

USA - Pennsylvania

General Information

<p>Summary</p>	<p>Status: ETS under development</p> <p>Jurisdictions: Pennsylvania</p> <p>In October 2019, Pennsylvania’s Governor Tom Wolf signed an executive order directing the Pennsylvania Department of Environmental Protection (DEP) to develop and present to the Environmental Quality Board (EQB) a proposal for an ETS covering CO2 emissions from the electric power sector and its linkage to the Regional Greenhouse Gas Initiative (RGGI).</p> <p>According to the executive order, the legal basis for developing an ETS is the state’s ‘Air Pollution Control Act,’ which regulates air resources necessary for the protection of public health.</p> <p>In January 2020, the DEP released a first draft proposal for a power sector ETS covering CO2 emissions. An update to the proposal in April 2020 proposed an emissions cap of 78 MtCO2 for 2022 that would decrease annually by 3% to 58.1 MtCO2 in 2030. In September 2020, the DEP released and presented to the EQB a draft ETS regulation based on the draft proposal. As Pennsylvania aims to join RGGI, for which one precondition is to align ETS program design accordingly, the DEP-proposed regulation is largely consistent with the system design features of the RGGI Model Rule. This includes the implementation of an emissions containment reserve and a cost containment reserve, as well as quarterly auctions to allocate allowances. It includes additional features such as a waste-coal set-aside account, a set-aside provision for cogeneration units (including combined heat and power systems), and a limited exemption for cogeneration units that supply less than 15% of their total energy to the electricity grid.</p> <p>The draft regulation went through public consultation between November 2020 and January 2021. A final regulation was approved by the Pennsylvania Department of Environmental Protection’s (DEP) Environmental Quality Board (EQB) in July 2021. The earliest start date for Pennsylvania’s ETS and for it to join RGGI would be 2022.</p> <p>Joining RGGI would require negotiations between Pennsylvania and the current RGGI member states to adjust the program’s emissions cap. With Pennsylvania joining RGGI, the initiative’s carbon market would increase significantly, as Pennsylvania’s share of emissions in the 2022 RGGI cap would amount to 40.2%.</p> <p>Other major emission reduction efforts currently under development in Pennsylvania include:</p> <ul style="list-style-type: none"> • a memorandum of understanding (MOU) between Pennsylvania and six other states to develop an action plan for the buildout of regional CO2 transport infrastructure to enable large-scale carbon management; and • a rulemaking which would establish a requirement for automobile manufacturers to offer zero emissions vehicles (ZEVs) as a percentage of their fleet.
<p>Year in Review</p>	<p>No information available yet.</p>
<p>Overall GHG emissions (excluding LULUCF)</p>	<p>Emissions: 262.7 MtCO_{2e} (2017)</p>

Overall GHG emissions by sector (in MtCO ₂)	Sector Name	MtCO ₂ e
	Energy (75.2)	75.2
	Industrial Processes (81.4)	81.4
	Transportation (64.3)	64.3
	Residential (18.5)	18.5
	Commercial (10.9)	10.9
	Agriculture (8.2)	8.2
	Waste Management (4.3)	4.3
GHG reduction target	BY 2025: 26% below 2005 levels (Executive Order 2019-1)	
	BY 2050: 80% below 2005 levels (Executive Order 2019-1)	
Carbon Price	<i>Current Allowance Price (per t/CO₂e):</i> No information available yet.	

ETS Size

Covered emissions	No information available yet.
GHGs covered	No information available yet.
Sectors and thresholds	No information available yet.
Point of regulation	No information available yet.
Number of entities	No information available yet.
Cap	No information available yet.

Phases & Allocation

Trading periods	No information available yet.
Allocation	No information available yet.

Flexibility

Banking and borrowing	No information available yet.
Offsets and credits	No information available yet.
Market Stability Provisions	No information available yet.

Compliance

Compliance Period	No information available yet.
Monitoring, Reporting, Verification (MRV)	No information available yet.
Enforcement	No information available yet.

Linking

Links with other systems

No information available yet.

Other Information

Institutions involved	Pennsylvania Department of Environmental Protection (DEP)
Evaluation / ETS review	No information available yet.
Revenue	No information available yet.
Implementing Legislation	Executive Order 2019-07 Draft CO2 Budget Trading Program

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