



June 21, 2024

The Honorable Greg Vitali
Majority Chairman
House Environmental Resources & Energy Committee

The Honorable Martin T. Causer
Republican Chairman
House Environmental Resources & Energy Committee

RE: Public hearing on PRESS Legislation /HB 2277

Dear Chairman Vitali, Chairman Causer, and Members of the House Environmental Resources & Energy Committee:

Thank you for the opportunity to provide the following statement regarding House Bill 2277, introduced by state Rep. Danielle Friel Otten, and its impacts on enhancing energy efficiency, reducing greenhouse gas emissions, and fostering economic development.

The proposed legislation would redesign and replace the Commonwealth's Alternative Energy Portfolio Standards Act, or AEPS, with the "next generation" of alternative energy incentives: the Pennsylvania Reliable Energy Sustainability Standard (PRESS). Kimberly-Clark, a leading producer of personal care products and operating a bath tissue manufacturing facility in Chester, Pennsylvania, supports House Bill 2277. We greatly appreciate both Rep. Friel Otten and Gov. Shapiro's administration for working with operators of Combined Heat and Power systems (CHP), also known as cogeneration, to specifically enumerate high-efficiency CHP as a Tier II eligible energy source under PRESS.

Fueled by ingenuity, creativity, and an understanding of people's most essential needs, Kimberly-Clark creates products that help individuals experience more of what's important to them. A significant part of that ingenuity resides in Delaware County where our Chester manufacturing facility employs nearly 600 highly skilled workers producing, on average, two million rolls of Scott 1000 Bath Tissue every single day.

From a sustainability standpoint, 2018 was a major milestone for our Chester Facility when Kimberly-Clark invested approximately \$180 million to replace its highly inefficient and more greenhouse gas-intensive coal fired power plant and standalone steam boilers at its Chester facility. The state-of-the-art Combined Heat and Power (CHP) system installed in its place enables Chester Facility to meet 100 percent of its power and steam demand and allows surplus power to be exported to the grid. The high efficiency CHP also has significantly reduced the Facility's greenhouse gas emissions by more than 66 percent compared to the replaced coal-fired power plant.

As you know, CHP systems have proven to be highly efficient in simultaneously producing electricity and useful thermal energy from a single fuel source. They also contribute to the resilience in energy supply and, for manufacturers like Kimberly-Clark Chester, resilience to operate on a 24-7-365 basis

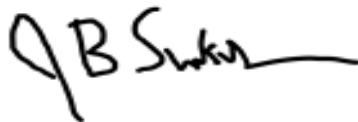
to produce essential everyday products. This integrated approach to energy generation has numerous environmental and economic development benefits that align with our state and national goals for sustainable energy and climate action. As this committee continues to discuss ways to encourage modernizing our clean energy portfolio standards and including a more diverse mix of clean energy sources, we are strongly supportive and encouraged to see CHP as part of the conversation.

As House Bill 2277 continues to make its way through the legislative process, we are committed to working with the sponsor of the bill, members of this committee, the General Assembly, and the Shapiro Administration to strengthen Pennsylvania businesses' ability to support the Commonwealth's clean energy goals. We strongly believe that with a few minor amendments to this legislation, Pennsylvania will provide additional investment and support for CHP technology, helping the Commonwealth more quickly meet its clean energy standard goals and sustaining a healthy supply and demand balance in the Tier II REC market.

We at Kimberly-Clark truly appreciate Rep. Friel Otten, Gov. Shapiro, and the members of this committee for their support of policies that promote the expansion of CHP systems, provide financial incentives for their adoption, and remove barriers that may hinder their widespread implementation. Investing in CHP will contribute to a more sustainable, resilient, and economically vibrant future for our Commonwealth.

Thank you for your attention to this critical issue and we look forward to working with members of this committee. If you have any questions, please let us know.

Sincerely,



J. Branch Sinkule
Senior Director, Government Relations-US State-Local
Kimberly-Clark