



South Central Pa Building and Construction Trades Council

**P.O. Box 85
Ebensburg, PA 15931**

**SERVING: BEDFORD, BLAIR, CAMBRIA, FULTON, HUNTINGDON,
INDIANA & SOMERSET COUNTIES**

Donald Arena, President
Phone: (814) 472-5404
Fax: (814) 472-5740
Cell: (814) 341-7513

Shawn Steffee, Sec/Treas
Phone: (412) 343-3072
Fax: (412) 343-8533
Cell: (412) 464-9201

August 25, 2020

Testimony for the Pennsylvania State Senate Environmental Resources & Energy Committee.

Good morning, Chairman Yaw, Chairman Santarsiero, and members of the Senate Environmental Resources & Energy Committee. My name is Donald Arena. I am the President of the South-Central Building & Construction Trades Council. Our Council consists of 22 affiliated Building Trades local unions serving Bedford, Blair, Cambria, Fulton, Huntingdon, Indiana & Somerset Counties here in the Commonwealth of Pennsylvania.

Our affiliated local unions provide manpower to every aspect of the construction, maintenance, repair, and service industries throughout the seven counties. One of our larger projects recently completed in Cambria County was a 1050 MW combined cycle natural gas energy facility. This project provided our members with approximately 1.75 million-man hours of work over a 30-month construction period, at a cost of approximately a billion dollars.

We also provide manpower to contractors that service Conemaugh, Homer City, and Seward Generating Stations as well as power plants outside our territory. We have members in these plants year-round. In addition, we do forced outages throughout the year, as well as larger outages of 7 to 8 weeks in the spring or fall on. As an example, in 2018 at Conemaugh Station, Unit 1 fall outage was roughly 8 weeks long and was over 215,000 craft manhours at an economic benefit to our members approximately 19 million dollars. In 2019 we completed a similar maintenance outage at Homer City Station, and then the talk of RGGI surfaced. Homer City was scheduled to have a large outage in spring of 2020 which was postponed indefinitely. This fall Conemaugh station had a large outage scheduled and it was postponed. Yet all outages in Ohio and West Virginia are continuing as planned. This is an example of the impact RGGI has had on the building trades unions already.

Based on the last 15 years we have seen numerous coal fired power plants either convert to natural gas or retire which in turn reduced carbon emissions. Pennsylvania's power generation industry has already exceeded Governor Wolf's, President Obama's, and the Paris agreement target of CO2 emissions by 2025. Without RGGI in place it is estimated that the remainder of coal fired plants retire in next 5 to 10 years, if not sooner. With RGGI in place these plants will close almost immediately after it is implemented. We need to let these plants retire on their own pace. By doing this we will have an opportunity to replace these plants with another form of energy instead of giving the opportunity to another state in the PJM operation market. We need to entice investors to build new facilities on these retired power generation sites, not deter them. Just the mere fact that the governor has announced that he would like to become a part of the RGGI program, has already deterred investors from looking in our

Commonwealth to build future plants. In Fayette County there is a closed fossil fuel plant that retired in 2012 called Hatfield Ferry. This plant is slated to have a new combined cycle gas fired power plant built on its site. We understand that the investors pulled the funding to build this plant because RGGI is a possibility in this Commonwealth. If I were an investor and had billions of dollars to invest in energy, and I have a choice between investing in the Commonwealth of Pennsylvania as a RGGI state, or investing in Ohio or West Virginia that doesn't have an additional cap and trade mechanism in place, which one would I invest in? Why would developers build a gas fired plant in a state that would have additional operating costs of at least \$2.35 per MW hour. I think we need to look at the big picture. We are part of the PJM operating market that consists of 13 states, so developers can build anywhere in that market and still provide power to the grid. The power generation business in our commonwealth is already exceeding the CO2 benchmarks. Again, why not let these plants retire at a natural progression? This will give us an opportunity for investors to put some type of power facility on these old fossil fuel sites, which in turn would give a community that will be in a distress status an opportunity to recoup some of its losses in tax revenue.

We are not against doing something to stop global warming. We just want to be smart about it and everyone do their fair share. Not just the energy sector that provides us with manhours for our members. We need to also make sure that Pennsylvanians understand that to fight global warming comes with a price. The cost produce electricity will go up and the residential market will be the ones hardest hit.

Lastly my hometown is Johnstown PA. Johnstown was a thriving Steel making town until the early 80s. When the steel mills closed, our town was devastated. In 1992 the city of Johnstown became a distressed city under Act 47. By October 2021 Johnstown will be out of their distressed status. That's 29 years and Johnstown is still not even close to the economy it once enjoyed. The point I'm trying to make is that communities don't recoup as fast as you think when major industry moves out of their area. Now in Johnstown's case it was unavoidable based on economic conditions and a major flood in 1977. In this case by implementing RGGI you are creating this economic hardship for these communities.

In closing I ask that all branches of our state government look at all factors and all the data before deciding in entering in to the RGGI program. Thank you again for my opportunity to testify.