

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 15 Session of 2024

INTRODUCED BY COMITTA, COLLETT, HUGHES, SANTARSIERO,
CAPPELLETTI, SAVAL, COSTA, KEARNEY AND STREET, APRIL 5, 2024

REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY, APRIL 5, 2024

AN ACT

1 Amending the act of January 8, 1960 (1959 P.L.2119, No.787),
2 entitled "An act to provide for the better protection of the
3 health, general welfare and property of the people of the
4 Commonwealth by the control, abatement, reduction and
5 prevention of the pollution of the air by smokes, dusts,
6 fumes, gases, odors, mists, vapors, pollens and similar
7 matter, or any combination thereof; imposing certain powers
8 and duties on the Department of Environmental Resources, the
9 Environmental Quality Board and the Environmental Hearing
10 Board; establishing procedures for the protection of health
11 and public safety during emergency conditions; creating a
12 stationary air contamination source permit system; providing
13 additional remedies for abating air pollution; reserving
14 powers to local political subdivisions, and defining the
15 relationship between this act and the ordinances, resolutions
16 and regulations of counties, cities, boroughs, towns and
17 townships; imposing penalties for violation of this act; and
18 providing for the power to enjoin violations of this act; and
19 conferring upon persons aggrieved certain rights and
20 remedies," further providing for definitions, for fees and
21 for disposition of fees, fines and civil penalties,
22 providing for disposition of auction proceeds from CO2 Budget
23 Trading Program, for clean air fund accounts, for the Energy
24 Communities Trust Fund and for Environmental Justice
25 Communities Trust Fund.

26 The General Assembly of the Commonwealth of Pennsylvania
27 hereby enacts as follows:

28 Section 1. Section 3 of the act of January 8, 1960 (1959
29 P.L.2119, No.787), known as the Air Pollution Control Act, is

1 amended by adding definitions to read:

2 Section 3. Definitions.--The following words and phrases,
3 when used in this act, unless the context clearly indicates
4 otherwise, shall have the meaning ascribed to them in this
5 section:

6 * * *

7 "CO2 Budget Trading Program." The regulatory program
8 established under 25 Pa. Code (relating to Environmental
9 Protection).

10 * * *

11 "Environmental justice community." A census block group in
12 which minorities represent at least thirty per centum (30%) of
13 the population or in which at least twenty per centum (20%) of
14 the residents are at or below the Federal poverty level
15 according to the most recent decennial census by the United
16 States Census Bureau.

17 * * *

18 Section 2. Sections 6.3(k) and (l) and 9.2(a) of the act are
19 amended to read:

20 Section 6.3. Fees.--* * *

21 (k) [No] Except as provided under section 9.4, no
22 administrative action shall prevent the deposit of the fees
23 established pursuant to this section in the Clean Air Fund
24 established in section 9.2 during the fiscal year in which they
25 are collected. The fees shall only be used for the purposes
26 authorized in this section and [section 9.2] sections 9.2 and
27 9.4 and shall not be transferred or diverted to any other
28 purpose by administrative action.

29 (l) [Any] Except as provided under section 9.4, fees,
30 penalties and interest owed the Commonwealth for delinquent

1 payment collected under this section shall be deposited in the
2 Clean Air Fund.

3 * * *

4 Section 9.2. Disposition of Fees, Fines and Civil
5 Penalties.--(a) Except as provided under subsection (a.1) and
6 section 9.4, all fines, civil penalties and fees collected under
7 this act shall be paid into the Treasury of the Commonwealth in
8 a special fund known as the Clean Air Fund, hereby established,
9 which, along with interest earned, shall be administered by the
10 department for use in the elimination of air pollution. The
11 department may establish such separate accounts as may be
12 necessary or appropriate to implement the requirements of this
13 act and the Clean Air Act. The board shall adopt rules and
14 regulations for the management and use of the money in the fund.

15 * * *

16 Section 3. The act is amended by adding sections to read:

17 Section 9.4. Disposition of Auction Proceeds from CO2 Budget
18 Trading Program.--(a) Revenue from the sale of CO2 allowances
19 under the CO2 Budget Trading Program shall be allocated as
20 follows:

21 (1) Thirty-seven and one half per centum (37.5%) of revenue
22 shall be deposited into the Energy Communities Trust Fund
23 established under section 9.6, one-third of which shall be used
24 to support projects in environmental justice communities.

25 (2) Twelve and one half per centum (12.5%) of revenue shall
26 be deposited into the Environmental Justice Communities Trust
27 Fund established under section 9.7.

28 (3) Forty-six per centum (46%) of the revenue shall be
29 deposited into the Clean Air Fund established under section
30 9.2(a) in the following separate accounts:

1 (i) Fifty-six per centum (56%) of revenue shall be deposited
2 into the Greenhouse Gas Abatement, Energy Efficiency, Clean and
3 Renewable Energy Investments Account established under section
4 9.5.

5 (ii) Forty-four per centum (44%) of revenue shall be
6 deposited into the Commercial and Industrial Energy Efficiency
7 Account established under section 9.5.

8 (4) Four per centum (4%) of revenue shall be deposited into
9 the Clean Air Fund established under section 9.2(a) to
10 administer this section and sections 9.5, 9.6 and 9.7 and for
11 the purposes in section 9.2(a).

12 (b) Revenue from the sale of CO2 allowances may not be
13 disbursed except as provided under this section.

14 Section 9.5. Clean Air Fund Accounts.--(a) The Greenhouse
15 Gas Abatement, Energy Efficiency, Clean and Renewable Energy
16 Investments Account is established in the General Fund. Money
17 deposited into the Greenhouse Gas Abatement, Energy Efficiency,
18 Clean and Renewable Energy Investments Account may be used for
19 grant programs to support projects that eliminate air pollution,
20 including, but not limited to, projects for:

21 (1) cost-effective carbon capture utilization and storage;

22 (2) abandoned oil and gas well plugging;

23 (3) energy efficiency;

24 (4) mass transit and electric vehicle transportation;

25 (5) agricultural conservation;

26 (6) forest stewardship;

27 (7) clean and renewable energy investments, including, but
28 not limited to, biomass, geothermal, hydropower, energy storage
29 and solar and wind technologies; and

30 (8) other projects that contribute to the reduction or

1 elimination of greenhouse gas pollution.

2 (b) The Commercial and Industrial Energy Efficiency Account
3 is established in the General Fund. Money deposited into the
4 Commercial and Industrial Energy Efficiency Account may be used
5 for grant programs to support projects that eliminate air
6 pollution, including, but not limited to, projects for:

7 (1) process electrification;

8 (2) fuel switching;

9 (3) combined heat and power;

10 (4) demand response and reduction;

11 (5) energy efficiency;

12 (6) cost-effective carbon capture utilization and storage;

13 and

14 (7) other projects that contribute to the reduction or
15 elimination of greenhouse gas pollution.

16 (c) For money awarded under subsections (b) and (c), a
17 minimum of one-third shall be used to support projects that
18 provide a direct benefit in environmental justice communities.

19 Section 9.6. The Energy Communities Trust Fund.--(a) The
20 Energy Communities Trust Fund is established as a special
21 nonlapsing fund in the State Treasury for energy community
22 projects. All interest earned from the investment or deposit of
23 money accumulated in the Energy Communities Trust Fund shall be
24 deposited into the fund for the same use. All money deposited
25 into the Energy Communities Trust Fund shall be held in trust,
26 shall not be considered general revenue of the Commonwealth,
27 shall be used only to effectuate the purposes of this section,
28 as determined by the Energy Communities Trust Fund Board, and
29 shall be subject to audit by the Auditor General.

30 (b) Money deposited into the Energy Communities Trust Fund

1 may be used for grant programs to support energy community
2 projects, including projects that support workers and
3 communities affected by the closure of fossil-fuel-fired power
4 plants and other energy facilities, including, but not limited
5 to, the following:

6 (1) programs for workforce development and worker training;

7 (2) supplemental unemployment compensation for displaced
8 energy workers;

9 (3) funding to school districts or municipalities due to the
10 economic impact or loss in tax revenue from the closure of an
11 energy facility after the effective date of this paragraph;

12 (4) economic development projects; and

13 (5) environmental cleanup projects, including projects to
14 benefit water quality and air quality.

15 (c) (1) The Energy Communities Trust Fund Board is
16 established and shall administer money in the Energy Communities
17 Trust Fund established for the purposes specified under this
18 section.

19 (2) The Energy Communities Trust Fund Board shall consist of
20 the following members:

21 (i) The Governor or a designee, who must be designated in
22 writing prior to service.

23 (ii) The Secretary of Community and Economic Development or
24 a designee, who must be an employe of the Department of
25 Community and Economic Development and designated in writing
26 prior to service.

27 (iii) The Secretary of Environmental Protection or a
28 designee, who must be an employe of the department and
29 designated in writing prior to service.

30 (iv) The Secretary of Labor and Industry or a designee, who

1 must be an employe of the Department of Labor and Industry and
2 designated in writing prior to service.

3 (v) One member appointed by the President pro tempore of the
4 Senate.

5 (vi) One member appointed by the Minority Leader of the
6 Senate.

7 (vii) One member appointed by the Speaker of the House of
8 Representatives.

9 (viii) One member appointed by the Minority Leader of the
10 House of Representatives.

11 (ix) Five members appointed by the Governor as follows:

12 (A) Four members must be chosen from a list of candidates
13 nominated by the President of the Pennsylvania AFL-CIO, one of
14 whom shall be designated as chair.

15 (B) One member must be the executive director or a member of
16 the State Workforce Development Board.

17 (C) Initially, three members shall be appointed for terms of
18 two years and two members shall be appointed for terms of four
19 years. The terms of successors shall be four years each, except
20 that any person appointed to fill a vacancy shall serve only for
21 the unexpired term. Every member's term shall extend until the
22 member's successor is appointed and qualified. An appointed
23 member of the Energy Communities Trust Fund Board shall be
24 eligible for reappointment.

25 (3) The board shall hold its first meeting within ninety
26 (90) days of the effective date of this paragraph.

27 (4) The members of the Energy Communities Trust Fund Board
28 may not be compensated for service as members, but shall be
29 entitled to reimbursement for all necessary expenses incurred in
30 connection with the performance of their duties as members.

1 Reimbursements shall be allocated from money available from the
2 trust fund established under this section.

3 (5) The Energy Communities Trust Fund Board shall provide
4 for the holding of regular and special meetings at least
5 biannually at the call of the chair. Seven members attending
6 shall constitute a quorum for the transaction of any business
7 and a majority of the members present shall be required to adopt
8 any action.

9 (6) (i) The Energy Communities Trust Fund Board has the
10 power and duty, including, but not limited to:

11 (A) Adopt bylaws.

12 (B) Make, execute and deliver contracts and grant
13 agreements.

14 (C) Develop, within one year of its establishment and
15 biennially thereafter, a State plan for the availability and
16 distribution of money from the trust fund established under this
17 section. The Energy Communities Trust Fund Board shall make the
18 State plan available on its publicly accessible Internet
19 website.

20 (D) Administer and award Energy Communities Trust Fund
21 grants to eligible energy community projects and monitor the
22 expenditure of money in the trust fund established under this
23 section.

24 (E) Perform other operational activities necessary or
25 appropriate to further the purpose of this section.

26 (F) Submit an annual report to the General Assembly
27 detailing grant programs, activities and outcomes.

28 (ii) Administrative support for the Energy Communities Trust
29 Fund Board shall be provided by the Department of Labor and
30 Industry.

1 (7) The following acts shall apply to the Energy Communities

2 Trust Fund Board:

3 (i) The act of February 14, 2008 (P.L.6, No.3), known as the
4 "Right-to-Know Law."

5 (ii) The act of July 19, 1957 (P.L.1017, No.451), known as
6 the "State Adverse Interest Act."

7 (iii) The provisions of 65 Pa.C.S. Chs. 7 (relating to open
8 meetings) and 11 (relating to ethics standards and financial
9 disclosure).

10 Section 9.7. Environmental Justice Communities Trust Fund.--

11 (a) The Environmental Justice Communities Trust Fund is
12 established as a special nonlapsing fund in the State Treasury
13 for environmental justice projects. All interest earned from the
14 investment or deposit of money accumulated in the Environmental
15 Justice Communities Trust Fund shall be deposited into the fund
16 for the same use. All money deposited into the fund shall be
17 held in trust, shall not be considered general revenue of the
18 Commonwealth, shall be used only to effectuate the purposes of
19 this section as determined by the Energy Communities Trust Fund
20 Board and shall be subject to audit by the Auditor General.

21 (b) The Environmental Justice Communities Trust Fund may be
22 used for projects within environmental justice communities,
23 including, but not limited to, any of the following:

24 (1) environmental cleanup projects, including projects to
25 benefit water quality and air quality;

26 (2) recreation;

27 (3) economic development projects;

28 (4) transportation projects;

29 (5) environmental education;

30 (6) environmental health;

1 (7) electricity bill assistance to low-income residential
2 customers;

3 (8) programs for workforce development and worker training;
4 and

5 (9) other projects that support environmental justice
6 communities.

7 (c) (1) The Environmental Justice Communities Trust Fund
8 Board is established and shall administer money in the trust
9 fund established under this section for the purposes specified
10 under this section.

11 (2) The Environmental Justice Communities Trust Fund Board
12 shall consist of the following members:

13 (i) The Governor or a designee, who must be designated in
14 writing prior to service.

15 (ii) The Secretary of Community and Economic Development or
16 a designee, who must be an employe of the Department of
17 Community and Economic Development and designated in writing
18 prior to service.

19 (iii) The Secretary of Environmental Protection or a
20 designee, who must be an employe of the department and
21 designated in writing prior to service.

22 (iv) The Secretary of Health or a designee, who must be an
23 employe of the Department of Health and designated in writing
24 prior to service.

25 (v) The Secretary of Conservation and Natural Resources or a
26 designee, who must be an employe of the Department of
27 Conservation and Natural Resources and designated in writing
28 prior to service.

29 (vi) One member appointed by the President pro tempore of
30 the Senate.

1 (vii) One member appointed by the Minority Leader of the
2 Senate.

3 (viii) One member appointed by the Speaker of the House of
4 Representatives.

5 (ix) One member appointed by the Minority Leader of the
6 House of Representatives.

7 (x) Six public members appointed by the Governor from a list
8 of candidates nominated by the department's Environmental
9 Justice Advisory Board representing environmental justice
10 communities in each of the department-designated regions of the
11 Commonwealth, one of whom shall be designated as chair.
12 Initially, two members shall be appointed for terms of four
13 years, two members shall be appointed for terms of three years
14 and two members shall be appointed for terms of two years. The
15 terms of all of successors shall be four years each, except that
16 a person appointed to fill a vacancy shall serve only for the
17 unexpired term. Every member's term shall extend until the
18 member's successor is appointed and qualified. An appointed
19 member of the Environmental Justice Communities Trust Fund Board
20 shall be eligible for reappointment.

21 (3) The board shall hold its first meeting within ninety
22 (90) days of the effective date of this paragraph.

23 (4) The members of the Environmental Justice Communities
24 Trust Fund Board may not be compensated for service as members,
25 but shall be entitled to reimbursement for all necessary
26 expenses incurred in connection with the performance of their
27 duties as members. Reimbursements shall be allocated from money
28 available from the trust fund established under this section.

29 (5) The Environmental Justice Communities Trust Fund Board
30 shall provide for the holding of regular and special meetings at

1 least annually at the call of the chair. Eight members attending
2 shall constitute a quorum for the transaction of any business
3 and a majority of the members present shall be required to adopt
4 any action.

5 (6) (i) The Environmental Justice Communities Trust Fund
6 Board has the power and duty, including, but not limited to:

7 (A) Adopt bylaws.

8 (B) Make, execute and deliver contracts and grant
9 agreements.

10 (C) Develop, within one year of its establishment and
11 biennially thereafter, a plan for the availability and
12 distribution of money from the trust fund established under this
13 section. The Energy Communities Trust Fund Board shall make the
14 plan available on its publicly accessible Internet website.

15 (D) Provide for the coordination and exchange of information
16 on the establishment and maintenance of programs.

17 (E) Administer and award grants for projects within
18 environmental justice communities and monitor the expenditure of
19 money in the trust fund established under this section.

20 (F) Prepare and submit by May 1 each year an annual report
21 to the General Assembly, including recommendations for
22 legislative action if needed and appropriate.

23 (G) Perform other operational activities necessary or
24 appropriate to further the purpose of this section.

25 (ii) Administrative support for the Environmental Justice
26 Communities Trust Board shall be provided by the department.

27 (7) The following acts shall apply to the Environmental
28 Justice Communities Trust Fund Board:

29 (i) The act of February 14, 2008 (P.L.6, No.3), known as the
30 "Right-to-Know Law."

1 (ii) The act of July 19, 1957 (P.L.1017, No.451), known as
2 the "State Adverse Interest Act."

3 (iii) The provisions of 65 Pa.C.S. Chs. 7 (relating to open
4 meetings) and 11 (relating to ethics standards and financial
5 disclosure).

6 Section 4. This act shall take effect in 60 days.