

A Coalition for an Affordable Bay Solution

The Coalition for an Affordable Bay Solution Disputes Chesapeake Bay Foundation's Analysis of SB 994

On Monday October 21, the Chesapeake Bay Foundation (CBF) released a statement on SB 994 through its PA Environmental Digest lobbying arm. While this release referenced statements from the Pennsylvania Municipal authorities Association (PMAA) on SB 994, the majority of this release outlined CBF's own concerns regarding this legislation.

The *Coalition for an Affordable Bay Solution (CABS)* is an organization that was formed to highlight and promote cost effective spending on Bay programs within the Commonwealth in order to increase the accountability and effectiveness of such programs. Upon review of the statements presented by CBF on this topic, as well as a review of the SB 994 legislation, CABS noted a number of inaccuracies and inconsistencies with the presented CBF analysis. CABS responds to these issues below, first showing the CBF statement, then providing a CABS analysis of these positions.

Chesapeake Bay Foundation-PA

The Chesapeake Bay Foundation Pennsylvania Office has also expressed its opposition to Senate Bill 944 saying fundamental flaws in the bill have not been addressed. In a letter to all members of the Senate in June, CBF-PA pointed out several fundamental problems. The individual issues highlighted were:

CBF—SB 994 Is Neither Cost-Effective nor Affordable.

CABS Response: SB 994 enables a competitively based procurement program for verified nutrient reductions and requires that the low cost solution be adopted. By design, the legislation maximizes cost effectiveness of investments. The Pennsylvania Legislative Budget & Finance Committee reviewed the competitive bidding approach proposed by SB 994 and concluded that it could save Pennsylvania taxpayers up to \$1.5B annually by 2025.

CBF – SB 994 Does Not Create Real, Marketable Credits.

CABS Response: SB 994 requires that the PA DEP verify the reductions prior to payment and that all credits meet the requirements for utilization as a qualified offset. There are no exceptions, so once again by design the legislation addresses this issue.

CBF-- Leaves Unnecessary Risk with Farmers.

CABS Response: SB 994 is voluntary and imposes no mandates---either regulatory or financial on farmers. Once again, by design SB 994 addresses this issue.

CBF-- Leaves Unnecessary Risk with the Commonwealth.

CABS Response: Present programs provide taxpayer funding for project development and impose no performance guarantee requirement on the credit generator, leaving the taxpayer with the performance risk. Recently, EPA determined that existing modeled practices are only 50% as effective in reducing nutrient impacts as advertised, leaving the taxpayers with no recourse for the lack of performance. SB 994 does not provide any public project development funding but instead relies on private sector financing and only provides payment for verified credits after the DEP has certified their approval for sale. Once again, SB 994 has addressed this issue by design.

Since each issue raised by CBF has already been clearly addressed by the legislation, we request that CBF and others opposed to SB 994 cease with irrelevant arguments and focus discourse on what the legislation actually states.