

Written Comments

Submitted on behalf of the Pennsylvania Chamber of Business and Industry

Public Hearing on House Bill 502 (RESET Board)

Before the: Pennsylvania House Energy Committee

Presented by:

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Harrisburg, PA June 10, 2025

417 Walnut Street Harrisburg, PA 17101-1902 717.720.5471 phone pachamber.org Thank you for the opportunity to submit written testimony regarding House Bill 502, which establishes the Reliable Energy Siting and Electric Transition (RESET) Board. The Chamber appreciates the General Assembly's continued focus on reforming Pennsylvania's regulatory landscape, particularly as it relates to the permitting and siting of certain energy facilities.

The PA Chamber is the largest, broad-based business advocacy association in Pennsylvania. We represent employers of all sizes, crossing all industry sectors throughout the Commonwealth, including companies involved in all aspects of the energy industry and beyond.

The PA Chamber appreciates efforts to streamline Pennsylvania's permitting process, especially for those energy projects that are vital to meeting the Commonwealth's future energy needs and economic development goals. Our current regulatory structure often results in significant delays and uncertainty for project developers and investors. Pennsylvania's competitiveness suffers when surrounding states offer more predictable and timely permitting environments.

Pennsylvania's Energy Landscape

Pennsylvania has long been a cornerstone of the nation's energy and manufacturing landscape, playing a critical role in powering the U.S. and supporting economic and industrial growth. Pennsylvania's energy sector supports thousands of jobs, contributes billions to our economy, and provides affordable energy to residents and businesses throughout the Commonwealth. From natural gas and electricity exports to essential construction materials, we are a key player in both the national and global economy. In fact, Pennsylvania is the top electricity exporter, second-largest producer of natural gas, and third in overall electricity generation in the nation.¹

However, despite Pennsylvania's abundant energy resources and strong position in dispatchable energy, and with the exception of recent developments at Three Mile Island (TMI) and Homer City, no major new baseload generation projects have moved forward since 2019, with developers citing regulatory and tax climate

¹ <u>https://www.eia.gov/state/analysis.php?sid=PA</u>

uncertainty as key obstacles. This lack of investment in long-term generation capacity raises concerns about grid reliability and energy affordability.

The Link Between Permitting Reform and Economic Competitiveness

Hesitation to develop and invest in new baseload generation reflects broader concerns about Pennsylvania's regulatory climate. Uncertainty in permitting timelines and approval processes not only discourages energy infrastructure investment but also sends a signal to energy-dependent industries that the Commonwealth may not be able to meet future demand reliably. These challenges highlight the critical need for reform, not just to enable energy development, but to support our broader economic ecosystem that depends on stable, affordable power.

Streamlining the permitting process is not simply a procedural concern, it is a foundational issue for Pennsylvania's long-term economic competitiveness. Businesses looking to invest in energy infrastructure or expand operations that are energy-intensive, such as data centers, manufacturing facilities, and advanced industrial processes, require confidence that their energy needs can be met reliably and on time. Unfortunately, Pennsylvania's current permitting process is widely viewed as cumbersome, fragmented, and unpredictable.

The delays and lack of coordination between agencies often result in stalled projects, increased costs, and lost investment. Other states have recognized this challenge and implemented reforms to make their permitting environments more attractive. Without similar action, Pennsylvania risks falling behind as companies make location decisions based on regulatory efficiency and energy availability.

Advancing Permitting Reform in Pennsylvania

The PA Chamber commends the significant strides made by the Shapiro Administration and the General Assembly in modernizing Pennsylvania's permitting processes. These reforms are pivotal in enhancing the Commonwealth's economic competitiveness and fostering a more efficient regulatory environment. One of the most recent notable initiatives, resulting from a bi-partisan collaboration to modernize Pennsylvania's permitting processes, is the Streamlining Permits for Economic Expansion and Development (SPEED) Program. The SPEED program allows qualified third-party professionals to conduct preliminary reviews of certain environmental permits, including air quality, earth disturbance, and water obstruction. SPEED is a critical step toward a more responsive and business-friendly regulatory environment, improving transparency, reducing delays, and providing consistency to the permitting process.

Programs like SPEED, along with other permitting reforms advanced by the Shapiro Administration, such as the Fast Track Program, and the PAyback initiative, reflect successful efforts by the Administration to streamline permitting for major projects. These initiatives reflect a concerted effort to modernize Pennsylvania's permitting landscape, aligning it with the pace of business and investment.

The PA Chamber supports these reforms and encourages continued collaboration to further streamline processes, reduce regulatory burdens, and promote economic growth across the Commonwealth.

Support for Streamlined Permitting and Targeted Improvements

HB 502 presents an opportunity to modernize our regulatory approach, encourage investment in energy infrastructure, and send the message that Pennsylvania is ready to support business growth and innovation. We are particularly encouraged by the bill's intent to coordinate permitting and siting efforts across state agencies. Greater consistency and transparency reduces confusion and encourages more investment in modern, reliable energy infrastructure.

The PA Chamber also views House Bill 502 as an opportunity to strengthen Pennsylvania's position as a competitive and forward-looking energy and economic leader. Ensuring reliable, affordable energy is essential not only for meeting future electricity demand but also for attracting new business investment, supporting job growth, and maintaining our industrial base. As older coal-fired plants retire and new generation projects face permitting and regulatory hurdles, we risk falling behind other states that are aggressively modernizing their energy infrastructure. Pennsylvania can effectively balance environmental goals with the need for dependable, dispatchable energy by fostering policies that encourage investment in both generation and transmission. A more efficient and predictable energy development process will help secure the Commonwealth's long-term economic future while advancing responsible environmental stewardship.

Having said this, we respectfully offer the following for your consideration as the bill moves forward:

RESET Board Composition

First and foremost, the PA Chamber certainly appreciates being designated as a member of the RESET Board, recognizing the value of including the voice of the business community in shaping Pennsylvania's energy landscape. As a committed partner in this process, we believe it is essential to thoughtfully evaluate the Board's structure and placement to ensure it is aligned with Pennsylvania's broader goals of advancing energy development, supporting economic growth, and maintaining a competitive business climate.

While the Department of Environmental Protection (DEP) plays a vital role in enforcing environmental regulations, it has not traditionally overseen electric generation siting or infrastructure development, which are core functions necessary to the RESET Board's mission. To ensure the RESET Board's mission is fully aligned with Pennsylvania's energy and economic development priorities and to minimize any real or perceived conflicts of interest, we recommend that the Committee explore housing the Board within an agency that has a direct focus on investment and infrastructure, such as the Department of Community and Economic Development (DCED). An agency with this core mission is more likely to provide strategic coordination and timely decision-making needed to advance key energy projects and support long-term economic growth across the Commonwealth.

In a similar vein, while the PA Chamber supports fair and inclusive policymaking, we have concerns about including the Chair of the DEP's Environmental Justice Advisory Board, in addition to DEP, on the RESET Board. The RESET Board is intended to accelerate energy infrastructure development and streamline siting decisions, which are goals that require technical, market, and investment expertise.

The Environmental Justice Advisory Board serves a distinct mission focused on equity in environmental protection, not infrastructure siting or energy project evaluation.

While we appreciate the reasoning for including the Chair of the Environmental Justice Advisory Board, doing so risks introducing regulatory uncertainty and policy overlap that could complicate and delay decision-making. Unfortunately, well-intentioned environmental justice mandates, if not carefully scoped, can increase permitting delays, add compliance burdens, and discourage private investment, particularly in energy and manufacturing.

Pennsylvania's energy and economic competitiveness depends on a regulatory framework that provides clarity and predictability. The RESET Board should be structured to reflect this need by including members with direct experience in infrastructure, permitting, and energy markets, while preserving the broader goals of fairness and public input through appropriate, but separate, channels.

RESET Board Review

To strengthen the RESET Board's role in addressing permitting delays at the local level, language at the end of subsection 805(c)(2) should be clarified to ensure consistency and legal certainty in the RESET Board's review process.

In our experience, local governments, while well-intentioned, can and do occasionally make errors or misinterpretations in the review and approval of complex infrastructure projects. To avoid ambiguity and ensure a clear trigger for Board jurisdiction, we suggest adding language such as: "denied in an appealable action and any appeal taken from that appealable action is now final." This addition would provide greater legal clarity, avoid premature involvement, and ensure that local decisions have been fully resolved before a project moves to the RESET Board for further consideration.

Environmental Permit Application Standard

To ensure the RESET Board's review process is both practical and grounded in achievable benchmarks, we also recommend revising the language in subsection 807(a)(2)(iii) to improve clarity and practicality in how applicants demonstrate progress toward meeting environmental requirements.

As currently written, it is unclear how an applicant would be expected to demonstrate that it will obtain all necessary permits, a standard that is at times speculative and difficult to verify during early stages of project review. To provide a more objective and administrable benchmark, we suggest revising the language to state that the applicant "has applied for all necessary environmental permits and approvals."

This revision would allow the RESET Board to assess whether the applicant is actively engaged in the permitting process, without requiring premature conclusions about the outcome of agency decisions. It also aligns with standard regulatory practices used in other permitting frameworks and maintains the integrity of the environmental review process, while creating a more practical and achievable standard for applicants.

RESET Board Appeals

Lastly, to provide greater clarity and consistency regarding the standard for overturning a RESET Board decision, language in subsection 807(d)(4) should be further refined. Specifically, we suggest narrowing the language to state that "errors were so significant as to cause the Environmental Hearing Board to remand the decision to the Board or vacate the Board's decision after remand." This clarification will help prevent minor or technical issues from disrupting the overall permitting process and ensure that only materially flawed decisions are subject to reversal.

Conclusion

The PA Chamber appreciates the opportunity to provide feedback on House Bill 502 and commends the General Assembly for its commitment in working to improve Pennsylvania's energy permitting framework. We support the bill's goal of streamlining the approval process for critical energy infrastructure and recognize its potential to enhance the Commonwealth's economic competitiveness, support job creation, and ensure a more reliable and resilient power grid.

We also encourage lawmakers to consider several targeted improvements to ensure the RESET Board is structured and implemented in a way that is practical, predictable, and aligned with Pennsylvania's broader economic development priorities. Clarifying legal standards, refining Board composition, and reassessing the appeals process will help strengthen the legislation and create a more balanced, investment-friendly regulatory environment.

We look forward to continuing to work with the General Assembly, the Administration, and other stakeholders to ensure Pennsylvania remains a global and national leader in energy and economic opportunity.

Thank you for your time and consideration.