

USA - Pennsylvania

General Information

<p>Summary</p>	<p>Status: ETS under development</p> <p>Jurisdictions: Pennsylvania</p> <p>On 3 October 2019 Pennsylvania’s Democratic Governor Tom Wolf signed an executive order directing the Pennsylvania Environmental Quality Board (EQB) to develop a proposal for an ETS covering CO₂ emissions from the electric power sector and its linkage to the Regional Greenhouse Gas Initiative (RGGI) by 31 July 2020.</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. The executive order comes after Pennsylvania’s Department of Environmental Protection (DEP) recommended the implementation of an ETS for the power sector in April 2019 and the EQB directed the DEP to study a petition of over 200 businesses, organizations, and individuals to introduce an economy-wide cap-and-trade program in the state.</p> <p>End of January 2020, the DEP released a first draft proposal for a power sector ETS covering CO₂ emissions. The draft proposal is largely consistent with the system design features of the RGGI Model Rule, including the implementation of an emissions containment reserve (ECR) and a cost containment reserve (CCR) as well as quarterly auctions to allocate allowances. It also includes additional features such as an automatic implementation of cap adjustments for banked allowances, an additional offset protocol and a waste-coal set aside account.</p> <p>This first proposal is now going through a review and stakeholder engagement process. The final ETS proposal was expected to be released by the end of July 2020, but the release has since been postponed to mid-September 2020. As a next step it must go through the state’s regulatory review process, including through state boards and legislative committees, for comment. A final proposal could be presented in the third quarter of 2021, while the earliest start date for Pennsylvania’s ETS and its linkage to 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 power sector emissions are higher than the collective emissions output of all current RGGI states.</p>										
<p>Year in Review</p>	<p>No information available yet.</p>										
<p>Overall GHG emissions (excluding LULUCF)</p>	<p>Emissions: 264.4 MtCO₂e (2016)</p>										
<p>Overall GHG emissions by sector</p>	<table border="1"> <thead> <tr> <th>Sector Name</th> <th>MtCO₂e</th> </tr> </thead> <tbody> <tr> <td>Energy</td> <td>80.5</td> </tr> <tr> <td>Industrial</td> <td>81.4</td> </tr> <tr> <td>Transportation</td> <td>61.1</td> </tr> <tr> <td>Residential</td> <td>18.5</td> </tr> </tbody> </table>	Sector Name	MtCO ₂ e	Energy	80.5	Industrial	81.4	Transportation	61.1	Residential	18.5
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	Sector Name	MtCO ₂ e
	Commercial	10.6
	Agriculture	8.0
	Waste Management	4.3
Overall GHG reduction target	By 2025: 26% below 2005 levels. By 2050: 80% below 2005 levels.	
Carbon Price	<i>Current Allowance Price (per t/CO₂e)</i> : No information available yet.	

ETS Size

Emissions covered by the ETS	No information available yet.
GHG covered	No information available yet.
Sectors covered and thresholds	No information available yet.
Point of regulation	No information available yet.
Number of liable entities	No information available yet.
Cap	No information available yet.

Phases & Allocation

Trading period	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.
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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 Preliminary Draft for Review

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