Industrial Energy Consumers of Pennsylvania

The Voice of Large Energy Consumers

House Environmental and Natural Resource Protection Committee Hearing on
"PRESS Legislation / HB 501"

Testimony of
Rod Williamson
Executive Director
Industrial Energy Consumers of Pennsylvania
May 19, 2025

Chairman Vitali, Chairman Rader, and members of the Committee, thank you for your interest in hearing from the Industrial Energy Consumers of Pennsylvania ("IECPA") regarding the PRESS legislation / HB 501. IECPA is a trade organization formed in 1982 by large, energy-intensive customers with one or more facilities in the Commonwealth of Pennsylvania**.** IECPA represents companies[1] operating in Pennsylvania, providing family-sustaining jobs.

IECPA is deeply concerned about the financial impact this legislation would have on customers. Specifically, we question the necessity of a program that requires additional payments to generation owners— ultimately an added cost to consumers—for resources that are already being installed in response to market demand for clean, reliable generation. However, if the legislature decides to move forward with a reliable energy sustainability standard, IECPA has the following comments regarding HB 501:

- IECPA supports the addition of combined heat and power (CHP) systems along with demand-side management (including industrial by-product technologies consisting of the use of a by-product from an industrial process, including the reuse of energy from exhaust gases or other manufacturing by-products, including combined heat and power systems and waste-heat-to-power systems, that are used in the direct production of electricity at the facility of a customer) as Tier II resources. Both CHP and demand-side management are efficient forms of energy supply and adding these to Tier II supports customer investments.

[1] IECPA Members include: Air Products & Chemicals, Inc.; Airgas USA, LLC; Benton Foundry, Inc; East Penn Manufacturing Company; Go Carlson, Inc; Keystone Cement Company; Kimberly-Clark Corporation; Knouse Foods Cooperative, Inc,; Linde, Inc.; Merck & Co, Inc,; Messer LLC; Nestle Purina Petcare Company; Pixelle Specialty Solutions, LLC; Procter & Gamble Paper Products Co.; United States Gypsum Company

- IECPA **does not support** moving biomass energy from a Tier I to a Tier II resource. Some IECPA members have made business decisions regarding biomass energy based on this resource being included in Tier I. A reclassification would likely harm these business customers.
- IECPA supports the Commission's' ability to determine that, if PRESS energy resources are not reasonably available in sufficient quantities in the marketplace for the electric distribution companies and electric generation suppliers to meet the obligations under the act, then the Commission shall modify the underlying obligation of the electric distribution company or electric generation supplier or recommend to the General Assembly that the underlying obligation be eliminated. During this time of energy transition, sound public policy supports empowering the Commission to protect customers in this meaningful way.
- IECPA **does not support** specific requirements for the electric energy just from solar photovoltaic technologies. This technology should not be singled out but she be one of the resources within the Tier I obligations.
- IECPA **does not support** a zero emissions credit for nuclear facilities, especially a program that does not establish any demonstration of financial need by the nuclear generation facility. Additionally, IECPA has concerns about how this program would work if the nuclear facility was collocated with a load or its output is dedicated to a third party. Finally, before any consideration of a ZEC program, there should first be a calculation of the expected costs to electricity customers for such a program.

For further information or to answer any questions, please contact Rod Williamson, Executive Director of the Industrial Energy Consumers of Pennsylvania, at rwilliamson@clarkhill.com.

Invenergy

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June 24, 2024

Invenergy Testimony on HB 2277: Support

Chairman Vitali, Minority Chairman Causer, and members of the House Environmental Resources & Energy Committee,

Invenergy submits the following testimony in support of HB 2277, the Pennsylvania Reliable Energy Sustainability Standard (PRESS), submitted by Representative Otten as a component of the Governor's energy plan.

As a privately held company with a 20+ year track record of responsibly developing, building, owning, and operating wind, solar, transmission, energy storage, and natural gas generation facilities, Invenergy has developed more than 200 projects and 32 GW of generating capacity in the Americas, Europe, and Asia. We are also investing in high-voltage transmission lines as they are essential to connect generation capacity and move power over long distances across regions from where it's produced to areas of high demand. Currently, 1/3 of all proposed new high-voltage direct current transmission capacity (MW-miles) in the US are Invenergy projects. Within the PJM region, Invenergy has developed over 4,500 MW of clean energy. In Pennsylvania, Invenergy's state-of-the-art Lackawanna combined-cycle natural gas project in Lackawanna County generates enough energy to power almost 1 million Pennsylvania homes while investing more than $285 million in the local economy to date.

Invenergy supports PRESS as it creates significant demand for renewable energy, both within the Commonwealth and the broader PJM region. By encompassing a broad range of technologies, PRESS aims to keep energy generation competitive and innovative. This inclusive strategy not only promotes a diverse energy mix and continued advancements in emerging technologies, but also ensures that consumers in Pennsylvania receive the most cost-effective energy solutions.

Invenergy also submits for your consideration two proposed changes below to help further the intent of this legislation to promote a clean, reliable, and affordable power supply for the Commonwealth.

First, Invenergy asks for reconsideration of the requirement that, "an individual generating unit with a nameplate capacity over 150 megawatts must be located in this Commonwealth to be eligible for reliable energy credits" (page 29, line 11). Limiting regional procurement to smaller projects fails to capture the economies of scale that help make utility scale renewable energy one of the most affordable sources of energy available. Sourcing solely

from smaller projects will be more expensive, increasing the cost for compliance with this bill, which will ultimately be passed on to the ratepayers. As currently written, it is also unclear if this new restriction would grandfather existing contracts or allow for projects to split their capacity and allocate a portion under 150 MW to sell to Pennsylvania customers.

Second, Invenergy asks for a technical fix to the geographic eligibility section to include energy sources that are themselves not located within PJM, but still deliver power into the PJM region via transmission. The key attribute for maintaining grid reliability is where the energy is delivered into the grid, not where it is generated. A power plant in your backyard but plugged into your neighbor's house does less for your reliability than a power plant down the road with a direct transmission connection to your home. Within the context of PJM's increasing demand forecasts, including energy sources from a large geographic area that are able to deliver power into the region will help support overall system reliability.

We propose the following addition starting on page 35, line 29: "For purposes of compliance with this act, [alternative] PRESS energy sources located in, or via transmission line delivered into the PJM Interconnection, L.L.C. regional transmission organization (PJM) or its successor service territory shall be eligible to fulfill compliance obligations of all Pennsylvania electric distribution companies and electric generation suppliers. Energy derived from [alternative] PRESS energy sources located outside the service territory of a regional transmission organization that manages the transmission system in any part of this Commonwealth shall not be eligible to meet the compliance requirements of this act, unless delivered into the regional transmission organization's service territory via transmission."

Invenergy looks forward to working with the Committee as you all consider this bill and appreciates your prioritization of renewable energy programs during a busy legislative session. We applaud this bill as a bold step in the right direction on energy policy and believe that, with a few minor changes, it will efficiently support a clean, reliable, and affordable power supply for the Commonwealth.

Thank you for the opportunity to provide feedback on this legislation and please feel free to reach out with any questions if we can be a resource during your deliberations.

Ryan Martini
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MARCELLUS SHALE COALITION

May 16, 2025

The Honorable Greg Vitali, Chairman
House Environmental and
Natural Resource Protection Committee
30 East Wing
P.O. Box 202166
Harrisburg, PA 17120-2166

The Honorable Jack Rader, Republican Chairman
House Environmental and
Natural Resource Protection Committee
423 Irvis Office Building
P.O. Box 202176
Harrisburg, PA 17120-2176

Dear Chairman Vitali and Chairman Rader:

The Marcellus Shale Coalition (MSC) is a regional trade association representing over 150 companies engaged in the safe and responsible development of Pennsylvania's unconventional natural gas resources. Our members represent the largest operators engaged in the production, processing and transport of natural gas, as well as the professional service firms, contractors, supply chain companies and skilled building trades who partner with the industry.

On behalf of the MSC, I write to express our concerns with House Bill 501, which is scheduled for a public hearing on May 19th and a possible vote by the House Environmental and Natural Resource Protection Committee in the near future.

Before outlining specific concerns with HB 501, it is important to emphasize that despite purporting to strengthen electric reliability within the Commonwealth, this legislation is poised to do the exact opposite. The legislation micromanages the Commonwealth's electric generation portfolio and imposes significant new mandates upon electric distribution companies and competitive energy suppliers, rather than enabling the marketplace to work as intended. Doing so counters the advice of many of the experts who have weighed in regarding the growing concerns of our electric grid to meet growing demand during a period of historic generation retirements.

Many of these new mandates relate to intermittent, unreliable and even untested energy generation sources. While energy resources like wind and solar have a place within a diverse mix of fuel sources, imposing mandates to purchase and distribute these resources – when there is no guarantee that they can generate sufficient electricity both at scale and on demand – puts the Commonwealth's consumers and economy at significant peril.

Beyond this overarching concern, there are several other significant policy issues which the Committee should take note of regarding HB 501:

- HB 501 creates a state subsidy program for nuclear generation. Due to drafting concerns with the bill, it is not clear whether the state subsidy program is in addition to or in place of the recently implemented federal subsidy for nuclear generation which already will cost Pennsylvania taxpayers approximately $229.96 Million annually. The language is unclear whether taxpayers will be required to foot the bill for another layer of subsidies for nuclear energy.

- HB 501 permits out-of-state nuclear generation to be subsidized by Pennsylvania ratepayers.

- While percentages fluctuate based upon demand and facility retirements or availability, in 2024 Pennsylvania's electric generation portfolio was roughly 60% natural gas, 32% nuclear, and 5% coal, with the balance of 5% coming from intermittent sources like hydropower, solar and wind.

  Under HB 501, when fully phased in, 50% of Pennsylvania's generation portfolio must come from Tier 1 intermittent resources and Tier II and Tier III resources, all of which exclude natural gas and coal. Given the strong likelihood that nuclear generation will continue to maintain its portfolio share of 32% thanks to the new taxpayer subsidies, this means that combined, Tier 1 intermittent resources, Tier II, Tier III, and nuclear generation will account for approximately 82% of Pennsylvania's generation that is distributed. Said another way, gas and coal generation, currently 64% of the market, are left to compete for only 18% of the market.

- The corresponding demand reduction for Pennsylvania natural gas generation translates to a 69% decrease in natural gas electric generation compared to current 2024 market share, and an 8.6% decrease in demand for Pennsylvania-produced natural gas. This translates into tens, if not hundreds, of millions of dollars of lost capital investment to the Commonwealth and lost revenue to Pennsylvania royalty owners, including state agencies like DCNR and the Game Commission.

- The legislation's use of "*lifecycle greenhouse gas emissions*" is misleading. By incorporating the definition utilized in the federal hydrogen tax credit law, the term limits such emissions to only those associated with the through-put at the electricity generation source. This is the antithesis of what is meant by the term "lifecycle" and disguises the true lifecycle emission footprint of intermittent energy resources like wind and solar.

For those concerned with reducing carbon emissions from the electric power sector, they ought to be celebrating Pennsylvania's historic 46% CO_2 emissions reduction since 2005[1] and recognizing that these reductions were driven by increased natural gas use. Instead, this legislation relegates Pennsylvania natural gas to the literal back burner while blindly hoping that intermittent, unreliable and untested fuel sources will somehow magically become reliable and capable of ensuring baseload power.

At a time when PJM and other experts have sounded the alarm over grid resiliency and reliability in contrast to the projected increase in electric demand, HB 501 exacerbates these concerns. It displaces clean, reliable and affordable energy and in doing so puts our residents and economy in grave danger.

Please oppose HB 501 as written.

Sincerely,

Patrick Henderson
Vice President
Government Affairs and Communications

[1] By comparison, PA DEP's own modeling showed that entry into the Regional Greenhouse Gas Initiative would have a net CO_2 emissions reduction of 0.169% through 2030.

MARCELLUS SHALE COALITION

Written Comments

Submitted on behalf of the
Pennsylvania Chamber of Business and Industry

Public Hearing on House Bill 501 (PRESS)

Before the:
Pennsylvania House Environmental & Natural Resources Protection Committee

Presented by:

Amy Brinton
Director, Government Affairs

Harrisburg, PA
May 19, 2025

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Thank you for the opportunity to submit written comments on House Bill 501, the Pennsylvania Reliable Energy Sustainability Standards Act (PRESS), which seeks to update and expand the Alternative Energy Portfolio Standards Act (AEPS) framework.

The PA Chamber is the largest, broad-based business advocacy association in Pennsylvania. We represent employers of all sizes, crossing all industry sectors throughout the Commonwealth, including companies involved in all aspects of the energy industry and beyond.

As you may know, The Pennsylvania Alternative Energy Portfolio Standards Act was officially enacted in 2004 (Act 213), to promote the use of renewable and alternative energy sources in the Commonwealth. The Act mandated that a certain percentage of electricity sold to retail customers in Pennsylvania comes from certain alternative energy sources.

Since AEPS's original passage, the program's targets have remained unchanged. As a result, the mandated percentage levels for alternative energy plateaued in 2021. Over the years, several bills have been introduced with the goal of expanding AEPS. House Bill 501 is the most recent example, proposing changes that would raise the state's alternative energy targets and adjust the structure of the program.

While we certainly appreciate the intent of HB 501 and support efforts to diversify Pennsylvania's energy portfolio, we are concerned that the mandates in the bill could hinder the Commonwealth's position as a national and global energy leader and create challenges to energy affordability and reliability, both of which are critical to our economic competitiveness.

Pennsylvania is uniquely positioned with an abundant and diverse mix of energy resources, including natural gas, petroleum, nuclear, solar, and many more. These resources not only power homes and businesses across the state but also support thousands of family-sustaining jobs and contribute significantly to the Commonwealth's economic strength.

As a longstanding cornerstone of the nation's energy and manufacturing landscape, Pennsylvania plays a vital role in powering not only our own, but the broader U.S. economy. Our energy sector contributes billions of dollars annually, providing affordable energy to residents and businesses, and supporting economic growth through exports of natural gas, electricity, and essential industrial materials.

With our diverse industrial base, we are home to key sectors such as manufacturing, technology, and healthcare, all of which rely on a stable, affordable energy supply to fuel their operations. As new businesses emerge and existing ones grow, the need to ensure reliable and affordable energy to power facilities, factories, and offices will only intensify.

As we look to the future of energy and energy affordability in Pennsylvania, lawmakers must consider what some refer to as the energy trilemma, balancing economic development, environmental responsibility, and maintaining energy reliability, without discriminating against reliable thermal generation. Striking this balance is essential to preserving Pennsylvania's status as a national energy leader while also enabling a thoughtful, orderly transition toward a lower-carbon future.

It is vital that we leverage and utilize our existing thermal baseload resources (e.g., coal, natural gas, and nuclear) to their full and maximum potential, as most new energy projects currently being proposed and constructed in Pennsylvania are generally inverter-based resources like wind and solar. While inverter-based projects provide an increasing amount of energy and should certainly be part of Pennsylvania's all-of-the above energy plan/strategy, these resources do not yet provide the same operational features that are crucial for maintaining grid reliability. Without sufficient and reliable generation from traditional baseload sources, available, dispatchable energy that can be quickly deployed to meet demand, can be diminished and will put reliability at risk, especially during peak demand periods.

Maintaining thermal generation sources ensures reliable baseload power and further supports grid stability. At the same time, policies and initiatives that support investments in modernizing and expanding Pennsylvania's electric grid improve the integration of renewable energy projects, address the growing demand for energy, reduces the risk of outages and facilitates a more efficient transmission of energy. Together, these efforts will help ensure access to reliable and affordable energy that is vital to Pennsylvania's economy and residents.

Rapidly increasing renewable energy targets without ensuring reliable backup generation risks destabilizing the grid, especially during periods of peak demand or extreme weather. Intermittent sources like wind and solar must be integrated with firm, dispatchable generation, including natural gas, to maintain grid balance and

prevent service disruptions. This bill, as currently written, lacks sufficient provisions for such integration.

Additionally, the bill does not adequately address challenges associated with scaling up renewable infrastructure. Deployment of this infrastructure in order to meet targets as proposed in the legislation will require massive investments in transmission, storage, and generation capacity. These are all costs that would almost certainly be passed on to ratepayers. Higher energy prices not only negatively impact residential customers already coping with rising costs of living, but they also disproportionately impact energy-intensive sectors like AI/data centers, manufacturing, and logistics.

Pennsylvania stands at a critical crossroads in shaping both our own energy future and the nation's energy future. As the demand for electricity continues to grow and the transition away from certain thermal energy sources accelerates, it is imperative that our grid remains reliable, affordable, and capable of supporting the diverse industries that drive our economy. A comprehensive, all-of-the-above energy strategy that maximizes the use of Pennsylvania's reliable thermal baseload sources while balancing additional renewable energy sources is essential for maintaining grid stability and fostering long-term economic growth.

For these reasons, we respectfully urge the Committee to refrain from advancing HB 501 in its current form. Instead, we encourage a more collaborative approach to updating the AEPS, one that includes voices from across the energy spectrum, prioritizes grid resilience, and safeguards the economic interests of all Pennsylvanians.

May 19, 2025

To: Members of the House Environmental and Natural Resource Protection Committee

Re: Support for House Bill 501 (P.N. 1478)

Dear Representatives:

The Pennsylvania Environmental Council (PEC) would like to express our support for House Bill 501 (P.N. 1478) and convey our appreciation to the Committee for holding a hearing on this important legislation.

PEC was fortunate to provide testimony[1] to the Committee last session on this bill, and we believe the minor changes made with reintroduction strengthen the legislation. We thank the prime sponsor, Representative Otten, and the Shapiro Administration for their work.

Since the Committee hearing last June, concerns about energy reliability and affordability have only increased. This circumstance underscores our position that failure to adopt new, forward-looking policies is stranding consumers and hampering economic growth in the Commonwealth.

House Bill 501 – which would enact the Pennsylvania Reliable Energy Sustainability Standards (PRESS) – is a key piece of the larger group of policies that will be required, including other legislation implementing the Governor's Lightning Plan. Other measures, like advanced transmission technologies and incentives for low-carbon procurement and clean energy manufacturing, are also essential.

PRESS builds on existing policy – the Alternative Energy Portfolio Standards (AEPS) – that has been in place for two decades, providing a framework with which all requisite players are already familiar, and to which they can readily adapt. Best of all, it incorporates a flexible and technology-inclusive design that works for Pennsylvania.

PEC has long advocated for expansion of the AEPS into a broader clean energy standard that values cost-effective low- and zero-emitting energy resources. PRESS accomplishes this. It will help ensure that electricity generated in Pennsylvania is cleaner, more diverse

[1] Available here: https://pecpa.org/news/pec-testimony-on-press/

and affordable, and ready to meet business and neighboring state clean energy requirements. It will spur in-state investment in energy technologies and new generation build, increasing tax bases and job growth – all while helping to reduce greenhouse gas emissions that are still accelerating extreme weather events and creating adverse economic impacts across our state.

The energy transition presents an opportunity to expand our economy and improve our environment. But it requires action. Pennsylvania cannot afford to wait any longer.

We urge you to support House Bill 501.

Thank you for your consideration,

John Walliser
Senior Vice President, Legal & Government Affairs
Pennsylvania Environmental Council

May 19, 2025

Dear members of the House Environmental & Natural Resources Protection Committee

On behalf of PennEnvironment and our citizen members, activists and volunteers, I am writing in support of Representative Danielle Friel Otten's "*Pennsylvania Reliable Energy Sustainability Standard*" (also referred to as "PRESS"), House Bill 501. This policy would increase the amount of electricity that comes from clean, renewable energy sources like wind and solar power from utility companies supplying electricity to Pennsylvania customers.

As you likely know, Pennsylvania's cornerstone renewable energy law (referred to as the Alternative Energy Portfolio Standard or AEPS) "flatlined" four years ago, meaning that utility companies in Pennsylvania are no longer required to increase the annual percentage of electricity they produce from renewable energy sources, such as wind and solar power.

HB 501 would renew Pennsylvania's AEPS and significantly increase the existing requirements for wind and solar energy under the state's AEPS to 35% by 2035.

This will make Pennsylvania more in line with neighboring states, where Maryland and New Jersey both have 50 percent renewable energy requirements in their respective states by 2030, New York requires 70 percent by 2030, and Washington D.C.'s law requires 100 percent renewable energy by 2032.

Given that Pennsylvania ranks 49th out of 51 for the amount of new renewable energy brought online over the past decade, the Commonwealth is being left behind while other states take advantage of the growth in this economic sector.

Increasing clean energy in Pennsylvania is essential for reducing air pollution, protecting public health, and tackling climate change. Diversifying the Commonwealth's energy sources will also increase reliability across the grid. And bringing more diverse energy online will help stabilize electricity bills.

Moreover, Pennsylvanians from all walks of life and all regions of the Commonwealth are in favor of increasing renewable energy in the Keystone State. A recent poll found that 78% of registered voters (including 84% of Independents and 59% of Republicans) support the transition to renewable energy.

We need to rapidly move towards a clean, renewable energy future and increasing the amount of renewable energy in the state's AEPS is a clear path forward.

Given this, PennEnvironment asks you to vote in favor of House Bill 501.

Thank you in advance for your consideration and support, and please don't hesitate to reach out to me with questions about this legislation or other PennEnvironment efforts.

Flora Cardoni
Deputy Director
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716-830-9079 (cell)

May 13, 2025

The Honorable Greg Vitali
Chair
House Environmental & Natural
Resources Committee
PO Box 202166
Harrisburg, PA 17120-2166

The Honorable Jack Rader Jr.
Chair
House Environmental & Natural
Resources Committee
PO Box 202176
Harrisburg, PA 17120-2176

RE: SEIA Support for Senate Bill 349 – Solar Decommissioning

Dear Chairs:

I am writing on behalf of the Solar Energy Industries Association (SEIA) in **support** of Senate Bill 349 (Yaw-R), which provides for the decommissioning and bonding for solar energy projects. Senate Bill 349 passed the Senate 49-1 on May 6, 2025, and was referred to the House Environmental & Natural Resources Protection Committee on May 13, 2025.

Founded in 1974, SEIA is the national trade association for the solar and storage industries, building a comprehensive vision for the advancement of these technologies. SEIA is leading the transformation to a clean energy economy by supporting policy measures that will drive the needed investment in clean, domestic, local job-producing solar generation. We work with our 1,200+ member companies, which include solar and storage manufacturers, service providers, residential, community and utility-scale solar developers, installers, construction firms, and investment firms, as well as other strategic partners, to shape fair market rules that promote competition and the growth of reliable, low-cost energy storage and solar power. SEIA has more than 30 member companies located in Pennsylvania with many more national firms also conducting business in the state.

The solar industry is strongly committed to responsible land use, community partnership, and being good stewards of the sites that host solar facilities. To this end, SEIA supports the industry best practice of including decommissioning provisions within landowner/development agreements to provide assurances that solar systems will be decommissioned safely and responsibly and that our industry and not landowners bear this responsibility.

Therefore, SEIA supports Senate Bill 349 which promotes smart decommissioning policy and flexibility in posting financial assurance and will encourage responsible development of solar projects. It includes the following provisions supported by SEIA:

- The [developer/owner] of the solar project shall file a decommissioning plan with the county recorder of deeds.

- The decommissioning plan shall describe the steps that will be taken to remove the project equipment from the landowner's property and, unless the property owner and grantee mutually agree, in writing, on an alternative condition for restoring the property, the decommissioning plan shall provide for all the following:

- The removal of all non-utility owned equipment, conduits, structures, fencing, and foundations to a depth of at least three feet below grade. The developer/project owner will NOT need to remove equipment that the public utility requires to remain on site.

- The removal of all graveled areas and access roads unless the surface property owner requests in writing for graveled areas and access roads to stay in place.

- The restoration of the property to a condition reasonably similar to its condition before the commencement of construction, including the replacement of topsoil removed or eroded on previously productive agricultural land.

- Re-seeding any cleared areas, unless requested in writing by the surface property owner to not reseed due to plans for agricultural planting.

- A phased-in approach to financial assurance for the decommissioning plan which must be equal to the cost of decommissioning the project, minus the facility's salvage value, but includes a floor for solar facilities at each phase.

    - These costs should be determined by a third-party professional engineer retained by the developer of the project from a list compiled by the department.

    - The cost calculation should be reassessed every 5 years by a professional engineer to ensure it remains accurate over the lifetime of the project.

    - Financial assurance may be in the form of a bond, escrow account, or irrevocable letter of credit from a financial institution.

SEIA appreciated the opportunity to work with the House and Senate committees in previous sessions to craft a decommissioning and financial assurance program that produces the desired results for an industry eager to develop and invest within Pennsylvania, while assuring those solar facilities will be decommissioned safely and responsibly at the end of their useful life.

SEIA respectfully requests your support and committee consideration of Senate Bill 349. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Leah Meredith

Leah Meredith
Mid-Atlantic Regional Director
Solar Energy Industries Association
lmeredith@seia.org

May 16, 2025

Submitted to the Environmental Resources & Energy Committee

RE: Sol Systems Written Testimony in Support of HB501

Dear Chairman Vitali, Chairman Rader, and Members of the Committee:

On behalf of Sol Systems and our more than 3,000 customers in Pennsylvania, thank you for the opportunity to submit testimony in support of House Bill 501, the Pennsylvania Reliable Energy Sustainability Standard (PRESS). We commend the committee for holding this important hearing and for considering a long-overdue update to the state's Alternative Energy Portfolio Standard (AEPS) with the expanded clean energy standard that better fits Pennsylvania's needs and portfolio.

Sol Systems is a national solar energy company with over 15 years of experience developing and financing solar and storage projects. We own and operate a portfolio of more than 7 gigawatts across 38 states, supporting municipalities, universities, Fortune 500 companies, utilities, and other institutions with their energy transition goals. In addition to that work, we manage solar renewable energy credits (SRECs) for more than 27,000 homeowners and small businesses—including nearly 3,000 in Pennsylvania—helping them access and benefit from state-level clean energy incentive programs.

Sol Systems has been active in Pennsylvania's solar market since the early days of the Alternative Energy Portfolio Standard (AEPS). We were among the first companies to provide residential and small commercial customers with the tools to monetize their SRECs, bringing new clean energy income streams to communities across 59 counties in the Commonwealth. Our team includes employees in the greater Harrisburg and Philadelphia areas, and we are committed to continued investment in Pennsylvania's clean energy future.

I. PRESS Will Revitalize a Proven Policy Framework

In 2004, Pennsylvania positioned itself as a national leader by adopting the AEPS, one of the first renewable portfolio standards in the region. That policy sparked more than a decade of private investment in clean energy and helped make Pennsylvania a model for how to pair traditional energy resources with renewable generation.

But since the AEPS targets were met in 2021, the state has not updated the standard, and the renewable energy credit market has declined as a result. Prices for Pennsylvania S/RECs have dropped well below the levels needed to support new project development. Without a forward-looking policy like PRESS, Pennsylvania risks falling behind as other PJM states, like Illinois and Virginia, expand their renewable portfolio standards and capture billions in private capital investment.

HB501 represents a necessary course correction. PRESS would moderately expand Pennsylvania's alternative energy targets to 35% by 2035 while modernizing the program's structure. It maintains the successful, market-based compliance model established under AEPS—using tradable Alternative Energy Credits (AECs) and a clear compliance obligation for load-serving entities—but updates the eligible technologies and targets to reflect today's energy landscape.

II. PRESS Creates Jobs, Investment, and Energy Resilience

The economic stakes are significant. In 2023 alone, the U.S. solar industry saw $60 billion in new investment[1]. Nationally, solar deployment is expected to drive over $800 billion in investment by 2030[2]. PRESS helps ensure Pennsylvania is positioned to compete for a meaningful share of that capital.

The Solar Energy Industries Association estimates that Pennsylvania has already attracted $5.4 billion in solar investment to date and is home to more than 4,200 clean energy jobs[3]. With PRESS in place, those numbers could rise dramatically.

According to an independent study of Governor Shapiro's Lightning Plan, which includes PRESS, this policy framework could[4]:

- Generate up to $8 billion in new capital investment in Pennsylvania;
- Drive the construction of 4 GW of clean energy capacity by 2040;
- Create thousands of construction, operations, and supply chain jobs;
- Result in $500 in annual average savings for residential customers, along with 20% reductions in electricity costs for commercial and industrial customers.

These aren't abstract numbers—they represent real economic relief and workforce growth in communities across the state. These energy projects are economic development opportunities for communities throughout the commonwealth.

Importantly, PRESS also supports the state's role as a regional energy exporter in PJM. With growing electricity demand from data centers, transportation electrification, and industrial growth, PRESS ensures that Pennsylvania once again solidifies its position as an energy leader.

[1] Solar Industry Research Data – SEIA
[2] Solar Industry Research Data – SEIA
[3] Pennsylvania – SEIA
[4] synapse-energy.com/sites/default/files/Modernizing Pennsylvania's Clean Energy Policies - Synapse 24-044.pdf

III. PRESS Supports a Balanced, Market-Driven Strategy

PRESS reflects an "all-of-the-above" approach that builds on Pennsylvania's history of energy innovation. It complements existing fossil, nuclear and emerging technologies by establishing a framework where diverse resources can compete on a level playing field.

The mechanism is straightforward. For every megawatt-hour of electricity produced from an eligible resource, one AEC is generated. These credits can be traded and sold to electric distribution companies and electric generation suppliers to meet annual compliance obligations. If they fall short, they pay an Alternative Compliance Payment (ACP). This structure creates price signals, encourages competition, and gives developers like Sol Systems a way to structure long-term project financing around a stable revenue stream.

At Sol Systems, we believe that market-based policies like PRESS are essential to unlocking the next wave of new energy investment. They provide developers, lenders and asset owners with the certainty required to build projects that benefit local communities while helping the state meet its economic and energy goals.

One element the bill does not currently address—but which we would strongly support—is the expansion of the existing solar carve-out. While PRESS rightly focuses on increasing overall clean energy targets, strengthening the solar carve-out would provide targeted support for residential and small-scale solar projects, which often require higher incentive levels to pencil. Expanding this carve-out would help preserve access to rooftop and commercial solar, ensure continued growth in local clean energy jobs, and allow more homeowners and small businesses to participate directly in Pennsylvania's energy transition.

IV. Conclusion and Next Steps

PRESS is a pragmatic, proven and economically powerful solution. It strengthens Pennsylvania's position as a national energy leader, supports the growth of solar and other clean technologies, and ensures long-term benefits for businesses and residents alike.

Sol Systems is proud to support HB501 and urges the legislature to enact PRESS to restore a strong, stable, and investor-ready clean energy market in the Commonwealth.

We would welcome the opportunity to meet with any members of the committee to answer questions, share project-level case studies, or provide additional data about the market impacts of PRESS. Thank you again for your leadership and for the opportunity to submit testimony.

Sincerely,

Shannon Meyer-Johanson
Director of Policy & Government Affairs
Sol Systems

American Forest & Paper Association

May 19, 2025

Chair Greg Vitali
Vice Chair Jack Rader, Jr.
House Environmental & Natural Resource Protection Committee
Pennsylvania House of Representatives

RE: Opposition for House Bill 501– Amending the Alternative Energy Portfolio Standards Act.

Dear Committee Chair Vitali, Republican Chair Rader, and Members of the House Environmental & Natural Resource Protection Committee,

The American Forest & Paper Association (AF&PA) respectfully opposes HB 501, on behalf of our members and their employees who are an integral part of Pennsylvania's circular economy. We have serious concerns about the disadvantageous position HB 501 proposes for our industry's use of carbon neutral biomass in producing goods consumers rely on daily.

Introduction to AF&PA

AF&PA serves to advance public policies that foster economic growth, job creation and global competitiveness for a vital sector that makes the essential paper and packaging products Americans use every day. The U.S. forest products industry employs more than 925,000 people, largely in rural America, and is among the top 10 manufacturing sector employers in 44 states. Our industry accounts for approximately 4.7% of the total U.S. manufacturing GDP, manufacturing more than $435 billion in products annually. AF&PA member companies are significant producers and users of renewable biomass energy and are committed to making sustainable products for a sustainable future through the industry's decades-long initiative — *Better Practices, Better Planet 2030*.

In Pennsylvania, the forest products industry employs more than 50,900 individuals at 238 facilities, with an annual payroll of over $4.3 billion. The estimated state and local taxes paid by the forest products industry totals $345 million annually.[1]

The Carbon Neutrality of Biomass

The paper and wood products industry uses every part of the tree responsibly to make essential and innovative products for everyday life. To the extent feasible, the wood biomass entering the mills is used to create these higher value products. Manufacturing residuals, like tree bark and liquid bioenergy extracted during the pulping process, are used to make carbon beneficial bioenergy to power our mills.

[1] Data sources: IMPLAN, 2023 Data, using inputs provided by AF&PA, in 2023 Dollars.

The industry also strives to produce and use this energy as efficiently as possible and is a leader in the use of combined heat and power (CHP) technology, which is extremely efficient because it uses the same fuel to produce both thermal energy used in the manufacturing process and electricity, some used on-site and some sold to the grid. The U.S. tax code has long recognized and encouraged the use of CHP technology (29 U.S.C. Section 48(a)(3)(A)(v)). In 2020, 99% of electricity produced by the industry was CHP-generated.[2] The use of CHP provides energy efficiencies in the range of 60% to 80% at forest products mills, far beyond non-CHP electrical stations such as utilities, which are only about 36% energy efficient.[3]

The U.S. paper and wood products industry is a significant contributor to our country's base of renewable energy, producing more carbon-beneficial bioenergy than any other industrial sector. On average, about two-thirds of the energy used at AF&PA member facilities is generated from carbon-neutral biomass.[4]

The scientific evidence shows there are enormous greenhouse gas reduction benefits from using forest products manufacturing residuals for energy.

- An extensive, peer-reviewed study by the National Council for Air and Stream Improvement shows that, each year, the bioenergy produced from manufacturing residuals in the U.S. paper and wood products industry avoids the emission of approximately 181 million metric tons of CO2e.[5] (This greenhouse gas reduction benefit is roughly equivalent to removing about 35 million cars from the road.)
- During the Obama Administration, the U.S. Environmental Protection Agency (EPA) conducted an extensive analysis indicating that there are large climate benefits from the bioenergy produced and used by the forest products industry. Specifically, a detailed analysis of a liquid biofuel (typically referred to as pulping liquor or black liquor) produced and used by pulp and paper mills showed that it is at least carbon neutral and could be even better than carbon neutral. As a result, the analysis assigned black liquor a zero to negative biogenic assessment factor.[6]
- Dr. Timothy Searchinger, a scholar who prompted the discussion about the carbon neutrality of biomass, has stated specifically that "black liquor from paper making" is an "advisable" source of bioenergy.[7] In addition, in a joint paper with Dr. Searchinger, Dr. Steven Hamburg, the Chief Scientist of the Environmental Defense Fund, and other experts, concluded that "biomass should receive credit to the extent its use results...from the use of residues or biowastes."[8]

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2 U.S. Energy Information Agency, Form EIA-923 2020 data, https://www.eia.gov/electricity/data/eia923/ AF&PA Analysis.

3 U.S. Environmental Protection Agency, CHP Benefits, www.epa.gov/chp/chp-benefits ("The average efficiency of fossil-fueled power plants in the United States is 36 percent.") Accessed June 24, 2024.

4 "In 2020, renewable bioenergy provided, on average, about 64 percent of member facility energy needs." 2020 AF&PA Sustainability Goals: Achievements Summary, https://www.afandpa.org/statistics-resources/better-practices-better-planet-2020-achievements-summary, at 4 .

5 Caroline Gaudreault and Reid Miner, Temporal Aspects in Evaluating the Greenhouse Gas Mitigation Benefits of Using Residues from Forest Products Manufacturing Facilities for Energy Production. Journal of Industrial Ecology (Dec. 2015), at 1,004-05; National Council for Air and Stream Improvement, Inc. Greenhouse gas and fossil fuel reduction benefits of using biomass manufacturing residuals for energy production in forest products facilities. Technical Bulletin No. 1016 (rev. 2014).

6 U.S. Environmental Protection Agency, Draft Framework for Assessing Biogenic CO2 Emissions from Stationary Sources (Nov. 19, 2014), Appendix D, pp. D21-30.

7 Dr. Timothy Searchinger and Ralph Heimlich, Avoiding Bioenergy Competition for Food Crops and Land. World Resources Institute (2015), at 22 and 24 (Table 3).

8 Dr. Timothy Searchinger, Dr. Steven Hamburg, et al., Fixing a Critical Climate Accounting Error. Science (Oct. 22, 2009).

Simply, the scientific evidence supports the carbon neutrality of biomass and policymakers should be considering legislation that supports rather than hinders this energy source.

Concerns with HB 501

The Passage of Act 129 in 2008 amended the definition of "alternative energy sources" in AEPS to include "generation of electricity utilizing by-products of the pulping process and wood manufacturing process, including bark, wood chips, sawdust and lignins in spent pulping liquors," as a Tier I energy source if produced within Pennsylvania and a Tier II source when produced outside the state.

HB 501 strikes the existing definition of "alternative energy sources" within AEPS, potentially voiding this definition supported by our industry. Furthermore, it includes a definition of "biomass energy" that does not feature "utilizing by-products of the pulping process." The bill significantly restructures the AEPS tiers, lowering biomass to a Tier II energy source and placing "generation of electricity utilizing by-products of the pulping process, including bark, wood chips, sawdust and lignin in spent pulping liquors," on a currently nonexistent Tier III.

The forest product industry's use of bioenergy aligns with the state's climate goals. The scientific evidence shows there are enormous greenhouse gas reduction benefits from using forest products manufacturing residuals for energy. If not used for energy, manufacturing residuals could be wasted and emit greenhouse gases such as methane with much greater global warming potential (GWP). In addition, this bioenergy displaces the need for fossil fuel-based energy and may be consumed onsite or sold to the electricity grid while generating Tier I AEPS reliable energy credits (RECs). As such, we do not support changes that would lower the classification of vital energy sources to the forest product industry under AEPS.

Additionally, these changes present uncertainty and potential economic impact for the industry. The following graphs from the 2023 AEPS Annual Report illustrate the historic difference in REC price between Tier I & II energy sources:

Chart 7: Tier I Average Spot Market vs. Weighted Average AEC Credit Prices

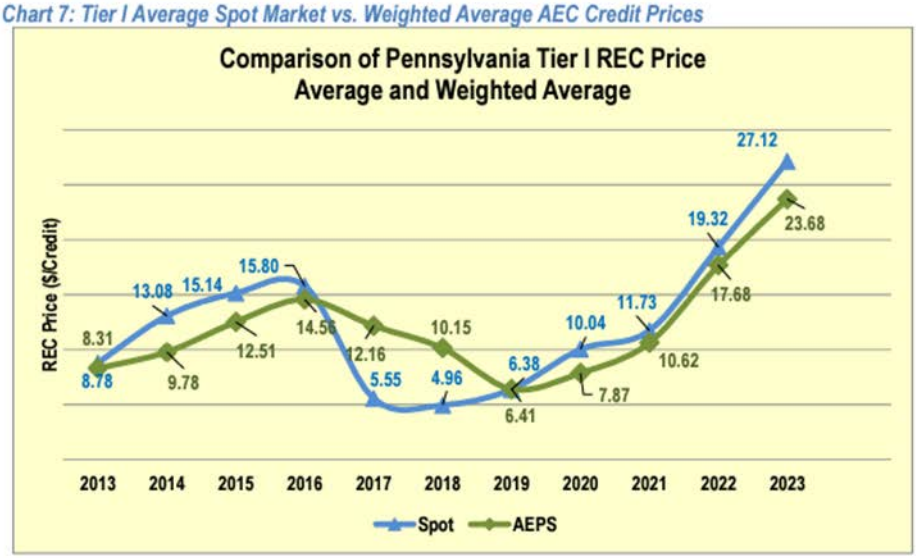
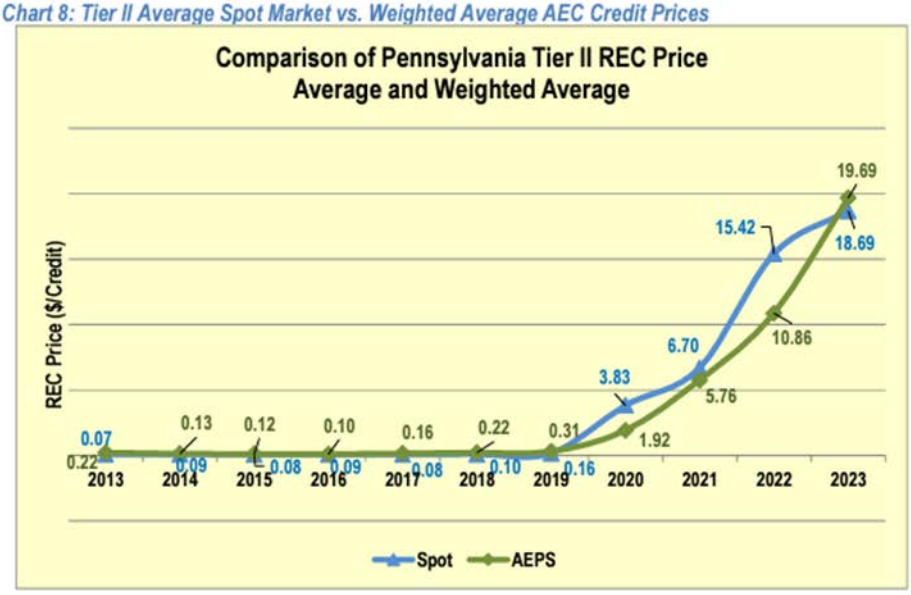


Chart 8: Tier II Average Spot Market vs. Weighted Average AEC Credit Prices



The noticeable difference in REC price shows a change in tier classification would be a major change for *any* energy source generating RECs. As HB 501 creates a third tier that includes the forest product industry's use of manufacturing residuals, this legislation levies an incredible amount of uncertainty on the industry.

We welcome the opportunity to work with the Committee to refine this legislation in a way that achieves its intended goals without unintended negative consequences. Failing to preserve the existing classification of biomass and manufacturing process residuals will present cost and uncertainty for industry. As such, we would recommend HB 501 not receive a positive vote. Please direct any questions regarding this matter to Frazier Willman, AF&PA Manager, Government Affairs at Frazier_Willman@afandpa.org.

2015 Chestnut Street, Camp Hill, PA 17011 (717) 763-7635, www.arippa.org

May 19, 2025

Representative Greg Vitali
Chairman, House Environmental & Natural
Resource Protection Committee
30 East Wing
PO Box 202166
Harrisburg, PA 17120

Subject: Pennsylvania Reliable Energy Sustainability Standards - House Bill 501

Dear Chairman Vitali,

The Appalachian Region Independent Power Producers Association (ARIPPA) has significant concerns with the proposed Pennsylvania Reliable Energy Sustainability Standards (PRESS) as contained in House Bill 501. PRESS is essentially an update to the Alternative Energy Portfolio Standards (AEPS) Act, which was passed in 2004 to support the development of alternative energy systems in Pennsylvania. While an update to the AEPS may be warranted with no new resource classes added since 2009 and generation targets remaining unchanged since 2021, PRESS creates an unachievable path for new resource development, relies on unproven technologies, and would cut support for existing environmentally beneficial energy sources.

ARIPPA represents Pennsylvania's coal refuse reclamation to energy industry. These plants are specialized power generation facilities that use waste coal as fuel while helping to remediate legacy environmental problems. These facilities employ circulating fluidized bed (CFB) boiler technology, which allows them to efficiently burn lower-quality waste coal that was previously discarded during the mining process often more than a century ago. The industry's positive environmental impact begins with the removal of legacy coal refuse piles, which pose multiple hazards to nearby communities. These piles can spontaneously combust, releasing uncontrolled emissions and toxic compounds. They generate acid mine drainage that pollutes streams and groundwater, and their unstable nature creates public safety risks. Through their operations, coal refuse plants have removed over 250 million tons of waste coal to date, restoring more than 8,000 acres of land and improving water quality in over 1,200 miles of previously impaired streams.

The annual economic impact of the industry is $697 million within Pennsylvania, supporting nearly 2,200 jobs and generating $15.9 million in state taxes and fees. Industry activity supports family-sustaining jobs with average salaries for direct industry employees above $81,000 per year. Alternatively, the industry activity can be valued based on an “avoided cost” of up to $255 million per year if the state government were to directly undertake removal and remediation to the same volume and standard. Additionally, the environmental and public benefits produced by industry

removal and remediation are estimated at an annual value of $62 million over a twenty-year horizon.

The industry delivers significant public benefits in the form of increased value to public and private assets, diminishing the frequency of certain destructive environmental events and their negative impacts, and by reducing the financial costs incurred by government-funded treatments and interventions. These environmental and social benefits are valued at more than $1.2 billion over 20 years, with reductions in air emissions generating over $444 million in value to society while the elimination of water treatment services saves the Commonwealth nearly $452 million. Enhancements of public health and increases to property values are estimated to create approximately $350 million in added value. These economic and environmental benefits to the Commonwealth would be placed in significant jeopardy with the passage of HB 501 as currently proposed.

The AEPS program was implemented over a period of years culminating in 2021 with a requirement of 8% of energy from Tier I sources, including a 0.5% carveout from solar, and 10% from Tier II sources including waste coal, municipal solid waste, blast furnace gas, hydro power, energy efficiency, and distributed generation. In 2017, legislation was passed requiring alternative energy credits (AECs) meeting the solar carveout come from resources located in Pennsylvania, and again in 2020 the same requirement was added for Tier II AECs with the goal of increasing credit pricing while ensuring that the program supported in-state electric generation facilities and jobs.

Historically, Tier II AECs offered minimal financial support to eligible facilities with an average weighted price per credit of only $0.25 from 2008 through 2019. However, since Act 114 of 2020 restricted eligibility to Tier II generation sources located in Pennsylvania, effectively closing the program to out of state generators, the value of Tier II credits has increased significantly. According to Pennsylvania Public Utility Commission (PAPUC) AEPS Historical Pricing, Tier II credit pricing reached an average weighted price of $19.69 in 2023. This increased funding for Tier II resources came at a critical time for coal refuse reclamation to energy facilities that were struggling to operate at a time of historically low prices in the PJM energy and capacity markets. In fact, four coal refuse reclamation to energy facilities closed between 2018-2020. However, since the passage of Act 114 of 2020, there have been no additional facility closures.

Prior to Act 114 of 2020, absent significant improvement in electricity pricing, Pennsylvania coal refuse generators were expected to continue to retire and eventually depart the market altogether. The state would therefore lose all environmental avoided cost benefits, along with the associated economic benefits, while Tier II AEC prices would rise to support out of state resources. According to a 2020 study by Thorndike Landing, by closing the borders on Tier II, AEC prices were initially expected to rise up to $16, while preserving the economic and environmental benefits of the coal refuse resources and focusing Tier II spending on in-state resources, rather than resources in other parts of PJM. While these initial estimates were accurate, Tier II AECs have since reached prices as high as $30 per credit as noted in the 2022-2023 AEPS Annual Report issued by the PAPUC. This increase can be attributed to market forces produced by inflationary costs and persistently low PJM wholesale energy and capacity revenues, along with price competition from other states such as New Jersey Renewable Portfolio Standards Class 2 where some Pennsylvania AEPS Tier II sources remain eligible.

Since 2020, AEPS Tier II credits have been essential to the continued viability of Pennsylvania coal refuse reclamation to energy facilities. Current conditions in the PJM Interconnection market serving Pennsylvania do not provide sufficient revenue to cover costs for coal refuse reclamation to energy plants. Weekly wholesale energy prices averaged around $30 per megawatt hour (MWh) in 2023 and 2024. Meanwhile, estimated "breakeven prices" to recover costs of production for these plants grew from $39 in 2019 to $62 in 2023 due to inflation in cost inputs. When wholesale prices lag production costs, continued operation relies more heavily on capacity payments and governmental interventions, such as the AEPS.

A recent study by Econsult Solutions found that variability in pricing and lower price levels for both wholesale energy sales and capacity payments in the past two years have increased the importance of additional revenue mechanisms like AEPS in keeping plant operations viable. With market revenue lessened, Tier II AECs accounted for more than half (58%) of plant revenue in 2023. Comparing revenues and costs, the revenue generated per MWh of $64 cleared the total cost of $62.26 per MWh in 2023, or just under 3%. Based on aggregated data, the ten plants in Pennsylvania barely broke even with estimated revenue of $445 million and total costs of $434 million in 2023. This shows that the industry's environmental reclamation and energy operations would not have been viable without the vital state support from the AEPS program.

Following the 2020 AEPS Tier II border closure, the amount of in-state Tier II AEC retirements has steadily climbed with 90% of retired Tier II credits coming from Pennsylvania sources in the 2022-23 compliance year. This program is currently meeting the needs of Pennsylvania Tier II energy sources, such as waste coal, municipal solid waste, blast furnace gas, and hydro power. Why should we change the Tier II program which from all accounts is accomplishing its goal of supporting continued operation of these sources?

As proposed, the PRESS legislation would add several new resource types, create a third tier, and increase the amount of energy required to come from the three tiers to 50%, as well as create a new Zero Emissions Credit (ZEC) program for nuclear generation. Most importantly for ARIPPA's members, PRESS would create a new Tier III consisting of waste coal, municipal solid waste, and integrated combined coal gasification technology (all currently AEPS Tier II resources), generation of electricity utilizing by-products of the pulping process and wood manufacturing process (an AEPS Tier I resource), and adds natural gas or coal using clean hydrogen (20%) co-fired blend or equivalent carbon intensity reduction. While ARIPPA and our members appreciate that waste coal is retained in the new PRESS program, the structure of this new Tier III would significantly cut support for Tier III sources, including waste coal, rendering this new tier insufficient to adequately support continued operation of these environmentally beneficial facilities.

First, PRESS would reduce the Alternative Compliance Payment (ACP) to $15 for the new Tier III from the current $45 for AEPS Tier I and II resources. The ACP serves as a de facto price cap on the AEC market. Thus, a cut by two-thirds in the ACP will result in an equivalent or greater reduction in the value of AECs that currently support AEPS Tier II resources. A reduction in the ACP would be a disincentive for sources in this tier, particularly those sources already in the AEPS program, to construct new facilities or continue operating existing facilities in the state. These resources will be less competitive with surrounding states and less viable to continue their operations, particularly in a PJM energy market with historically low prices.

Additionally, the proposed legislation calls for 3.8% of Pennsylvania's energy to come from PRESS Tier III resources in 2026 rising to 5% in 2032. However, since at least 2020, the proposed PRESS Tier III resources that are currently producing AECs in Pennsylvania (waste coal, municipal waste, wood pulping byproducts) have annually generated in excess of 5% of Pennsylvania's energy usage. Therefore, even with no new resources or increases in generation, PRESS Tier III would have an initial 40% credit oversupply. Taken in conjunction with the two-thirds reduction in the ACP to $15, this oversupply will produce PRESS Tier III credit prices similar to historic Tier II AEPS credit prices of less than $1 and far below the amount needed to support continued operation of these facilities.

Historic Amounts of Proposed PRESS Tier III Credits Created				
PRESS Tier III Sources	2020	2021	2022	2023
Wood pulping by-products	323,481	379,802	391,932	304,669
Municipal Solid Waste	1,732,914	1,610,136	1,554,757	1,626,412
Waste Coal	5,199,621	5,242,271	5,676,664	5,541,020
Total	7,256,016	7,232,209	7,623,353	7,472,101
PA Total MWh Consumed	136,458,735	136,669,240	139,111,166	135,967,418
% Proposed Tier III Credits	5.32%	5.29%	5.48%	5.50%
3.8% Tier III Requirement	5,185,432	5,193,431	5,286,224	5,166,762
Excess Credits @ 3.8%	2,070,584	2,038,778	2,337,129	2,305,339
% of Excess Tier III Credits	39.9%	39.3%	44.2%	44.6%

*Source: PJM Generation Attribute Tracking System (GATS) and PAPUC AEPS Compliance Reports 2020-2023

A cut in state support for these environmentally beneficial energy resources of the magnitude proposed in HB 501 would force many of the facilities to idle or permanently close thereby forgoing their economic and environmental benefits. Should that happen, what you will end up with is a useless PRESS Tier III that fails to support any of these environmentally beneficial energy sources and leaves the state with no realistic means to clean up more than 200 million tons of polluting waste coal piles. If you are going to revise the AEPS and create the new PRESS, shouldn't it be structured in a way that will actually work and provide the support these facilities critically need?

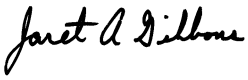
HB 501's revisions to AEPS Tier II energy sources risk reducing incentives for critical electricity providers, including coal refuse reclamation to energy plants, steel manufacturers that repurpose coke oven gas for on-site electricity generation, and facilities that divert municipal solid waste from landfills to create renewable energy. These facilities are critical to Pennsylvania's economy, supporting thousands of jobs and contributing to grid reliability. In addition to their environmental benefits, Tier II resources are some the most resilient and reliable electricity sources in the AEPS program, particularly during peak winter demand when intermittent resources are generally unavailable. Reducing support for these facilities' incentives could jeopardize some of the most reliable and environmentally beneficial energy sources in the state.

Instead of altering Tier II and reducing incentives provided therein, the legislature should consider expanding the eligible sources and closing the border for AEPS Tier I, as over 80% of Tier I credits purchased by Pennsylvania's electric distribution companies fund projects outside the Commonwealth thereby limiting in-state economic benefits. Pennsylvania ratepayers deserve to see their investments support local jobs and infrastructure. If a new Tier III is created, this would be

the more reasonable place to include promising new technologies like advanced nuclear (e.g., small modular reactors), fusion and grid-scale storage. This approach preserves existing jobs and environmental benefits while promoting investment and reliability in Pennsylvania's energy generation.

As currently proposed, ARIPPA must oppose HB 501 as it puts the environmental remediation of polluting coal refuse piles and thousands of Pennsylvania family-sustaining jobs at risk. We urge the House Environmental & Natural Resource Protection Committee to work with industry, labor, and other stakeholders to refine the PRESS proposal to ensure it supports existing Pennsylvania-based energy sources, support local workforces, and positions the Commonwealth as a leader in reliable, sustainable energy. We stand ready to partner with Chairmen Vitali and Rader, Representative Otten, and members of the Committee to craft a bill that delivers for our communities, our environment, and our state.

Sincerely,



Jaret A. Gibbons
Executive Director
ARIPPA

cc: Representative Jack Rader, Republican Chairman
Representative Danielle Friel Otten, Prime Sponsor of House Bill 501

May 19, 2025

RE: Business Support for HB 501, the Pennsylvania Reliable Energy Sustainability Standard (PRESS)

Dear Chairman Vitali, Chairman Rader, and Members of the House Environment & Natural Resource Protection Committee,

Thank you for considering this testimony in support of House Bill 501, the Pennsylvania Reliable Energy Sustainability Standard (PRESS) on behalf of Ceres and our business members.

Ceres is a nonprofit advocacy organization working with some of the largest businesses and investors in Pennsylvania and across the country to accelerate the transition to a cleaner, more just, and resilient world.

The enclosed statement, signed by 10 major companies, underscores the importance of strong, predictable energy policy in accelerating the development of local clean energy while providing cost savings, creating good jobs, and improving public health.

We strongly support the passage of HB501 to codify necessary updates to the Alternative Energy Portfolio Standard with a clean energy standard to meet the needs and new technologies of the moment. This step is essential to save homeowners and businesses money on their energy bills, encourage innovation, and ensure that Pennsylvania remains economically competitive and attracts long-term investments.

We appreciate the Committee's attention to advancing clean energy solutions and welcome the opportunity to work together to build a stronger, more resilient future for the Commonwealth. Thank you for your leadership and for the opportunity to contribute to this important dialogue.

Sincerely,

Jeff Mauk

Jeff Mauk
Director, State Policy, Eastern Region
Ceres

Dear Governor Shapiro and Members of the Pennsylvania General Assembly,

As major businesses, investors, and employers with operations in Pennsylvania, we write to express our support for the goal of achieving 35% clean energy by 2035 in the commonwealth, as outlined in the proposed PA Reliable Energy Sustainability Standard (PRESS). We urge Pennsylvania lawmakers to enact legislation to establish clean energy production goals that will accelerate the development of local clean energy while providing cost savings, creating good jobs, and improving public health.

We understand firsthand how Pennsylvania's energy policies impact the cost of doing business and the commonwealth's economic competitiveness. Like many hundreds of businesses across the U.S., we have set goals to reduce greenhouse gas emissions, procure renewable energy, and improve energy efficiency in our facilities and supply chains.[1] Clean energy helps businesses save money, hedge against volatile fuel prices, and stay competitive. Our climate and clean energy commitments are also in line with the expectations of our customers, employees, and investors.

Pennsylvania's largest companies and employers want access to clean energy. Twenty seven of Pennsylvania's 40 largest employers have renewable energy or energy efficiency goals[i]. More than 90 companies with a presence in the Commonwealth have committed to being powered by 100% renewable energy.[ii] More than 370 companies, including many Fortune 500 companies, have committed to powering all their corporate operations with 100% renewable energy[iii]. Since 2014, corporate America has procured 37% of the carbon-free electricity added to the U.S. grid, setting a record of 11.06 GW added in 2021 [iv]. Enactment of clean energy goals will provide certainty to businesses that Pennsylvania's energy mix will meet their future needs throughout their supply chains and facilitate companies' long-term planning.

Pennsylvania's economy will benefit if policymakers send a clear message that the state is open for clean energy investment over the long term. It is imperative that Pennsylvania

move quickly to take advantage of unprecedented federal incentives provided by the Inflation Reduction Act, ensuring maximum benefits flow to Pennsylvania businesses and communities. A 35% goal is also critical to ensuring that efforts to electrify industry and transportation are cost effective and beneficial to public health by reducing pollution in the air and water.

To ensure that the benefits of this transition are distributed fairly to all Pennsylvanians, it is also imperative that clean energy goals include protections for low- and middle income communities and assurances that they will share in the economic and environmental benefits of the energy transition.

Now is the time to grow Pennsylvanian energy and prioritize growing our clean energy economy by enacting PRESS or establishing comparable standards. Passing legislation to codify the 35% clean energy by 2035 goal will attract new investment, encourage innovation, save homeowners and businesses money on their energy bills, and ensure environmental benefits for all Pennsylvanians. We look forward to working with you to grow jobs and the economy, and ensure that Pennsylvania retains its place as an American energy leader.

Sincerely,

Akamai Technologies
DSM
EILEEN FISHER
Energy Management Solutions Inc.
Green Building Alliance
IKEA USA
Nestlé
Recreational Equipment, Inc. (REI)
Sustainable Business Network
Warren Energy, LLC

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[i] "Pennsylvania Top 50 Employers and Industries," Center for Workforce Innovation and Analysis. https://www.workstats.dli.pa.gov/Products/Top50/Pages/default.aspx

[ii] "RE100," Climate Group. https://www.there100.org/

[iii] "Power Forward 4.0: A Progress Report of the Fortune 500's Transition to a Net-Zero Economy," World Wildlife Fund. https://www.worldwildlife.org/stories/fortune-500-companies-are-acting-on-the-climate-crisis-but-is-it-enough

[iv] " Corporate clean energy procurement on track for another record year after adding 11 GW in 2021," Utility Dive. May 2022. https://www.utilitydive.com/news/corporate-clean-energy-procurement-ceba-report/623926/