

## BUSINESSES NEED AFFORDABLE and RELIABLE ENERGY

It is critical to maintain affordable, varied, and reliable energy sources. Abundant, safe, and competitively priced energy production and delivery are important components of a healthy economy for small businesses. Energy costs can be a significant portion of any business operation and in certain energy-intensive industries, these costs account for more than 50% of total operating costs. We are fortunate to have a wide variety of energy sources and should consider that a strength.

### BACKGROUND:

Pennsylvania has historically been an energy exporter due to the richness of traditional sources such as coal, oil, hydroelectric, nuclear, and natural gas. Traditional sources and renewable energy sources such as solar, wind, biofuels and biomass form a diverse portfolio of energy sources. All these forms of energy are key products of our Commonwealth. The production of competitively priced energy helps fuel our economy while generating significant employment. Pennsylvania energy is generated from the following sources according to recent data from the U.S. Energy Information Administration.

PA % Generation by Year			
Energy Source	2020	2019	2018
Natural Gas	49	43	35
Nuclear	32	36	39
Coal	15	17	20
Wind & Solar	3	2	3
Hydro	1	2	2
Other	0	0	1
Total	100	100	100

Source: US EIA Website

**PROBLEM:** Businesses are keenly interested in the cost and reliability of energy. Businesses acknowledge we are in the early stage of a transition from fossil fuels to renewables. While MBA supports reduction of our carbon footprint the problem is how do we transition from fossil fuels to renewables without wide swings and price spikes that harm businesses. Care must be taken not to eliminate major sources since renewables are still a small portion of our power generation portfolio.

Pennsylvania has a renewable problem. We do not have the capability to develop large scale power generation sources such as solar and wind because of topography and weather. We cannot go from one extreme to the other. It is unrealistic to believe we can rely solely on renewable energy sources. It threatens the reliability of our electricity grid.

Pennsylvania can look at what has happened in California and learn from the results of their environmental policies which have led to darkness and rolling blackouts and high electricity prices. Those problems could have been avoided by not mandating fuel sources for power generators. Emissions can be reduced and cleaned up without going as far down the path as they have gone.

**SOLUTION:** The challenge is to reduce emissions rather than reduce energy sources. Fossil fuels cannot be eliminated during the early stages of the transition. Instead, recognize the current situation and encourage evolution towards more efficient solutions but not by eliminating fossil fuels. As we move toward a cleaner and more sustainable energy future the way to get there is with an "all of the above" strategy. Move forward with what we know today, embrace all of the options, and give the markets the opportunity to develop them. There are many impacts to consider; the impacts on the economy, people's livelihoods, and to the customer because people cannot afford to pay higher and higher electricity bills.

The right policy would both significantly reduce emissions and keep the economy strong and competitive at the same time. There are steps we can take to do better and clean up emissions that will benefit society economically, socially, and environmentally.

It is important to recognize that we are still very dependent on fossil fuels. We embrace good ideas dealing with pollution and believe sensible regulations are needed that consider the environment and reduce the carbon footprint.

### **MBA State Energy Policy**

*MBA understands that reducing our carbon footprint is challenging and will involve innovative solutions, practices, and technologies from the private sector. Real-world experience has shown that competitive markets do a better job driving growth and reducing emissions than cap-and-trade schemes.*

*MBA supports balanced policies that allow producers and suppliers from all energy sectors located in our Commonwealth to compete and enable business to secure a reliable supply of energy produced and delivered on a competitively priced basis. This can be best accomplished by the following:*

- *Allowing the marketplace to select the most appropriate energy sources and avoiding governmental actions that select or force the choices of particular energy sources.*
- *Incentivizing new technologies that make fossil fuels cleaner- coal, oil, gas.*
- *Ensuring that energy policies and actual practices are competitive with other states and no more restrictive than federal law.*
- *Encouraging greater use of domestic natural resources while using appropriate, reasonable, and currently achievable environmental controls based on sound and verifiable science.*
- *Supporting cost-effective energy efficiency and storage.*
- *Avoiding price controls on any energy sources.*
- *Encouraging the development of renewables that reduce carbon emissions. Supporting programs that encourage research into new technology for energy development of power generation and fuels.*
- *Creating state policies that can leverage federal programs aimed at encouraging growth and energy technology adoption by small business.*
- *Reducing regulatory and other governmental hurdles to the utilization of all energy sources and to the implementation of energy infrastructure while ensuring appropriate environmental protection.*
- *Ensuring new or revised regulations adhere to Act 76 of 2012 - Regulatory Flexibility for Small Businesses.*
- *Ensuring that our energy supply and delivery systems have the appropriate physical and cyber security standards and enforcement mechanisms.*

### **MBA STATEMENT**

#### **Pennsylvania's entrance to the Regional Greenhouse Gas Initiative (RGGI), 1/2021**

Pennsylvania policy makers should protect, not undermine Pennsylvania's competitive advantage derived from its abundance of coal and natural gas resources and should acknowledge the tremendous benefits derived from fossil fuel production and use. RGGI will trigger the near immediate closure of all coal plants and the closure or reduced generation from many natural gas plants in Pennsylvania. The economic impacts will be devastating.

We oppose legislative and regulatory initiatives that would tax or limit carbon dioxide emissions from Pennsylvania manufacturers operations, fossil fuel electric generation, and/or motor fuels. These carbon tax proposals will threaten users with significant price hikes on electricity rates.

We support legislative and regulatory policies that embrace Pennsylvania's robust industrial and diverse energy culture and encourage the continued utilization of Pennsylvania produced fossil fuels to maintain and grow competitive energy markets and our economy.

Above all else, we encourage innovation. Innovation is critical to economic growth. Innovation depends on inspiration and experimentation. We encourage continued private and public support for research and development of new technologies that would allow for ongoing and possibly increased fossil fuel consumption with lower carbon dioxide emissions.

For more information:

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