



PA House of Representatives
Republican Policy Committee

414, Main Capitol Building
Harrisburg, PA 17120
(717) 260-6144

Rep. Joshua D. Kail
Chairman

PA House Republican Policy Committee Hearing
“Pennsylvania’s Energy Policy: Boom or Bust”

June 23, 2023, at 10 a.m.

Homer City Fire Hall
25 W Church St.
Homer City, PA 15748

10:00 a.m.

Welcome and Pledge of Allegiance

Powering Our Communities Panel

10:10 a.m.

Gregg Kalembe
Business Manager, Homer Center School District

10:15 a.m.

Jud Kroh
President, Robindale Energy

10:20 a.m.

Shawn Steffee
Business Agent, Executive Board Trustee, Boilermakers Local 154

10:25 a.m.

Questions for the Powering Our Communities Panel

Powering Our Future Panel

10:55 a.m.

Nick Cohen
President and CEO, Doral Renewables, LLC

11:00 a.m.

David T. Stevenson
Director, Center for Energy & Environmental Policy, Caesar Rodney Institute

11:05 a.m.

Questions for the Powering Our Future Panel

11:35 a.m.

Final Comments and Conclusion



Testifier Biographies

PA House of Representatives Policy Committee Hearing *"Pennsylvania's Energy Policy: Boom or Bust"*



Gregg Kalembe **Business Manager, Homer Center School District**

Gregg currently serves as the business manager for Homer Center School District.

Prior to his current role, Gregg served as the Director of Finance for multiple organizations, including the Johnstown Chiefs, Spectra, and the Oak View Group.

A graduate of Slippery Rock University of Pennsylvania, Gregg holds a bachelor's degree in business administration and management.

Jud Kroh **President, Robindale Energy**

Jud Kroh currently serves as the President of Robindale Energy and the founder and CEO of Renew Technologies LLC. Jud holds a bachelor's degree in policy and management from Carnegie Mellon University.

Incorporated in 2000 and headquartered in Latrobe, PA, Robindale Energy is a family-led business backed with a management team with extensive experience in coal, material handling, and commodity trading. Although the initial focus of Robindale was in waste coal reclamation, the team has expanded operations to include power generation, metallurgical coal and limestone mining, bulk material logistics, and brokerage/trading.



Shawn Steffee **Business Agent, Executive Board Trustee, Boilermakers Local 154**

Shawn began working as a Boilermaker in 2002, serving in numerous supervisory roles throughout his career in the field. In 2017, Shawn was elected as Local 154 Executive Board Trustee and began working actively with the Local 154 LEAP committee. He was appointed Business Agent in 2018 and was re-elected as an Executive Board Trustee in 2020.

Shawn is the Chairman of the Local 154 LEAP Committee and has been at the political forefront of important Boilermaker issues. He is continuing to build a reputation in Western PA as a strong advocate for unions, workers and the entire fossil fuels industry.

Nick Cohen
President and CEO, Doral Renewables, LLC

Nick Cohen is the current President & CEO & Co-Founder at Doral Renewables. Prior to his current role, Nick was the Director Thermal, Renewables and Desalination Development, U.S. & Israel at Invenergy LLC from July 2015 to December 2018. Before that, Nick was the Chief Operating Officer at Emberclear Corp from January 2006 to July 2015.



Nick's earliest role was as President at CDE Corp from January 1996 to January 2006 where he successfully led the technology and human resources organization to be the largest government service provider in the regional Humanities sector.

Nick Cohen has a MBA from the Fuqua School of Business at Duke University and an undergraduate degree in business administration from Drexel University.



David T. Stevenson
Director, Center for Energy & Environmental Policy, Caesar Rodney Institute

Dave has spent the last twelve years as the Director of the Center for Energy & Environment for the Caesar Rodney Institute. Dave has published over 150 analytic studies including a major peer-reviewed paper published in the Cato Journal titled "A Review of the Regional Greenhouse Gas Initiative." He has worked on such issues as the EPA Clean Power Plan, electric grid reliability, the public policy drivers of energy cost, and climate change. Dave has been a leader on energy and environmental policy in the State Policy Network.

He is currently leading the national effort opposing offshore wind through the American Coalition for Ocean Protection and the Ocean Environment Legal Defense Fund, promoting advanced nuclear power development, a free market-based carbon capture concept, and opposing gasoline-powered car bans. He served on President Trump's Environmental Protection Agency Transition Team, and has become a resource for national energy and environmental issues.

Dave is a veteran executive of the Dupont Company where he led seven successful business expansions and start-ups. After leaving DuPont Dave started six successful businesses with four of the companies now run by family members. Dave also founded "Save the Persecuted," a non-profit organization dedicated to reducing the persecution of religious minorities, and resettling refugees of religious persecution.



An Energy Plan for Pennsylvania

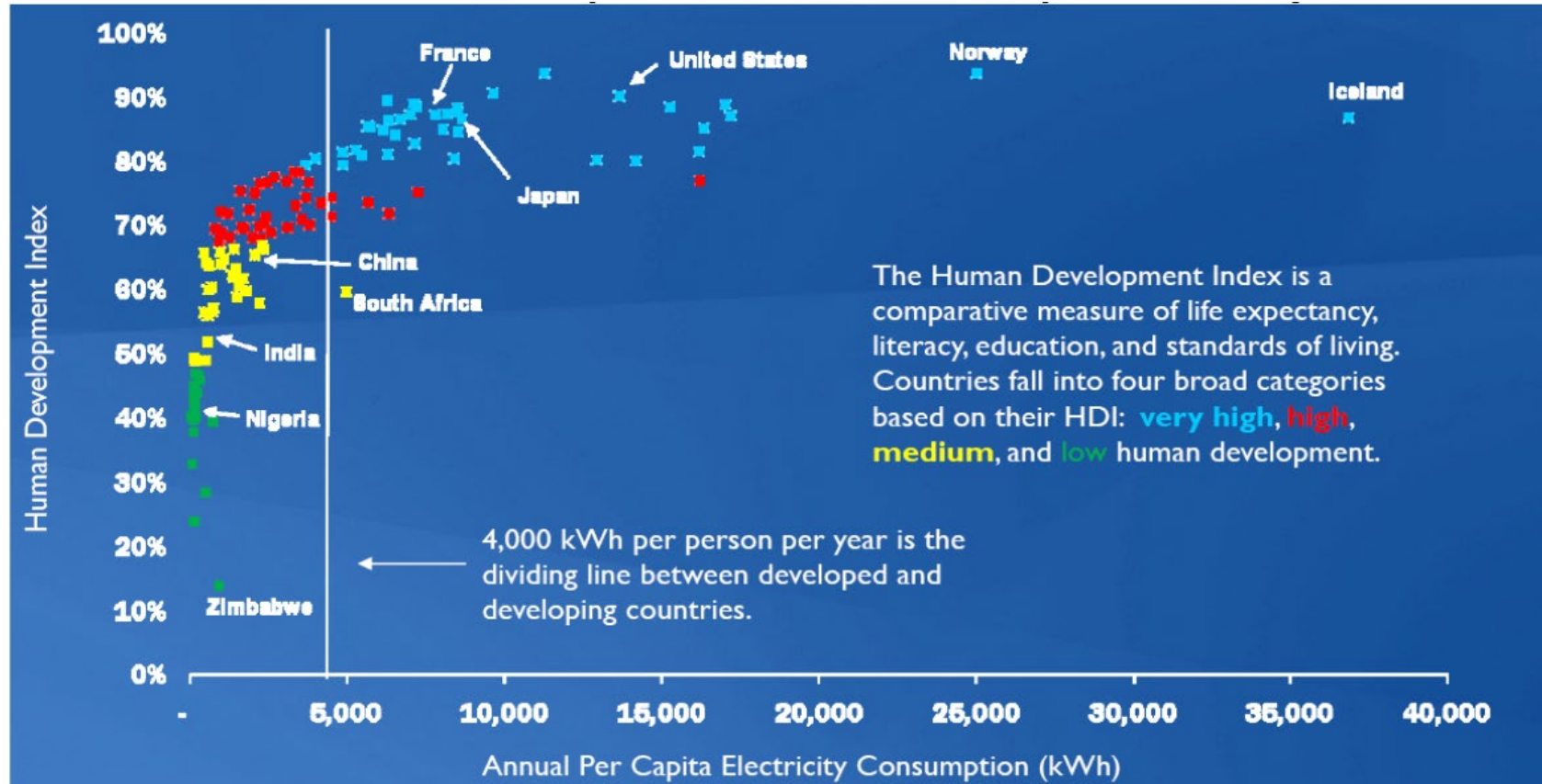
David. T. Stevenson

Director Center for Energy & Environment

Caesar Rodney Institute

6/23/2023

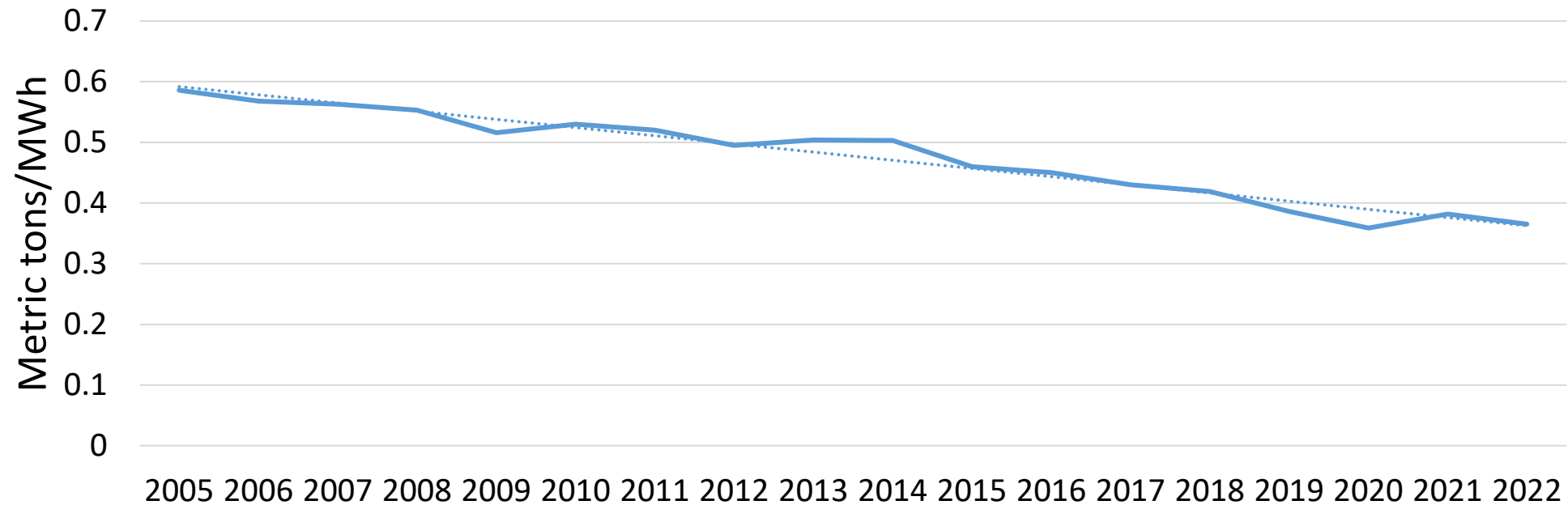
Affordable, Reliable Energy a Moral Imperative for Human Advancement



1.1 billion people without electricity, 3 billion without clean cooking fuel
Thank you Homer City!

Great Progress Has Been Made Reducing CO2

PJM Systems Mix Metric Tons/MWh



Pennsylvania's \$30 Billion, 70,000 Worker Energy Industry is Threatened

- The President has set a goal to end the use of coal and natural gas and federal agencies are rushing to meet that goal
- Neighbor states have passed similar goals but depend on Pennsylvania generation surplus while convincing PJM to reduce capacity prices that recognize the value of baseload power
- Pennsylvania is considering carbon taxes (RGGI) and wind & solar mandates that undermine baseload power plants
- PJM risk assessment shows 20% to 25% of 200 GWs baseload power plants to close by 2030 leading to blackouts
- PJM experience shows only 5% of wind & solar in queue are actually installed, and 3 MW needed to replace 1 MW base load power, so 94 MW in queue equals only 3 MW of base load power

RGGI Doesn't Work, Hurts PA Economy

- PA reduced emissions 40% 2007 to 2019, RGGI states 37%
- RGGI states increased electric imports from 5% to 17%, shifted 12.8 million MWhs of electric demand to other states from lost industry
- RGGI states of NY, NJ, DE, MD, and VA imported 93 million MWhs in 2022, same amount PA exported
- Total direct RGGI cost could average almost \$6.9 billion a year
 - Lost generation \$2 billion, 1,400 jobs
 - Lost coal & natural gas extraction \$1.1 billion, 3,500 jobs
 - Lost manufacturing from higher electric rates \$3.8 billion, 17,460

Wind & Solar Power Have Minor Impacts on CO2 emissions

After 15 years wind and solar are only 3.4% of PJM mix, little generation at demand peaks

Replacing Homer City with solar would cover 34,000 acres, often in remote locations adding transmission cost

Emission Reductions in PJM From Coal-Oil/NG Switch

Fuel	2010 thousand MWh	2022 thousand MWh
Coal	66,211	44,293
Oil	10,854	6,424
Natural Gas	<u>48,976</u>	<u>86,212</u>
Total	126,041	136,929

There is No Competitive Electricity Market

- Unending, massive subsidies for solar, wind, batteries, hydrogen
 - Extension of 30% ITC and PTC until 2032
 - Inclusion of billions in subsidies for batteries, hydrogen hubs, carbon capture
- State based mandates & subsidies for wind & solar
 - Coastal states providing 100's of billions in guaranteed premium prices for offshore wind
 - Texas used \$7 billion in taxes to pay for remote wind power transmission infrastructure
 - Several states have given hundreds of millions of subsidies to nuclear plants
- FERC & PJM structural changes to benefit wind & solar, and to penalize baseload power

New developments

- Over the next two decades about 80% of all existing generation resources will age out requiring massive transition
- Advanced nuclear coming
 - 9 SMR demonstration projects underway
 - SB111 Advance Act to accelerate permitting & deployment
 - Reactors fueled by used fuel rods possible, enough to meet US electric demand for 200 years
- Market based CO₂ capture from generator fuel stacks possible?
 - Shell & Cormetech technology advancement, prototyping
 - Stanford catalyst development
 - Inflation reduction Act funding

An Energy Plan Vision

- Preserve existing coal & natural gas extraction and existing power plants to ensure adequate base load power
- Replace aging coal generation with new combustion systems at existing locations for fuel diversity, to utilize existing transmission, rail, pollution control equipment, and trained manpower capacity
- Build new SMR nuclear generation at existing nuclear facilities to utilize existing transmission, security, and trained manpower capacity
- Create CO₂ hub to move gas where needed for enhanced NG production and conversion to chemical intermediates (ethanol, methanol, gasoline)

Immediate actions in coordination with power producers

- End plan to adopt RGGI
- Build CO2 capture prototype with IRA grants and subsidies, possible state funds
- Leverage PA, OH, WV position as electric exporters to repair the capacity market needed to keep existing power plants open, or leave PJM
- Provide state funding for power plant upgrades to keep plants open
- Partner with US DOE to build new SMR nuclear generation at an existing site
- Join lawsuits over anti coal & NG EPA regulations
 - GHG regulations violate major issues and force use of uneconomical and unproven technology
 - Mercury, air toxics, ash, and ground water force use of uneconomical and unproven technology