

Energizing Federalism: Defending Pennsylvania from Anti-Energy Policies

Commonwealth Foundation joins two coalition letters opposing federal action on carbon capture rules and carbon taxes.

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SUMMARY

- The Commonwealth Foundation joins several energy policy groups in two coalition letters opposing the Environmental Protection Agency's (EPA) latest [power plant rule](#) and the [PROVE IT Act](#). As an energy-producing state, these federal actions directly harm the commonwealth, threatening jobs and Pennsylvania's energy economy.¹
- The EPA's new [power plant rule](#) places unrealistic and legally questionable carbon capture requirements on existing coal power and new natural gas power facilities. The rule requires 90 percent carbon capture—a technology that does not currently exist—for power-generating facilities. This would effectively force the shutdown of all baseload coal plants and prevent new natural gas plants from coming online to maintain energy reliability on U.S. energy grids.²
- The [PROVE IT Act](#) is legislation currently introduced in the U.S. Senate, with a potential companion bill in the U.S. House underway. It would require the Department of Energy to collect and analyze data on the carbon intensity of various domestic and foreign trade goods.³ This legislation, if passed, paves the way for economy-wide carbon taxes, penalizes energy usage, and significantly impacts low-income citizens.
- While Pennsylvania should oppose state policies like Gov. Josh Shapiro's Pennsylvania Climate Emissions Reduction Act (PACER) and Pennsylvania Reliable Energy Sustainability Standard (PRESS) proposals [designed to cripple](#) our electric grid and raise energy prices,⁴ it must likewise defend against federal overreach that also prevents the Keystone State from unleashing its full economic potential and increases the cost of living for every Pennsylvanian.

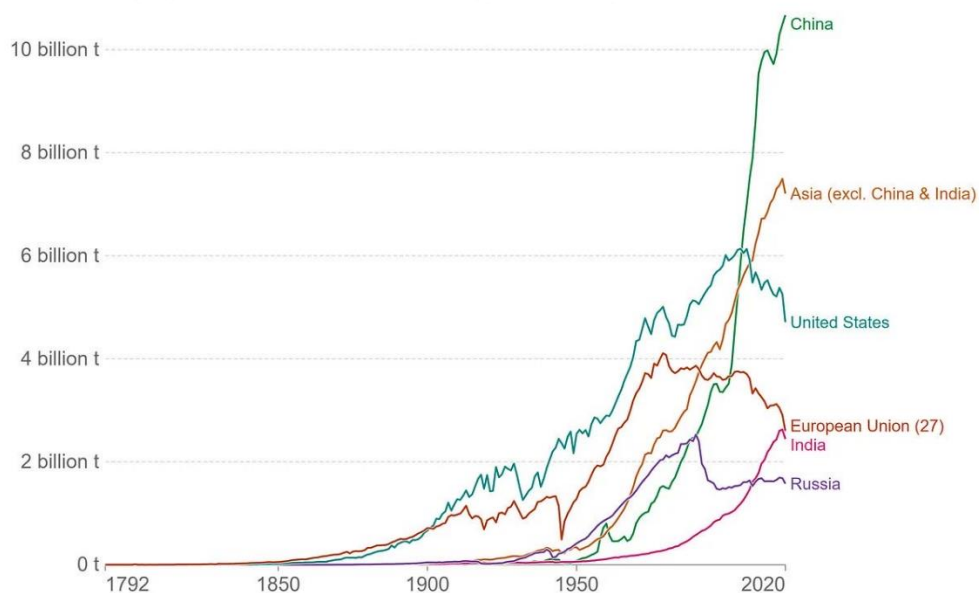
IMPACT ON PENNSYLVANIA

- Pennsylvania is the second-largest producer of natural gas and the largest electricity exporter in the United States. The new EPA rule shackles an entire industry with unfeasible standards. With increasing energy demand across the nation, energy-producing states, such as Pennsylvania, should be able to innovate and flourish economically by filling these gaps at home and abroad. However, the new EPA rule forces these states and their energy producers to abandon the facilities, resources, and workforces that could thrive in these market conditions.

- Natural gas accounts for nearly 60 percent of Pennsylvania’s electricity generation and has helped reduce overall emissions. Data from the Independent Fiscal Office (IFO) [shows](#) that, from 2022 to 2023, Pennsylvania successfully reduced CO2 emissions by 10.8 percent year-over-year—the most significant decrease since the 1990s—all the while producing even more reliable power.⁵ The EPA’s rule prevents this positive trend from continuing. Moreover, it threatens grid reliability by forcing the market to use unreliable power sources.
- The United States has decreased its emissions from carbon-emitting energy sources. A lead factor behind the favorable national trend is Pennsylvania’s production, usage, and exportation of natural gas—all without policies like the EPA power plant rule or the PROVE IT Act.

Annual CO₂ emissions

Carbon dioxide (CO₂) emissions from fossil fuels and industry. Land use change is not included.



Source: Global Carbon Project

OurWorldInData.org/co2-and-other-greenhouse-gas-emissions/ • CC BY

- Recent [polling](#) shows that 67 percent of Pennsylvanians are unwilling to pay to combat climate change.⁶ [Carbon taxes](#) will increase the costs of imported goods and inevitably raise the costs of domestic goods,⁷ hitting Pennsylvanians in the pocketbook and most especially harming low-income Pennsylvanians—all in the name of climate radicalism.
- Pennsylvanians deserve access to affordable and reliable energy, but the EPA’s decision threatens their ability to keep the lights on and adequately heat their homes. Likewise, the PROVE IT Act would arbitrarily punish trade goods with links to carbon-emitting energy sources (which make up [80 percent of the world’s energy](#)),⁸ raising the cost of living even more at a time of already heightened inflation.

CONCLUSION

- Pennsylvania should be free to develop the optimal mix of energy sources at the lowest possible cost while ensuring reliability and investing in innovation.

- Pennsylvania’s energy industry has helped reduce overall carbon emissions while increasing power capacity due to our abundance of natural gas resources being utilized to provide reliable, clean energy.
- Federal policies like the EPA power plant rule and PROVE IT Act, as well as state policies like PACER and PRESS, threaten to reverse Pennsylvania’s positive trends towards improving the environment with energy abundance and economic growth.
- Carbon taxes are a tax on everyday life, forcing taxpayers to pay more for basic needs and raising electricity costs. Excessive tax schemes and unrealistic regulatory actions, whether state or federal, jeopardize prosperity and jobs, punish modern life, and, in short, attack and gamble with our livelihoods.
- Our congressional delegation should advance the Regulations from the Executive in Need of Scrutiny, or [REINS Act of 2023](#), a policy supported by [79 percent](#) of Pennsylvania voters, that would boost accountability and transparency in the federal regulatory process.⁹

¹ Competitive Enterprise Institute, “CEI Leads Coalition Letter Supporting CRA Resolution of Disapproval on EPA Power Plant Rule,” May 30, 2024, https://cei.org/coalition_letters/cei-leads-coalition-letter-supporting-cra-resolution-of-disapproval-on-epa-power-plant-rule/; Daren Bakst, “CEI House PROVE IT Act Coalition Letter,” Competitive Enterprise Institute, June 3, 2024, https://cei.org/coalition_letters/cei-house-prove-it-act-coalition-letter/#:~:text=Dear%20Representative%3A,and%20a%20domestic%20carbon%20tax.

² Environmental Protection Agency, “New Source Performance Standards for Greenhouse Gas Emissions from New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions from Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule,” *Federal Register* 89, No. 91, (May 9, 2024): 39798, <https://www.govinfo.gov/content/pkg/FR-2024-05-09/pdf/2024-09233.pdf>.

³ Sen. Christopher Coons (D-DE), S.1863 (PROVE IT Act of 2024), 118th Congress (2023–2024), <https://www.congress.gov/bill/118th-congress/senate-bill/1863>.

⁴ André Béliveau, “PACER and PRESS Analysis,” Commonwealth Foundation, April 1, 2024, <https://www.commonwealthfoundation.org/research/pacer-press-analysis/>.

⁵ Jesse Bushman, “Pennsylvania Electricity Update,” March 7, 2024, Pennsylvania Independent Fiscal Office, http://www.ifo.state.pa.us/download.cfm?file=Resources/Documents/Electricity_Update_2024.pdf.

⁶ Commonwealth Foundation, “Perspectives on Pennsylvania Energy: A Public Opinion Survey” (Conducted by Public Opinion Strategies, March 2024), March 19, 2024, <https://www.commonwealthfoundation.org/pennsylvania-energy-public-opinion-survey/>.

⁷ Daren Bakst, “Why the PROVE IT Act Would Result in Carbon Taxes,” Competitive Enterprise Institute, April 29, 2024, <https://cei.org/blog/why-the-prove-it-act-would-result-in-carbon-taxes/>.

⁸ International Energy Agency (IEA), World Energy Balances, 2021, <https://www.iea.org/reports/world-energy-balances-overview/world#abstract>.

⁹ Rep. Kat Cammack (R-FL), H.R.277 (REINS Act of 2023), 118th Congress (2023–2024), <https://www.congress.gov/bill/118th-congress/house-bill/277>; Commonwealth Foundation, “Common Ground in the Commonwealth Poll, Q1 2024 Survey,” April 2024, <https://www.commonwealthfoundation.org/wp-content/uploads/2024/04/Common-Ground-Q1-2024-Toplines-03292024.pdf>.