself more resilient in the long
24 run.

25 You still need some things to balance

1 that in terms of natural gas plants. And I
2 should point out, you know, natural gas is not
3 going away any time soon in the Commonwealth, you
4 know, continue to see those plants operate and
5 demand for product, but there are -- there are
6 definitely advantages to spreading things out.

7 And then, when you get into the electric
8 vehicle piece -- and again, all of these are
9 things supported by either Driving Pennsylvania
10 Forward or Federal dollars. When you get into
11 electric vehicle, those are vehicles that get you
12 places, yes, but they are also batteries. They
13 are batteries that store electricity. They are
14 batteries that can be used to put energy back out
15 on a grid in the same way they store the energy.

16 So you start looking at all of these
17 things collectively, and you're building yourself
18 a more resilient grid over time.

19 REPRESENTATIVE SCHWEYER: Thank you for
20 that. One of the things that, candidly, I think
21 that we're missing an opportunity to have the PUC
22 testify here. It's been some years since we've
23 had the PUC testify here. So some of these
24 questions, I think, are broader policy
25 conversations that I, frankly, think should be

1 addressed towards them. But I'll leave that
2 aside for the moment.

3 One of the things that I find to be
4 interesting is that we've heard throughout this
5 testifying about the need and desire to export
6 our natural gas, but at the same time, we're not
7 talking about developing sources of energy for
8 use here by Pennsylvanians for Pennsylvanians and
9 that will, again, help us detach ourselves from
10 some of those unsavory characters worldwide,
11 including one that's promulgating this terrible
12 war. And it really needs to be a focus, not only
13 of your budget, but frankly of conversations
14 moving forward.

15 Mr. Chairman, thank you.

16 SECRETARY MCDONNELL: Thank you.

17 MAJORITY CHAIRMAN SAYLOR: Our next
18 questioner is Representative Zach Mako.

19 REPRESENTATIVE MAKO: Thank you,
20 Mr. Chairman.

21 And Mr. Secretary, we had our own little
22 global warming going on in this room, so I just
23 kind of want to take the temperature down from 11
24 to about a 3.

25 SECRETARY MCDONNELL: Appreciate that.

1 REPRESENTATIVE MAKO: I just have a
2 couple questions -- I have a couple questions. I
3 don't know the answer to them, so I'm asking
4 legitimate questions. And I want to try to get
5 to the bottom.

6 First, also, we're in politics, so
7 disclaimer, I'm all about systemic, equitable,
8 diverse energy portfolio with energy efficiency
9 and commonsense energy portfolio. But being a
10 good member of the Appropriations Committee, the
11 previous speaker, Mr. Struzzi, was talking about
12 natural gas, coal, nuclear, and all those other
13 energy sources. And you said it was
14 market-dictated and market-driving those energy
15 resources.

16 I just so happened to be reading today --
17 and I got an e-mail from Rutter's yesterday.
18 They had an e-mail saying, Germany signals a
19 U-turn in energy policies on Sunday floating the
20 possibility of extending the life span of coal
21 and even nuclear plant to cut dependency on
22 Russian gas. Part of the broad political rethink
23 following the Moscow invasion of Ukraine. I'm
24 not trying to get into world politics here.
25 Europe's top economy has been under pressure from

1 the western nations to become less dependent on
2 Russian gas, but plans to phase out coal fire
3 plants by 2030 and shut its nuclear power plants
4 by the end of 2022 had left it with few options.

5 So what little I know about foreign
6 policy, I know that Germans are pretty pragmatic
7 people and they're seeing the writing on the wall
8 with the natural gas. If the market starts
9 dictating we go back to the coal and natural gas,
10 nuclear and all that, those others, can we look
11 to DEP to work with the legislature to come up
12 with reasonable solutions moving forward?

13 SECRETARY MCDONNELL: As I said earlier
14 on -- actually, I'll even just say, at one point,
15 somebody came in to me and said, you wouldn't
16 permit a buggy whip factory. And I said, if
17 somebody came in with a plan and wanted to put in
18 a buggy whip factory, God bless them, I don't
19 think it would do well, but we would figure out a
20 way that we work with you to permit that, right.

21 REPRESENTATIVE MAKO: Right.

22 SECRETARY MCDONNELL: We're working -- if
23 somebody came in with a coal plant, if somebody
24 came in with a natural gas plant, we work with
25 them as permit, you know, as permit applicants to

1 do that work, for sure. And I should even point
2 out that when the natural gas price went up to
3 \$5.00, we did see coal -- some more coal coming
4 back onto the system here.

5 REPRESENTATIVE MAKO: Okay. Next
6 question, do you work with PennDOT at all?

7 SECRETARY MCDONNELL: Yes.

8 REPRESENTATIVE MAKO: Okay. So I just
9 had a manager of one of my boroughs, 2,000
10 people, really small, and their maintenance
11 manual -- I don't know if you're familiar with
12 that, the PennDOT maintenance manual -- but it
13 recently changed. They didn't let anyone know.
14 And PennDOT -- I guess I can ask the PennDOT
15 Secretary later, but this is around the MS 4 and
16 the storm sewer runoffs.

17 And they recently just changed that
18 policy, saying that it's on the municipalities,
19 even though it's maintained by PennDOT. And I
20 didn't know if you had any input on that or --

21 SECRETARY MCDONNELL: I -- I don't know
22 specifically. So the way the MS4 program works
23 is we issue MS4 and typically general permits to
24 the smaller municipalities, and then individual
25 permits to the couple of larger entities,

1 including PennDOT. So PennDOT has their own MS4
2 for their facilities.

3 REPRESENTATIVE MAKO: Oh, okay.

4 SECRETARY MCDONNELL: And then the -- I
5 think you said borough -- would have their own,
6 as well. We encourage collaboration between
7 parties where possible, different municipalities
8 working together to achieve --

9 REPRESENTATIVE MAKO: Yeah, it makes
10 sense.

11 And the only reason I brought it up, like
12 I said, is I have a municipality of 2,000. And
13 then, right across the other side of the river is
14 4,200 people. And they're going to get fined
15 \$10,000 a day if they don't clean out their
16 grates, which is obscene.

17 My next question. Does DEP, do they do
18 permitting for windmills? Do you guys do
19 permitting for windmills?

20 SECRETARY MCDONNELL: Very limited. So
21 we would be involved in the erosion sediment.

22 REPRESENTATIVE MAKO: Okay.

23 SECRETARY MCDONNELL: And any wetland
24 impacts related to construction of a wind
25 turbine, possibly things related to not just the

1 turbine itself, but any roads, transmission line,
2 that kind of stuff, but it tends to be fairly
3 limited because you don't have emissions or more
4 traditional water discharges.

5 Q. And is that the same, too, with the
6 solar farms, as well?

7 SECRETARY MCDONNELL: Yeah. The solar
8 farms, it's again, erosion, sediment, and wetland
9 or stream crossing kind of impacts that you might
10 see.

11 REPRESENTATIVE MAKO: Got you. Yeah, the
12 only reason why I was asking, I didn't know --
13 and then, recently, somebody told me about the
14 Chesapeake Bay Foundation suing the EPA on PA.

15 And my last, real quick, question is for
16 recycling of the solar panels and windmills. I
17 -- my understanding is they don't recycle too
18 well. So do we have a plan moving forward?
19 Because you can't just bury these things because
20 they're toxic and they leach into the water?

21 SECRETARY MCDONNELL: Yeah. When they
22 get to end of life, and some municipalities have
23 actually started passing ordinances around
24 reclamation, recycling of the land and the
25 technology, there are components that are able to

1 be cycled, other things that can't be, but that's
2 getting better every day because I think it's
3 recognized as an issue within the industry.

4 REPRESENTATIVE MAKO: Thank you,
5 Mr. Speaker, Mr. Chairman.

6 SECRETARY MCDONNELL: Thank you.

7 MAJORITY CHAIRMAN SAYLOR: Our next
8 questioner is Representative Vitali.

9 REPRESENTATIVE VITALI: Thank you,
10 Mr. Chairman.

11 And thank you, Mr. Secretary. I'd like
12 to talk about orphaned and abandoned wells and
13 the plugging of them. And DEP has estimated in
14 the past that there are up to about 200,000
15 orphaned and abandoned wells out there and there
16 are problems associated with this, methane
17 leakage, risk of explosion, water pollution, and
18 et cetera. And I've always assumed this is a
19 legacy issue. This is something that happened in
20 the past and we just have to deal with that past,
21 but a recent article written by a former DEP
22 Secretary seems to suggest it's not a legacy
23 issue, but an ongoing problem.

24 In an article entitled New Abandoned --
25 DEP Records Show Abandoning Oil and Gas Wells

1 Without Plugging Them is Persuasive in
2 Conventional Drilling Industry. And the article
3 says -- and I'll quote, conventional oil and gas
4 companies who are issued over 4,270 notices of
5 violation for abandoning oil and gas wells
6 without plugging them in the last six years,
7 according to DEP's oil and gas compliance
8 reporting system. Continuing to quote, DEP
9 records show the practice of abandoning wells
10 without plugging them is routine practice in the
11 industry and not an isolated event.

12 Finally, the article says in an October
13 2021 presentation to the Climate Changed Advisory
14 Committee, DEP said in 2018, two conventional oil
15 and gas well operators abandoned approximately
16 2,750 oil and gas wells. So you know, we're
17 going to be getting about \$25 million to plug
18 wells this year and up to \$400 million to plug
19 wells from Federal sources in the next 15 years,
20 but my concern is this could just be a game of
21 Whac-A-Mole, where we're plugging some and the
22 industry continues to abandon them.

23 So I guess my question to you is, you
24 know, do you concede that this is an ongoing
25 problem?

1 what is the problem? why aren't -- why
2 are conventional wells not being plugged?

3 Is it a staffing issue? Is it inadequate
4 bonding not requiring operators to bond
5 adequately?

6 I mean, what is the problem here?

7 SECRETARY MCDONNELL: I think it's
8 probably more the latter, where we have a
9 responsible party, but by the time you get to the
10 abandonment, they're not necessarily a
11 financially viable responsible party to do that
12 work. You know, the bonding numbers are
13 relatively small, you know. It costs us \$17,000
14 to plug a well on average. And some of these
15 blanket bonds are \$25,000 for hundreds of wells.

16 So it's, you know, there's clearly issues
17 within that. I will say some of the things --
18 and the Federal money is important in this,
19 obviously. It's, you know, we spent \$37 million
20 dollars over a 30-year period, and now we're
21 getting \$25 million year one, \$79 million the
22 year thereafter. But we do use other tools.

23 So for example, when there's a transfer
24 of permits, we've gotten some additional bonding,
25 not necessarily full cost, but much, much more

1 bonding on certain transactions. We have pursued
2 compliance and enforcement in some of these
3 cases, but it really is a case-by-case kind of
4 determination as to how that goes.

5 REPRESENTATIVE VITALI: Okay. Slightly
6 different question, if I have time.

7 with regard to the 41 new positions
8 you're bringing on, my information is it's about
9 a \$100,000 per position. So we're talking about
10 a \$4 million, you know, \$100,000 expenditure in a
11 \$42 billion dollar budget. And frankly, you
12 know, I know members who've received RCAP grants
13 in excess of \$4,100,000. So it's really not a
14 question of having the money to pay. It's pretty
15 clear this is chump change in this chamber, \$4
16 million, you know, compared to --

17 would you agree that paying for 41
18 positions is about -- about a 441 -- \$4 million
19 dollar expenditure per year?

20 SECRETARY MCDONNELL: It's \$5 million
21 when you factor in the benefit and then the
22 overhead kind of pieces.

23 REPRESENTATIVE VITALI: Okay. Thank you.

24 SECRETARY MCDONNELL: Thank you.

25 MAJORITY CHAIRMAN SAYLOR: Recognize

1 Representative Bradford for closing comments.

2 MINORITY CHAIRMAN BRADFORD: Thank you,
3 Chairman.

4 Thank you, Secretary.

5 Last year, there was a lot of questions,
6 as well, about RGGI, and I just wanted to circle
7 back. At that time, I expressed a concern that
8 was raised by a lot of members, I believe
9 well-intended, that they believed they had a
10 better idea than RGGI to deal with climate
11 change. Over the last year, have you seen
12 anything from the legislature, constructive, that
13 really piqued your interest that you thought
14 might be a better alternative to deal with the
15 challenge of climate change?

16 SECRETARY MCDONNELL: Nothing that
17 immediately comes to mind, no.

18 MINORITY CHAIRMAN BRADFORD: And that
19 really gets to my point on this issue because I
20 think what you continue to hear on this topic is
21 a lot of speak-out of this building about, okay,
22 RGGI, this, that, or the other thing, but you
23 don't hear a lot of opinion about what they want
24 to do about carbon in the atmosphere, about these
25 pollutants that obviously present a real problem.

1 You know, in my relatively short time in
2 the legislature, when I first got here, it was
3 kind of the cool thing to deny climate change was
4 real. And then it wasn't man-created. And now,
5 it seems to slide into something like, well,
6 there's nothing we can do about it, we're just
7 going to have to take it on the chin. And you
8 know, one of the things -- and I hear a lot of
9 well-intended comments from our colleagues now
10 about the importance of energy independence, and
11 I completely agree that that is an issue,
12 frankly, that should have been an issue long
13 before Mr. Putin decided to move Kyiv.

14 Obviously, that should have been an issue
15 in 2014 when he started inching onto the Ukraine
16 and even before that in the Republic of Georgia,
17 but you hear this kind of, you know, right now,
18 it's popular to stand up and say that. I always
19 wonder in this building if there's that same
20 recognition with issues like climate change, you
21 know, that nothing is real until it's right in
22 your face. Nothing is really a problem until
23 it's presented to you.

24 What is this administration's plan with
25 dealing with climate change?

1 SECRETARY MCDONNELL: No. Thank you for
2 that. And what really struck me was your
3 statement of take one on the chin because one of
4 the things we talk about is it's mitigation, it's
5 adaptation, but it's that resiliency piece.
6 Frankly, we're at a point where we know we're
7 going to take one on the chin. It's a matter of
8 making sure you've kind of locked down your jaw
9 and are ready to take it, right, and can be there
10 for the next punch.

11 So the things we specifically are doing,
12 obviously, we've had the RGGI conversation.
13 We've been doing a lot of work in the energy
14 space around everything from electric vehicles to
15 working with the agricultural community on energy
16 efficiency means, things that are going to allow
17 them to continue to be viable and reduce their
18 cost while also reducing energy impacts.

19 We have a local climate action program,
20 where we've been for the last three years now
21 partnering with universities and municipalities
22 in counties across the State for them to develop
23 their own greenhouse gas inventories and their
24 own climate action plans. And then, we've
25 actually done some funding there. So some of

1 them can implement energy management practices
2 and things like that.

3 There is a lot of money potentially
4 available through -- through the infrastructure
5 bill. Some of that is formula grants that we'll
6 get under the State energy program. And I think
7 we've leveraged those to create some really
8 interesting programs and partnerships, and this
9 will be a level-up of that, but some of it is
10 energy efficiency, grant and loan program, block
11 grants that will allow us to do a lot more of
12 that stuff, again, at scale, which is climate.

13 It's also a monetary issue for
14 municipalities and others, and it's a job creator
15 because, again, somebody has to go into that
16 building to do the work.

17 MINORITY CHAIRMAN BRADFORD: One of the
18 things that I've always been impressed with by
19 the Governor -- and I know sometimes he's not
20 always had fans on our side of the aisle, and
21 frankly, regionally speaking, the unhappiness in
22 Delaware County among Democrats and Republicans
23 regarding the issue of pipelines, as the Governor
24 has continued, I would argue, in a thoughtful way
25 to try to strike a balance. It has not been

1 easy, and I don't think anyone would say it's
2 always been right.

3 But I think, you know, the Governor is
4 clearly taking it -- speaking of taking it on the
5 chin on the issue of his support for fracking,
6 which is not always popular in our caucus.

7 How do you deal with the challenge of, as
8 an administration, you've continued to support
9 some of these, but at the same token, you
10 recognize climate change is real, it's man-made
11 and it needs to be dealt with?

12 Do you recognize this tension? Do you
13 discuss it?

14 And how do you think it makes for better
15 policy for Pennsylvania?

16 SECRETARY MCDONNELL: So at the end of
17 the day -- and it's -- I'll be, at the risk of
18 being even slightly repetitive here, we're an
19 executive agency, so at the end of the day, we're
20 executing the laws. Currently, we have laws that
21 say, if you want to build a pipeline, here's the
22 way you go about doing that, and we evaluate
23 that. And there's things we might evaluate in
24 terms of wetland alternatives and other issues,
25 but we're not judging the pipeline itself. We're

1 managing it in those terms.

2 I think one of the things you're seeing,
3 again, to go back to some of the earlier
4 conversation is market forces are having more of
5 an impact on these things now. We have, you
6 know, relatively low price of natural gas that
7 we've had over the last several years, has not
8 incited a lot of permits and a lot of drilling
9 in the Department.

10 The way the pricing structure, PJM, for
11 electricity prices work, we've seen more and more
12 erosion of coal plants. And now we say, you
13 think of these coal plants, they were designed to
14 run. They were just designed to be up, pumping
15 electrons out, and that's what they're designed
16 to do. Now, they're finding themselves in a
17 place where they need to be on, be off, be on, be
18 off, and they're just not designed for that kind
19 of cycle.

20 So I think we're dealing with it on the
21 market end in terms of the permitting, and we're
22 dealing with it on the climate end in terms of
23 recognizing what's coming next, what are
24 industries demanding, what are employers
25 demanding, what our are neighboring states doing

1 in order to achieve their climate goals.

2 MINORITY CHAIRMAN BRADFORD: And I'm
3 going to say this more by commentary as opposed
4 to a question because this is a policy issue, but
5 I think you rightfully raise the issue of market
6 forces and how that has taken its own impact on
7 things like coal. And I think when you look at
8 what happened with TMI and just market forces,
9 you know, I'm someone who probably would have
10 argued -- and I know the good gentleman from
11 Lehigh talked about the German policy about
12 nuclear energy. Obviously, they did a 180 as a
13 result of the Fukushima tragedy.

14 If you want to be serious about the issue
15 of carbon, there was a lot of folks, again,
16 largely on our side of the aisle, but certain
17 Republicans, as well, who came forward and said
18 we should come in. And you know, at that point,
19 if you read what the gas company said, it was the
20 nuclear bailout. We all got those direct mailers
21 every day. That was the idea of carbon-free
22 energy.

23 That was, frankly, Republicans in many
24 case arguing for involvement into the market in a
25 way to create policy outcomes that they would

1 have preferred. Again, I think there's an
2 argument to be made for there was a lot of sense
3 to that. I'm going to move on from the climate
4 change issue, but I just want to talk to you real
5 quick about the 41 positions because I, for one,
6 was happy to see this. I've heard a lot about
7 permitting issues.

8 Just practically, what does it mean in
9 terms of permitting? What will it mean for folks
10 that are frustrated that DEP doesn't turn around
11 permits quick enough?

12 Is this 41 positions sufficient to make a
13 real difference to those who share those
14 frustrations?

15 SECRETARY MCDONNELL: It's definitely --
16 it definitely will make a very real difference in
17 terms of being able to move those things forward.
18 As I said, you know, right now, we've achieved a
19 lot. And you'll hear -- and I don't disagree
20 that there's always more we can be doing, but
21 we've achieved that, asking a lot of the existing
22 staff, you know, 19,000 hours of overtime, you
23 know, just a lot of really, really hard work.

24 And if you're spending 60, 80 hours a
25 week grinding through permits, at some point you

1 decide maybe there's something else you'd rather
2 be doing, and we lose those good people. We lose
3 those experienced permit reviewers. So getting
4 both that additional staff in to move these
5 permits and also giving those staff who have been
6 just grinding on these for two years the ability
7 to work and see their family in the evening is
8 all worthwhile to me.

9 So I think it helps us both on getting
10 the permits out, but also retaining those
11 experienced staff that we have so they don't feel
12 like they're being taken for granted.

13 MINORITY CHAIRMAN BRADFORD: Well, thank
14 you for what you said. I know it's an issue.
15 There's a frustration. I think it's sometimes
16 bipartisan, and it's a desire. And I think some
17 of my Republican friends also said in the
18 interest of being pro-business, obviously, House
19 Democrats have talked about the CNI reduction and
20 we're hoping to get Republican support on
21 obviously cutting corporate taxes as well as
22 making this investment so businesses can get
23 their permits in a more timely manner.

24 So with that, thank you, Secretary.

25 SECRETARY MCDONNELL: Thank you.

1 MAJORITY CHAIRMAN SAYLOR: I did think
2 this was a DEP hearing, not a Revenue Department,
3 but okay.

4 MINORITY CHAIRMAN BRADFORD: I thought
5 you guys were in the Foreign Affairs Committee,
6 so --

7 MAJORITY CHAIRMAN SAYLOR: Glad to have
8 the Democratic support for tax cuts for once.
9 Anyway, Mr. Secretary, we joke all the time,
10 between Chairman Bradford and I.

11 But first, I want to start off with
12 talking about landfills.

13 How many landfills have been closed,
14 let's say, in the last year, year and a half, any
15 idea?

16 SECRETARY MCDONNELL: I don't know off
17 the top of my head.

18 MAJORITY CHAIRMAN SAYLOR: Some have
19 closed; am I correct?

20 SECRETARY MCDONNELL: What's that?

21 MAJORITY CHAIRMAN SAYLOR: Some have
22 closed?

23 SECRETARY MCDONNELL: I think so, yes,
24 but I --

25 MAJORITY CHAIRMAN SAYLOR: I thought I

1 read that one or two had closed.

2 SECRETARY MCDONNELL: Yeah.

3 MAJORITY CHAIRMAN SAYLOR: I guess the
4 question I have is in the last five years, have
5 we opened any new ones?

6 SECRETARY MCDONNELL: We have not opened
7 any new ones. There's been a lot of expansion of
8 existing.

9 MAJORITY CHAIRMAN SAYLOR: Okay. And the
10 reason I ask that is a real concern that I have
11 is where are we going? We're importing a lot of
12 out-of-state waste. And I think Representative
13 Schweyer might have mentioned it, or somebody,
14 concerning the issue of capacity, out-of-state
15 waste coming in, so on and so forth, and where do
16 we go.

17 where does hospital waste, hazardous
18 waste, go right now?

19 Do we dispose of it in Pennsylvania?

20 SECRETARY MCDONNELL: There's, I believe,
21 at least one -- I think there's two facilities,
22 actually that do, and it's incineration. So
23 anything red-bagged, regulated medical waste goes
24 through an incineration process.

25 MAJORITY CHAIRMAN SAYLOR: And then,

1 where is that taken?

2 I mean, I remember we used to haul it off
3 to South Carolina. And then South Carolina said,
4 no, you're not doing that anymore. So I was just
5 curious as to where --

6 SECRETARY MCDONNELL: I think Debron
7 [phonetic] is one. I feel like there's a second,
8 but yeah.

9 MAJORITY CHAIRMAN SAYLOR: If you could
10 get back to me with that.

11 SECRETARY MCDONNELL: Yeah.

12 MAJORITY CHAIRMAN SAYLOR: I know we've
13 done some expansions. In fact, I have a landfill
14 in my district that's up for an expansion at this
15 point. The one township said yes, one township
16 says no. So it will be interesting to see what
17 you do with that.

18 And the other question comes down to
19 solar. Solar panels are hazardous waste. So
20 where are we or what is our plan? Just as we did
21 with electronics, we had a major problem in the
22 State with electronics. What is our plan in the
23 future because we need the plan now. People --
24 some people have had solar panels on their homes
25 for a period of years, and I think their life is

1 somewhere in the neighborhood of -- anywhere from
2 maybe 10 years, 15 years max. So we have to be
3 prepared for that or we're going to be sitting
4 here with homeowners, as well as probably
5 businesses.

6 SECRETARY MCDONNELL: So the ones today
7 -- the ones at a minimum today, I've --
8 honestly, I'm not remembering the timeframes, but
9 the ones today are more on the like, 20, 25, 30
10 year time scale. As I said, I know a number of
11 those manufacturers are both working on ways to
12 recycle what has been out there as well as making
13 sure they're using manufacturing processes that
14 allow them to recover, especially those rare
15 earth elements from those materials.

16 MAJORITY CHAIRMAN SAYLOR: The concern I
17 have -- I had a case where individuals in my
18 district called my office because the company who
19 had solar panels on their house went bankrupt.
20 And their question was, well, what do I do now?

21 So I guess that's what the driving
22 concern is. How many of these companies may
23 eventually, with the changing technology,
24 changing in the market, what's going to do to
25 protect homeowners to make sure that they have a

1 place to put this that's reasonable, cost
2 effective, and that they're not -- every bit of
3 savings they may have had from going to solar
4 panels is now eaten up in one huge sum of
5 disposal costs. And that's the real concern I
6 have moving forward.

7 The idea of solar panels are great, but
8 we need to have a plan, which we didn't have, to
9 a certain degree, on electronics disposal. So --

10 SECRETARY MCDONNELL: And we're
11 definitely working, in particular with
12 municipalities in the ag community, on citing
13 issues and the technology and what they need to
14 understand about this as they're getting into it
15 to make sure there is good guidance out there on
16 all of these issues.

17 MAJORITY CHAIRMAN SAYLOR: Secretary, I
18 would say that I hope that you create a task
19 force actually on disposal of hazardous waste,
20 hospital waste, as well as this because I think
21 that's going to be a challenge. Because we know
22 it's going to be a challenge for us of human
23 waste as far as -- I say human waste, the garbage
24 every day we put out at our doors. These
25 places -- dumps are closing, and we're not

1 opening new ones.

2 SECRETARY MCDONNELL: So I bit my tongue,
3 but I got to be the program analyst back in the
4 day who worked on our move from the infectious
5 and chemotherapeutic waste regs to the medical
6 waste regs or the regulated medical waste regs.
7 So I'm very familiar with the overall issue. I'm
8 not sure of current status of facilities, but we
9 can get you --

10 MAJORITY CHAIRMAN SAYLOR: I just think
11 we need a plan. We need one that legislators can
12 talk to constituents about because this probably
13 isn't the last solar company that's going to go
14 bankrupt, you know, management is management.
15 Some are good. Some are bad. But I think we
16 need to have a plan to protect our consumers in
17 Pennsylvania with what we do for hazardous waste,
18 as well as for our hospitals as we move forward.

19 The other thing I want to talk about is,
20 again, since Governor Hogan has been in Maryland,
21 you can build a facility down there, a
22 manufacturing plant in six months. Here

23

24

25

1 in Pennsylvania it takes almost, at least two
2 years to get permits. That's a real concern.

3 We just lost a steel plant in Pittsburgh,
4 a \$7 billion dollar investment. They moved.
5 They actually ended up buying a property in
6 Missouri, if I remember correctly, Red River.
7 West Virginia just got a \$3 billion dollar
8 investment on a power plant or a steel plant.
9 And Ohio received a \$20 billion dollar
10 semiconductor plant.

11 These are real concerns Pennsylvania
12 businesses and developers and business people are
13 having with Pennsylvania about the ability to get
14 up and operating facilities. It doesn't do you
15 any good to spend two years going through the
16 permitting process and then you can't get it
17 manufactured here quick enough. By that time,
18 they've already been beaten out by another state
19 or another competitor elsewhere.

20 What is DEP doing to speed this up?

21 And I understand, I've heard today about
22 personnel. I don't see where other states are
23 having that problem with personnel. I'd love to
24 compare Pennsylvania's employees versus Maryland,
25 which is a smaller state than us, but the ability

1 that they can do better permitting than us is
2 unbelievable. And they're attracting more jobs
3 there.

4 So what is DEP going to do in the future
5 to make sure that they're not the detriment to
6 our job creation in Pennsylvania?

7 SECRETARY MCDONNELL: So -- and again, I
8 think, one, I've been in any number of meetings
9 with plants that are locating here. And we're
10 working with them to make sure they understand
11 what all our requirements are and are able to
12 meet those to expedite things.

13 As I said, we've seen a significant
14 reduction in both the number of permits that we
15 currently have as well as times related to those.
16 Continuing to move forward on some of those IT
17 kind of processes to make sure we're transparent
18 on how those processes work, but you know, I
19 think we have a good base to build on, but would
20 welcome, you know, any future discussion on other
21 things we can do.

22 MAJORITY CHAIRMAN SAYLOR: Yeah. I just
23 think you have to look at other states, what
24 they're doing to speed this up. I mean, to me,
25 when I first got elected, Maryland was a terrible

1 state to try to get permits in. Governor Hogan
2 comes in, and all of a sudden, it's six months
3 and they're taking businesses away from
4 Pennsylvania. West Virginia -- our border states
5 are taking our jobs, manufacturing, not counting
6 what's going overseas to these other countries.

7 And that's a real concern to me. I'm
8 old, but younger people, you may have children or
9 grandchildren that you want to keep in this State
10 or in this, you know, and good paying jobs. And
11 we can't do that if we aren't modeling good
12 policies. And right now, I feel that we're
13 modeling bad policies in Pennsylvania.

14 Look, we all want to make sure the
15 environment is good, but we also need to make
16 sure that we can do this in a better manner than
17 other states are doing. And I will just leave it
18 there at that point. Look, there's a lot of
19 great people that work for DEP, but I will tell
20 you there are a lot of bad regulations over there
21 that take forever for companies. Instead of
22 speeding things up, we're slowing things down.
23 And if that continues, this will be a State of
24 old people because we cannot continue shipping
25 our young and our brightest.

1 We have the best universities in the
2 country, if not in the world here in
3 Pennsylvania, but all these kids are leaving and
4 it's because of our government that it's leaving.
5 And it's not just this administration. I'm not
6 trying to blame everything on Governor Wolf or
7 you as Secretary of DEP, but it is a
8 responsibility that you have and the Governor has
9 to try and change that.

10 And we heard about climate change. It
11 takes leadership from Governors and presidents to
12 help that, and that means meeting with Congress
13 or meeting with the legislature. I don't see any
14 meetings. I haven't seen any meetings from this
15 administration to discuss climate change. We've
16 funded flooding. We've done Growing Greener
17 here. We've worked on more money for storm water
18 management in this General Assembly, things that
19 do affect climate change. So it's not like we've
20 ignored it, but we can have broader policy
21 discussions if the administration would come here
22 and have a real serious discussion about climate
23 change, not just sit here and issue edicts from
24 bureaucrats. That's not the way to do things in
25 this Commonwealth. That's not transparency.

1 And more importantly, we're not investing
2 in technologies that would also help us with
3 climate change. There are some great
4 technologies out there and more money that we
5 should be investing in those kinds of things.
6 Look, tomorrow if we cut off the grid that was
7 going to New York and New Jersey because they
8 don't produce enough power in the New England
9 states, they rely on Pennsylvania and West
10 Virginia to give them power. Their lights are on
11 because of us. And yet we are joining RGGI with
12 states who don't produce any power, to create
13 brownouts in Pennsylvania.

14 That's what's going to happen with RGGI
15 because you're going to close these plants. The
16 extra percent of costs for these facilities to
17 run is going to mean that low-income and poverty
18 -- families in poverty are going to see a
19 40-percent increase in their electric rates,
20 their heating rates.

21 We hear people on the other side of the
22 aisle all the time talk about the cost to people
23 in poverty and people of low-income families, but
24 yet, we keep increasing the cost of these
25 individuals to survive in our life. Somewhere

1 along the line, we have to use a little bit of
2 commonsense and understand a carbon tax is not
3 paid by corporations. It's paid by people in
4 their electric bills. It's paid for in their
5 heating bills.

6 we have a ton of money we put out in
7 LIHEAP, and it's never enough. And with a
8 40-percent increase in cost of electricity and
9 heating in Pennsylvania, where do we expect these
10 people to go to pay their bills? There's only so
11 much money when we're turning young people away.

12 So Mr. Secretary, I suggest that this
13 administration start having a conversation with
14 us in the General Assembly, without doing things
15 unilaterally, because I believe every member,
16 Democrats and Republicans in this General
17 Assembly are willing to have that discussion on
18 how to take care of climate change, some
19 man-made, some just naturally just happens.

20 But we can't have that discussion if
21 people aren't willing to come to the table and
22 have real ideas and only want to issue edicts.
23 RGGI is definitely playing into the Russian and
24 the Ukraine issue. It is -- when you can see
25 Massachusetts, New York, and New Jersey importing

1 natural gas from Russia and not buying American
2 and Pennsylvania-made natural gas, that's just a
3 sin. It's almost like putting blood on your
4 hands, and that is a shame that people in those
5 states choose that their policies would prefer to
6 buy Russian gas than to buy American-made gas by
7 workers here in Pennsylvania and elsewhere.

8 Secretary, I thank you for your testimony
9 here today. I really do, but I hope that this
10 administration and DEP will start to solve some
11 of these problems by having a real conversation
12 with the General Assembly and not just going into
13 unilaterally doing things because I don't think
14 that's what the people of Pennsylvania want.
15 It's very clear to me, as people have been
16 complaining to us already about the price of gas
17 at the pumps. The price -- my propane from last
18 July of 2020 to this July of 2021 went up 40
19 percent.

20 And I can tell you, I don't even want to
21 look at the price right now. Fortunately, I
22 signed a contract for a whole year, but God only
23 knows what that price is going to be in July of
24 2022. And we're not helping it by the policies
25 we have right now, Mr. Secretary. So I

1 appreciate your coming here today, and we will
2 end this hearing and we will reconvene at 2:15
3 today with the Secretary of Transportation.

4 Thank you, Mr. Secretary.

5 SECRETARY MCDONNELL: Thank you.

6 (Whereupon, the hearing concluded.)
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

I hereby certify that the proceedings are contained fully and accurately in the notes taken by me on the within proceedings and that this is a correct transcript of the same.

Tracy L. Powell

Tracy L. Powell,
Court Reporter