

# Interest Groups Submit GHG Cap and Tax Petition to the EQB

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On February 5, 2026, environmental and public interest groups submitted a 495-page **demand** urging the Environmental Quality Board (EQB) to act on a rulemaking petition originally filed in November 2018 by 192 petitioners. The petition requested the adoption of regulations to reduce greenhouse gas (GHG) emissions from 14 Pennsylvania industries producing at least 25,000 tons of emissions annually, including cement, iron, lead, petroleum products, coal mining, electricity generation, oil and gas production, natural gas and carbon dioxide suppliers, and fuel distributors. The proposed regulation, entitled the Stability and Affordability Via Emissions Reduction (SAVER) Regulation, aims to achieve net-zero emissions in Pennsylvania by 2052.

The EQB accepted the petition for study in April 2019 but took no further action. Instead, in October 2019, Governor Tom Wolf issued an executive order directing the Pennsylvania Department of Environmental Protection (PADEP) to draft regulations targeting carbon pollution from power plants, consistent with the Regional Greenhouse Gas Initiative (RGGI). The resulting regulation was proposed for public comment in November 2020 and finalized in April 2022 after a two-and-a-half-year process. The RGGI regulation, and subsequent legal challenges to it, have been covered extensively in previous editions of this *Newsletter*, including [Vol. 39, No. 2 \(2022\)](#) and [Vol. 40, No. 4 \(2023\)](#).

After taking office, Governor Josh Shapiro established a RGGI Working Group in April 2023 to evaluate the merits of the state's membership in RGGI. In September 2023, the group issued a **memorandum** supporting a cap-and-invest program for energy generation. Following these recommendations, Governor Shapiro introduced legislation in March 2024 for the Pennsylvania Climate Emissions Reduction Act (PACER), a cap-and-invest plan targeting power plant emissions. See H.B. 2275, 2023–2024 Sess. (Pa. 2024). PACER would grant PADEP explicit authority to promulgate regulations for a GHG cap-and-invest program. As of the time of this report, the PACER Act remains pending in Pennsylvania's legislature. See H.B. 503, 2025–2026 Sess. (Pa. 2025).

With the signing of House Bill 416—part of the Pennsylvania budget package for Fiscal Year 2025–26 that included a repeal of the RGGI regulations—by Governor Shapiro on November 12, 2025, the petitioners have renewed their 2018 call for action. The petitioners contend that, under the Environmental Rights Amendment (ERA), the EQB is constitutionally obligated to address climate change. Further, the Air Pollution Control Act (APCA) provides the statutory authority for the rule.

Opponents to the petition argue that the APCA does not authorize an economy-wide GHG cap-and-trade program and that the rule could constitute an unlawful tax under the Pennsylvania Constitution, which requires revenue measures to originate in the House of Representatives.

The next step in the process is for PADEP to produce a report with recommendations for the EQB, which will then decide whether to initiate a formal rulemaking process.

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