

July 14, 2017

The Honorable John Michael Mulvaney
Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

RE: Joint state comments regarding OMB's review of EPA's proposed Review of the Clean Power Plan,
RIN: 2060-AT55

Dear Director Mulvaney:

We are a group of environmental officials from 12 states that are taking action to promote clean energy and address climate change. We write to express our deep concern that OMB is currently reviewing an Environmental Protection Agency (EPA) rule titled "Review of the Clean Power Plan" that we understand would repeal the Clean Power Plan finalized in 2015. We have requested a meeting with you and your staff to explain why we believe that EPA's draft rule will threaten public health, harm the American economy, and is contrary to EPA's obligation to implement the Clean Air Act.

The Supreme Court's 2007 decision in *Massachusetts v. EPA*, 549 U.S. 497, which affirmed EPA's obligation to regulate greenhouse gases that endanger public health and the environment, established the clear statutory basis for EPA to limit greenhouse gas emissions from the power sector, the nation's largest source of such emissions. Relying on the direction provided by that decision, our states encouraged the EPA to develop a program to reduce greenhouse gas emissions from existing power plants that:

- Establishes emissions guidelines based on a system that reflects the full range of approaches that states and the power industry have successfully demonstrated can cost-effectively reduce carbon pollution from the electricity system, rather than relying solely on heat-rate improvements at individual units.
- Equitably recognizes the multiple starting points and circumstances of different states, including pollution reductions already achieved through state climate and clean energy programs.
- Places all states on a trajectory to reach final targets of comparable rigor, but allows for a variety of state compliance options, including the use of existing state programs such as renewable portfolio standards, energy efficiency standards, and state or regional carbon pollution caps with market-based components.

The Clean Power Plan fulfills all of these criteria as it incorporates and relies on existing state programs, existing trends in generation and use, and industry strategies to bring about needed greenhouse gas emission reductions. We are concerned that any effort to rescind the Clean Power Plan will substantially delay needed action to reduce greenhouse gases.

Addressing climate change does not harm the economy—quite the opposite. We have seen that actions to reduce carbon emission also have economic benefits, and the Clean Power Plan reflects our collective

experience. Our state programs have delivered significant economic and health benefits by driving investments in energy efficiency and renewable energy. Costs to consumers have actually declined, even as emissions of carbon and harmful traditional air pollutants have been reduced and clean energy jobs have grown. As documented in the attachment to this letter, clean energy companies in states like California, Colorado, and Washington have created tens of thousands of jobs in recent years. Consumers also benefit: since 2002, the Energy Trust of Oregon has made more than \$1 billion in clean energy investments,¹ saving customers more than \$1.3 billion on utility bills. In California, the state's economy is booming and its power bills are among the lowest in the country, even as cap-and-trade program auctions have generated billions of dollars in investments to reduce emissions and the state's Renewable Portfolio Standard is ensuring that at least 50 percent of California's power will come from green sources by 2030. In the eastern United States, independent studies have found that the Regional Greenhouse Gas Initiative (RGGI) is generating billions of dollars in economic benefits and energy bill savings and creating thousands of new jobs.

These programs have provided health benefits as well. A recent report found that the RGGI states' transition to a cleaner energy system is saving hundreds of lives, preventing thousands of asthma attacks, and reducing health-related costs to society by billions of dollars.²

In addition, every dollar saved through investments in energy efficiency creates net economic benefits—including jobs that cannot be exported and lower fuel costs for our citizens. Therefore, we ask that you fully consider the full benefits of energy efficiency measures that would be implemented to comply with the Clean Power Plan.

In our states, we see strong evidence that the climate is changing. Sea levels are rising. Heat waves, severe storms, floods, and regional droughts are becoming more frequent and more intense. Snow cover is decreasing. These changes are leading to water shortages and devastating forest fires, exacerbating air pollution, increasing the risks to critical infrastructure (including energy systems), exposing our communities to extreme weather, and accelerating the spread of disease-carrying pests causing illness and death for our citizens. A national program to address climate change is needed; if we do not collectively act to reduce greenhouse gases immediately, the damage from climate change will only continue to accelerate and become irreversible.

Nations of the world are moving ahead with the clean energy economy. For example, China now has more than three times the number of clean energy jobs as the U.S., and it plans to invest at least \$360 billion by 2020 in a push to be the global leader in renewables.³ It is important that the United States continue to lead in addressing climate change and ensuring that our states, industries, and stakeholders maintain—and increase—investments in clean energy technologies, and develop new technologies. Otherwise, we will not realize the economic and workforce benefits in this country, or savings for American consumers.

¹ Energy Trust of Or., 2015 Annual Report, 1 (2015), http://assets.energytrust.org/api/assets/reports/PublicAnnualReport_2015_Final.pdf.

² Manion, M, et al., 2017. "Analysis of the Public Health Impacts of the Regional Greenhouse Gas Initiative," Abt Associates.

³ Michael Forsythe. "China Aims to Spend at Least \$360 Billion on Renewable Energy by 2020." New York Times, January 5, 2017.

We support a cooperative federalism approach to this problem—one that sets a national standard for action and allows states the flexibility to design a strategy that best fits the needs and unique circumstances of their residents and businesses. The Clean Power Plan did just that when the Agency defined “the best system of emission reduction”⁴ to make use of the systems of reduction already demonstrated by states to be successful and cost effective, and then gave states the discretion to develop strategies that make the most sense for each state to achieve the collective emission target established by EPA. We encourage the Agency to maintain this collaborative approach to reducing pollution and growing the U.S. economy through innovation and the power of markets. A flexible approach such as this will put states in the lead while ensuring that all are operating on an even playing field.

Thank you for the opportunity to comment, and we look forward to the opportunity to brief you in person.

Sincerely,



Mary Nichols
Chair
California Air Resources Board



Martha E. Rudolph
Director of Environmental Programs
Colorado Department of Public Health
and Environment



Robert Klee
Commissioner
Connecticut Department of Energy
and Environmental Protection



Shawn Garvin
Secretary
Delaware Department of Natural
Resources & Environmental Control



Martin Suuberg
Commissioner
Massachusetts Department
of Environmental Protection



J. David Thornton
Assistant Commissioner
Minnesota Pollution Control Agency

⁴ 42 U.S.C. 7411(a)(1).



Basil Seggos
Commissioner
New York State Department
of Environmental Conservation



Richard Whitman
Director
Oregon Department
of Environmental Quality



Janet Coit
Director
Rhode Island Department
of Environmental Management



Julia S. Moore
Secretary
Vermont Agency of Natural Resources



Molly Ward
Secretary of Natural Resources
Commonwealth of Virginia



Maia D. Bellon
Director
Washington Department of Ecology

cc: The Honorable Scott Pruitt, Administrator, U.S. Environmental Protection Agency

Attachment

Examples of successful state emission reduction programs:

- A recent study found that the Regional Greenhouse Gas Initiative (RGGI) program has substantially reduced the number of premature deaths, heart attacks, and respiratory illnesses in the Northeast, since 2009.⁵ The study estimated the economic value of RGGI's public health and productivity benefits, to date, at a cumulative \$5.7 billion.
- Washington's past and ongoing investments in clean energy have paid off in jobs, savings, and reduced pollution. Between 2010 and 2014, clean economy jobs in the state grew by 9.7 percent⁶ and the clean economy in Washington State increased 23 percent during that time period.⁷
- In California, the state's economy is booming and its power bills are among the lowest in the country, even as Cap-and-Trade program auctions have generated billions of dollars in investments to reduce emissions and the state's Renewable Portfolio Standard (RPS) is ensuring that at least 50 percent of California's power will come from green sources by 2030. California's RPS is projected to grow the California economy by \$60 billion and create up to 235,000 jobs.
- From 2009 to 2014, employment in Colorado's clean energy technology industries grew 29.1 percent—more than 14 percent higher than the national average.⁸ In 2015, there were 2,070 clean tech companies operating in Colorado, and the industry supported 25,260 direct jobs and an additional 62,500 indirect jobs.⁹ These clean tech jobs provided \$3.6 billion in wages.¹⁰
- In New York, RGGI has produced considerable economic and health benefits. New York's GDP has increased by approximately 15 percent since 2005.¹¹ Even more significant, health impacts from power plants in New York were reduced by 87 to 88 percent since 2005.¹² Investments in the RGGI portfolio of programs through March 31, 2016 are expected to reduce CO₂ emissions by more than 100 million tons, cut fossil fuel use by 52.5 million Btu, and save 4.2 million MWh of electricity over

⁵ Manion, M, et al., 2017. "Analysis of the Public Health Impacts of the Regional Greenhouse Gas Initiative," Abt Associates.

⁶ Delphi Grp., West Coast Clean Economy: 2010-2014 Jobs Update, 8 (November 2015), <http://delphi.ca/wpcontent/uploads/2015/12/PCC-Clean-Economy-Report-FINAL.pdf>

⁷ *Id.*

⁸ Colo. Cleantech Indus. Assoc., *Clean Tech Workforce: March 4, 2015* (Mar. 4, 2015), <http://coloradocleantech.com/cleantech-workforce-march-4-2015/>

⁹ Per Colo. Dep't Pub. Health & Env't.

¹⁰ *Id.*

¹¹ U.S. Dept. of Commerce, Regional Data, <http://www.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrdn=1#reqid=70&step=1&isuri=1> [select "Real GDP in chained dollars;" select "All Industries;" click "Next Step;" select "New York;" click "Next Step;" select "All Years;" and click "Next Step"]

¹² Jonathan Banks and David Marshall, Regulation Works: How Science, Advocacy, and Good Regulations Combined to Reduce Power Plant Pollution and Public Health Impacts; With A Focus On States In The Regional Greenhouse Initiative, 13 (2015), <http://www.catf.us/resources/publications/view/216>. The 2005-2012 rates of mortality, heart attacks, bronchitis, asthma and hospital visits linked to SO₂, NO_x, and PM_{2.5}.

the lifetime of the measures installed with RGGI funding.¹³ Over the same timeframe, net renewable generation is expected to rise to approximately 5.6 million MWh, saving customers more than \$2.9 billion on their electricity bills.¹⁴

- Minnesota estimates that increasing the state's 2030 target for renewable electricity to 40 percent would result in over \$600 million in savings and an average annual increase of 1,500 jobs.¹⁵
- Projects funded by Delaware's Sustainable Energy Utility in 2016, using RGGI proceeds, will save Delaware residents, businesses, and towns more than \$900,000 per year, and prevent more than 7,800 metric tons of air pollution.¹⁶
- Through Connecticut's investments of RGGI proceeds, our nationally-recognized energy efficiency programs, switching to low-carbon fuels, and our increasing use of renewable energy, the carbon intensity of our economy has declined dramatically, from nearly 1 pound of CO₂e per dollar of state gross domestic product in 1990 to 0.4 pounds per dollar of state gross domestic product in 2013, which is benefiting residents and businesses alike.¹⁷ The design, installation and manufacture of energy efficiency products and services in Connecticut accounts for nearly 34,000 jobs in the state.¹⁸ Connecticut has successfully used competitive procurements to bring grid-scale (2 MW and greater) clean energy resources online throughout New England, representing approximately 7 percent of Connecticut's electric load, and we have seen a 50 percent reduction in the price of these clean energy resources from 2011 to 2016. Connecticut's first in the nation Green Bank has leveraged limited public dollars (including RGGI and ratepayer funds) to attract multiple times more private dollars into a thriving clean energy marketplace, where financing is accessible and affordable for homeowners, businesses and institutions.¹⁹
- Since 2002, the Energy Trust of Oregon has invested more than \$1 billion in energy efficiency and renewable energy generation.²⁰ These investments have saved customers more than \$1.3 billion on utility bills and will further reduce costs on Oregon utilities and their customers by eliminating at least \$5.6 billion in investments utilities would otherwise have needed to make for fuel, storage,

¹³ N.Y. State Energy Research & Development, New York's Regional Greenhouse Gas Initiative-Funded Programs Status Report 4 (2016), <https://www.nyserda.ny.gov/About/Publications/Program-Planning-Status-and-Evaluation-Reports/RGGI-Reports>

¹⁴ *Id.* at 4.

¹⁵ Minnesota Environmental Quality Board, 2016. Climate Solutions and Economic Opportunities A foundation for Minnesota's state climate action planning.

https://www.eqb.state.mn.us/sites/default/files/documents/CSEO_EQB.pdf

¹⁶ Delaware Sustainable Energy Utility, 2016 Year in Review (2016), <http://www.energizedelaware.org>.

¹⁷ 2013 Connecticut Greenhouse Gas Emissions Inventory, Connecticut Department of Energy and Environmental Protection,

http://www.ct.gov/deep/lib/deep/climatechange/2012_ghg_inventory_2015/ct_2013_ghg_inventory.pdf

¹⁸ US Dept. of Energy, *Energy and Employment Report*, January 2017

<https://energy.gov/downloads/2017-us-energy-and-employment-report>

¹⁹ Connecticut Green Bank, www.ctcleanenergy.com/

²⁰ Energy Trust of Or., 2015 Annual Report, 1 (2015),

http://assets.energytrust.org/api/assets/reports/PublicAnnualReport_2015_Final.pdf

transportation, and generation.²¹ Oregon has at least 68,700 jobs in fields related to renewable electricity and conservation.²²

- As of June 2017, Massachusetts has received more than \$450 million in Regional Greenhouse Gas Initiative (RGGI) auction proceeds²³ which the state has used to implement energy programs that improve building efficiency, comfort, durability, health, and affordability for individuals, businesses, and state and local governments. The programs reduce harmful pollution, build the Commonwealth's clean energy economy, save money for consumers, and increase the predictability of energy costs for homes and businesses.²⁴
- In Rhode Island, the state's strong commitment to sustainable, cleaner sources of energy is growing jobs; attracting new investment; reducing energy burdens at homes and businesses; and mitigating consumer exposure to energy price volatility, all while reducing carbon footprints and fostering public health benefits. Home to the nation's first off-shore wind farm and well positioned to benefit from that burgeoning new industry to America's shores, the Ocean State has already experienced a 66 percent growth in clean energy employment since 2014, and an impressive 11 percent increase over just the last year.²⁵ This growth has been driven, in large part, by policies and investments that support the adoption of no-to-low carbon energy resources, such as energy efficiency. In fact, since 2008, Rhode Island consumers have realized \$2.67 billion in economic benefits as a result of \$489 million in energy efficiency investments.²⁶
- Vermont has used RGGI funds to achieve lifetime energy savings of 2 million mmBTUs through 2014. Together with electric efficiency investments, these programs are estimated to avoid the emission of an estimated 138,859 short tons of CO₂, and to save participants an estimated \$115 million on their energy bills over the lifetime of those investments.²⁷
- In Virginia, Governor McAuliffe has prioritized policies that would drive investment in clean energy resources, including signing into law a bill that declares 500 MW of utility-scale solar to be in the public interest.²⁸ Virginia's solar market has grown from only 17 megawatts (MW) installed in 2014 to more than 1,900 MW currently in service or under development.²⁹ In the last year alone, the number of solar jobs in Virginia has increased by 65 percent, from 1,963 to 3,236.³⁰ Virginia's solar

²¹ *Id.*

²² News Release, U.S. Dep't of Labor, Employment in Green Goods and Services – 2011 (2013), <http://www.bls.gov/news.release/pdf/ggqcew.pdf>.

²³ Regional Greenhouse Gas Initiative, Auction Results, http://rggi.org/market/co2_auctions/results (last visited June 13, 2016) [select "Cumulative Allowance & Proceeds (by State)"].

²⁴ Regional Greenhouse Gas Initiative, Massachusetts, https://www.rrgi.org/rggi_benefits/program_investments/massachusetts

²⁵ Rhode Island 2017 Clean Energy Jobs Report, <http://www.energy.ri.gov/cleanjobs/>.

²⁶ R.I., STATE OF RHODE ISLAND ENERGY EFFICIENCY AND RESOURCE MANAGEMENT COUNCIL ANNUAL REPORT, 8, 10, 23 (2016), http://www.rieermc.ri.gov/documents/annual/6_2016%20EERMC%20Annual%20Report.pdf.

²⁷ Regional Greenhouse Gas Initiative, Vermont, https://www.rrgi.org/rggi_benefits/program_investments/vermont (last visited June 13, 2017).

²⁸ VA. CODE ANN. § 56-585.1 (2016).

²⁹ Department of Mines Minerals and Energy, Solar Tracking Data, Updated May 5, 2017.

³⁰ The Solar Foundation, *National Solar Jobs Census 2016*, available at <http://www.thesolarfoundation.org/national/> (last accessed May 9, 2017).

jobs market is the second fastest growing in the Southeast and ninth fastest growing in the nation.³¹ The Commonwealth is already home to over 75,000 energy efficiency workers.³² Energy efficiency business revenue in Virginia has increased from \$300 million in 2014 to \$1.5 billion in 2016, a five-fold increase.³³ The continued growth of clean energy investment in the Commonwealth has the potential to bring about long-term sustainable economic development while also mitigating the impacts of climate change through reduced carbon dioxide emissions.

- Approximately 58 percent of cumulative RGGI proceeds have been invested in energy efficiency programs.³⁴ Over the lifetime of the installed measures, RGGI estimates that these investments will save \$3.62 billion on participants' energy bills while avoiding 12.9 million short tons of CO₂ emissions.³⁵

³¹ See *Id.*

³² U.S. Department of Energy, *2017 US Energy and Employment Report*, available at <https://energy.gov/downloads/2017-us-energy-and-employment-report> (last accessed May 9, 2017).

³³ The Virginia Energy Efficiency Council, *Why Energy Efficiency is a Smart Investment in Virginia*, available at <http://vaeec.org/resources/data/> (last accessed May 15, 2017).

³⁴ The Regional Greenhouse Gas Initiative, *The Investment of RGGI Proceeds through 2014, Sept. 2016*, https://www.rggi.org/docs/ProceedsReport/RGGI_Proceeds_Report_2014.pdf

³⁵ *Id.*