



**Testimony of Evergreen Action  
Pennsylvania House of Representatives Environmental Resources & Energy  
Committee  
Public Hearing on House Bill 2277  
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Chairman Vitali, Chairman Causer, and honorable members of the House Environmental Resources & Energy Committee, thank you for the opportunity to testify in support of Representative Otten's House Bill 2277, the Pennsylvania Reliable Energy Sustainability Standards Act (PRESS).

My name is Julia Kortrey and I am the Deputy State Policy Director at Evergreen Action, a national organization working to support states in deploying federal funds and curbing climate pollution. We support local and state partners in navigating federal clean energy laws and opportunities as well as in advancing climate and clean energy policy.

Through the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act (IIJA), the Biden-Harris administration is unlocking billions of dollars in funding and resources for states, communities, individuals, and businesses to develop clean energy and create millions of jobs. Right now, Pennsylvania has a once-in-a-generation opportunity to be a leader in creating clean energy jobs, attracting private sector investments, and building a just and inclusive energy future. Enacting PRESS is a critical step in helping Pennsylvania attract and secure these investments.

We commend the members of this Committee for holding this second hearing on the PRESS proposal and for further advancing this opportunity to develop a more robust and diverse energy portfolio for Pennsylvania.

**PRESS is an essential and attainable update to Pennsylvania's Alternative Energy Portfolio Standard.**

PRESS updates and expands Pennsylvania's Alternative Energy Portfolio Standards Act, or AEPS. AEPS, which was enacted back in 2004 and established the eight percent target for 2021, has been achieved and left moribund. While Pennsylvania was once a leader in clean



energy development 20 years ago, Pennsylvania has since fallen behind in renewable generation and now ranks 45th in the country.

PRESS creates three tiers of electricity generation eligible in the revised AEPS. Tier I resources—primarily clean energy—would need to provide 35 percent of in-state power generation by 2035. [Several states already exceed 35 percent renewable energy generation](#) including: Iowa (60%), South Dakota (57%), Kansas (47%), Vermont (45%), New Mexico (43%), Oklahoma (42%), Maine (42%), and North Dakota (36%). Further, other states in the region have also enacted higher renewable energy standards including Maryland (50% by 2030), New Jersey (50% by 2030), and New York (70% by 2030). With eight states having exceeded the 35 percent target already, in only 2024, meeting this target in 2035 is reasonably achievable.

**PRESS is critical to diversifying the Commonwealth’s energy generation and producing renewable, reliable, and affordable energy.**

After 2022’s Winter Storm Elliot caused outages across the state and throughout the region, it became clear that Pennsylvania’s grid needs modernizing—and diversifying the state’s energy portfolio is a critical part of that modernization. As severe storms and extreme weather become more frequent, a more diverse energy generation portfolio would help increase grid stability and protect consumers from price spikes or over-reliance on any one type of energy source.

The PRESS Act would provide the incentives necessary to diversify Pennsylvania’s energy portfolio and encourage more reliable, affordable, renewable energy. Further, it sends a clear market signal that Pennsylvania is open for business when it comes to renewable energy development - rather than going to competing states, instead. Hence, PRESS would help ensure Pennsylvania remains competitive with neighboring states and preserve its leadership in energy production.

**PRESS is a strategic economic and workforce development tool.**

The IRA and IIJA both established and enhanced substantial tax credits and grant programs that Pennsylvania could claim to lower the cost of clean energy resources. Passing the PRESS Act into law would unlock and accelerate the flow of these new federal funding opportunities to Pennsylvania to increase reliable, affordable clean energy deployment and help lower energy bills. This new clean energy generation would bring \$177 million in federal tax dollars to Pennsylvania *every year* from the standard production tax credit. That would mean \$1.77 billion in tax credits claimed by Pennsylvania over the next decade.

Most of the state is also considered an “[energy community](#),” which includes regions that have had significant employment or tax revenue from fossil fuel industries and also have a high



unemployment rate; areas with recent coal mining or coal generation closings; or brownfield sites. These energy communities are eligible for stackable bonus credits. Bonus credits for energy communities and domestic content could increase Pennsylvania tax credit awards to \$2.15 billion (up to \$380 million from bonus tax credits). These tax credits would bring down the cost of Pennsylvanians' energy bills while also supporting local businesses and creating new jobs.

Because this only measures federal funding gained from Tier I, it is an underestimate. Clean energy is already the lowest-cost source of electricity today, even without tax credits, according to the U.S. Department of Energy's Berkeley Lab. And these tax credits mean that PRESS requirements will save Pennsylvanians even more money.

Here's an example of how federal funding further reduces costs: If a solar developer were building a project in western Pennsylvania, within an energy community, it could claim the full investment tax credit, the energy communities bonus credit, and the domestic requirement bonus credit. Each of these tax credits would add up to 50% of the entire project's cost. That is essentially 50% off the price of a solar project.

Tier II and Tier III resources can also claim federal subsidies. Under PRESS, Tier II and Tier III resources must achieve 10 percent of the electricity mix by 2034 and five percent by 2031, respectively. Carbon capture and storage (CCS) and hydrogen co-firing technologies are both eligible in these categories. The IRA created or expanded tax credits for both of these technologies as well. Federal tax credits that Pennsylvania could claim by enacting PRESS include the:

- Investment tax credit for carbon-free electricity
- Production tax credit for carbon-free electricity
- 45Q tax credit for CCS
- 45V tax credit for clean hydrogen

But there is real urgency in accessing these tax credits and incentives as most will [begin to phase out by 2032](#). If Pennsylvania wants to claim these funds and take advantage of the federal fire sale on clean energy, it must act soon.

Pennsylvania is already leveraging substantial competitive grant funding for clean energy from the IRA and IIJA to help enable progress toward the goals of PRESS, including improving affordability and reliability.

Just last week, Pennsylvania was awarded [nearly \\$400 million in federal funding](#) to create jobs and cut industrial pollution as part of the IRA's Climate Pollution Reduction Grant (CPRG). This innovative initiative, known as the RISE PA program (Reducing Industrial Sector Emissions in Pennsylvania), will provide competitive grants to industrial firms working to make their



operations more efficient. This program will help create thousands of jobs in our energy sector while cutting pollution, providing another illustration of how clean energy goes hand-in-hand with job creation and economic development.

### **Conclusion**

PRESS is a common-sense but critical update to Pennsylvania's AEPS standards. Enacting PRESS would give Pennsylvania legislators a real win to bring home to their constituents: local, affordable renewable energy and billions in federal funds that would otherwise go unclaimed or to other states. But, this massive funding windfall is time-bound. Pennsylvania must act to accelerate the flow of federal funds to support affordable clean energy development and protect its leadership in energy generation.

Thank you for your time and the opportunity to testify. I look forward to your questions.

# **PRESS Reforms to AEPS Would Drive Billions in Federal Funds to Pennsylvania**

The Pennsylvania Reliable Energy Sustainability Standards Act, or PRESS ([HB2277](#) and [SB1190](#)), extends and expands Pennsylvania's Alternative Energy Portfolio Standards Act (P.L.1672, No.213) (also referred to as AEPS). PRESS creates three tiers of electricity generation eligible to meet requirements. Tier I resources—primarily clean energy—would need to provide 35% of in-state power generation by 2035.

## **How would the PRESS Act help Pennsylvanians?**

Passing the PRESS bill into law would unlock and accelerate the flow of new federal funding to Pennsylvania and help lower energy bills. The Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA) both created substantial tax credits and grant programs that Pennsylvania could claim to lower the cost of clean energy resources.

Moreover, Pennsylvania has been [falling behind other states](#) in diversifying energy generation and in producing clean, reliable, and affordable energy. PRESS would help ensure Pennsylvania remains competitive with neighboring states and preserve its leadership in energy production. The passage of PRESS

and subsequent increased clean energy deployment in-state is crucial for Pennsylvania to secure this federal investment as quickly as possible and bring affordable and reliable clean energy to local communities.

## How do the federal tax credits work?

PRESS is set to increase renewable energy from about [3.8%](#) to 35% by 2035. That's at least 6.5 million MWh of clean energy generation every year driven by PRESS (and even more accounting for load growth). This new clean energy generation would bring \$177 million in federal tax dollars to Pennsylvania each year from the [standard production tax credit](#). That would mean \$1.77 billion in tax credits claimed by Pennsylvania over the next decade. Most of the state is also considered an "[energy community](#)," and therefore eligible for stackable [bonus credits](#). Bonus credits for energy communities and domestic content could increase Pennsylvania tax credit awards to \$2.15 billion. These tax credits would bring down the cost of Pennsylvanians' energy bills while supporting local businesses and creating new jobs.

Over the next decade, PRESS Tier I requirements alone could drive:

- **\$1.77 billion in federal tax credits to PA**
- **Up to \$380 million in bonus tax credits**

Under PRESS, Tier II and Tier III resources must achieve 10% of the electricity mix by 2034 and 5% by 2031, respectively. Carbon capture and storage (CCS) and hydrogen co-firing technologies are eligible in these categories. The IRA created or expanded tax credits for both of these technologies as well.

Federal tax credits that Pennsylvania could claim by enacting PRESS include the:

- **Investment Tax Credit for carbon-free electricity**
- **Production Tax Credit for carbon-free electricity**
- **45Q Tax Credit for CCS**

- **45V Tax Credit for clean hydrogen**

Pennsylvania is also already leveraging substantial competitive grant funding for clean energy from the IRA and IIJA that can help enable progress towards the goals of PRESS, including regarding affordability and reliability.

<b>Federal Grant Funds Claimed by Pennsylvania to Date That Support PRESS</b>	
State Energy Program (IIJA)	\$14,079,120
Energy Efficiency and Conservation Block Grants (IIJA)	\$3,021,000
Energy Efficiency Revolving Loan Fund (IIJA)	\$3,306,830
Preventing Outages and Enhancing the Resilience of the Electric Grid (IIJA)	\$40,582,000
OSMRE Abandoned Mine Reclamation Fund (IIJA)	\$416,219,333
Climate Pollution Reduction Planning Grant (IRA)	\$3,000,000

## **The bottom line**

Enacting PRESS would give Pennsylvania lawmakers a real win to bring home to their constituents: local, affordable clean energy and billions in federal funds that would otherwise go unclaimed or to other states. But, this massive funding windfall is time-bound. Pennsylvania must act now to accelerate the flow of federal funds to support affordable clean energy development and protect its leadership in energy generation.