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November 29, 2021

Submitted via email to info@rggi.org

Re: RGGI Program Review Comment

The undersigned organizations representing frontline communities in the Commonwealth of Pennsylvania submit the following comments in response to the Regional Greenhouse Gas Initiative (RGGI) Inc.'s Program Review.

We acknowledge that Pennsylvania is not yet a participating RGGI state. However, having engaged in establishing a CO₂ Budget Trading Program in PA and knowing the proposed rulemaking that would establish our participation is based upon the existing RGGI Model Rule, we offer the following comments and recommendations to improve the next update of the RGGI Model Rule.

It is undeniable that environmental pollutants and GHG emissions disproportionately impact economically vulnerable communities and communities of color. These same communities are also more susceptible to severe weather events, forced migration, and other real-life impacts of climate change. At the same time, policy solutions to reduce emissions and address the impacts of climate change can be costly, creating localized economic hardship in frontline communities and intensifying existing energy poverty – increasing energy costs and threatening the ability of low-income households most harmed by climate change to maintain safe and stable heat and electricity services to their homes, exacerbating food insecurity and poor health outcomes, and creating instability across entire communities. To be successful at driving a just and equitable transition, climate and emissions policies - including RGGI - must squarely account for the very real economic consequences of such policies in frontline communities. Indeed, these two substantial policy goals – mitigating climate change and alleviating energy poverty – are inextricably linked, and are critical to a just energy transition.¹

We recognize that the RGGI cap-and-invest program provides all participating states with an opportunity to address the impact of greenhouse gas (GHG) emissions, while allowing auction proceeds to be reinvested into our communities. We believe that the RGGI Model Rule must do more to ensure that reinvestment is targeted and prioritized to remediate anticipated impacts of the RGGI program on energy affordability other anticipated localized impacts on economic security and air quality in frontline communities.

¹ Diana Ürge-Vorsatz, Sergio Tirado Herrero, Building synergies between climate change mitigation and energy poverty alleviation, *Energy Policy*, Volume 49, 2012, Pages 83-90, ISSN 0301-4215, <https://doi.org/10.1016/j.enpol.2011.11.093>. (<http://www.sciencedirect.com/science/article/pii/S0301421511009918>)

Given the potential that participation in RGGI brings – e.g., the opportunity to address the impacts of climate change and remedy economic inequities through targeted investment - we have supported Pennsylvania’s participation in the program. We are grateful to have the opportunity to recommend program and policy changes to improve the existing RGGI cap-and-invest structure.

Our recommended amendments are responsive to the environmental justice and equity considerations of the program review. The recommendations provided below are intended to further safeguard low-income communities and communities of color. These are the communities disproportionately impacted by the health consequences of air pollution and shoulder the majority of the cost burden to reduce air pollution. Our suggestions are intended to shield these communities from economic and localized environmental consequences that may result from the RGGI program without further policy adjustments. The necessary transition to a clean energy economy must not take place on the backs of those already most burdened; we need a just transition.

In comments on the proposed Pennsylvania rulemaking, we addressed the intersecting issues of environmental justice and energy poverty. These are issues that must be addressed in tandem to mitigate climate change impacts while also ensuring low-income communities and communities of color are able to access and maintain life-sustaining utility services to their homes at affordable rates.

To help ensure the protection of vulnerable communities from these intersectional issues, we offer the following recommendations to improve the next iteration of the Model Rule:

- *We recommend that RGGI, Inc. establish an Equity Advisory Board, with representation from each RGGI state, including those states which are in the process of joining RGGI. Each state should have at least two members, and at least one of those members should be a frontline community member.*
- *We recommend that the Model Rule include a requirement that each participating state complete an annual equity analysis to measure, verify, and assess the economic or air quality impacts of the program and the effectiveness of investments and the demographics of those served – both directly and indirectly - by RGGI investments. Such an analysis should be subject to review by the Equity Advisory Board. The evaluation itself should include, at a minimum:*
 - *An analysis of individualized energy burdens of residential customers at each income tier (50/100/150/200/250/300% of the Federal poverty level), and whether RGGI has impacted those energy burdens;*
 - *A comprehensive environmental impacts analysis, which examines and quantifies any localized or generalized economic or air quality impact of RGGI implementation on low-income communities, communities of color, and frontline communities, and whether investments through the program are effectively remediating those impacts; and*
 - *A plan for remediation of identified negative impacts.*

To maximize the effectiveness of the equity analysis, and ensure the effectiveness of the final product, to the Equity Advisory Board should develop a standardized set of metrics and points for evaluation. This will help ensure that the data and analysis can be evaluated across RGGI states.

- *We recommend that the Model Rule include guidelines for the investment of auction proceeds to ensure that low-income communities and communities of color are prioritized for investment – and that any anticipated economic impacts of the program are fully remediated. Specifically, we recommend a minimum of 50% of auction proceeds are invested in disadvantaged communities and that said communities are clearly defined. Additional language should be included that prioritizes investment in programs that are administered by local, community-based organizations and measurably improve the availability of energy efficiency and usage reduction assistance for low-income households. It is recommended that the Equity Advisory Board assist in defining what is considered a disadvantaged community.*

Intentional investment of RGGI auction proceeds is of equal importance to ensuring GHG emissions reductions remain constant. Indeed, an equitable investment may result in greater and sustained GHG emission reductions.

This is of particular importance in Pennsylvania because, while the Commonwealth has a number of energy efficiency programs that serve low-income families each year, there are tremendous gaps in those programs that prevent many of Pennsylvania’s most vulnerable households from receiving services to reduce energy costs, improve indoor air quality, and offset bill impacts. Targeting investment to fill the gaps in existing programs would help to measurably improve Pennsylvania’s affordable housing stock, strengthen its skilled workforce, and provide critical economic relief to low-income households. These investments address energy poverty, localized impacts in frontline communities, and climate crisis in an integrated way by reducing the use and cost of energy for a household. We believe this basic principle would hold true for other states as well, even with program measure variation.

In sum, low-income communities and communities of color should not bear the costs – direct or indirect - of climate and emissions mitigation strategy, including RGGI. Energy affordability is a significant driver of environmental justice. We cannot achieve one without the other.

Thank you for the opportunity to provide input on this program review.

Respectfully Submitted,

On Behalf of PULP




Elizabeth R. Marx, Esq.
Executive Director
Pennsylvania Utility Law Project
emarx@pautilitylawproject.org

On Behalf of POWER Interfaith



Bishop Dwayne Royster
Executive Director
POWER Interfaith
droyster@powerinterfaith.org

On Behalf of The Black Church Center for Justice and Equality



William Dunbar
Senior Government Relations Advisor
The Black Church Center for Justice and Equality
williamfdunbar@gmail.com

On Behalf of Center for Coalfield Justice



Ethan Story, Esq.
Community Advocate
Center for Coalfield Justice
ethan@coalfieldjustice.org

On Behalf of Moms Clean Air Force

/s/ Patrice Tomcik

Patrice Tomcik
National Field Manager
Moms Clean Air Force
ptomcik@moms-clean-air-force.org