March 2023

Key Insights

- Electrifying steel production in Pennsylvania can significantly reduce emissions.
- Electrifying container glass, plastic recycling, steel, milk powder, wet corn milling, aluminum casting, beer, or soybean oil production may reduce energy costs per unit of production.
- Electrifying just the subsectors in this study will advance
 Pennsylvania 2% towards its goal of reducing emissions
 80% by 2050.

Electrifying industrial processes offers a significant opportunity to decarbonize Pennsylvania's industrial sector, which accounts for 33% of the state's greenhouse gas (GHG) emissions. Industrial emissions originate from facilities throughout the state as shown

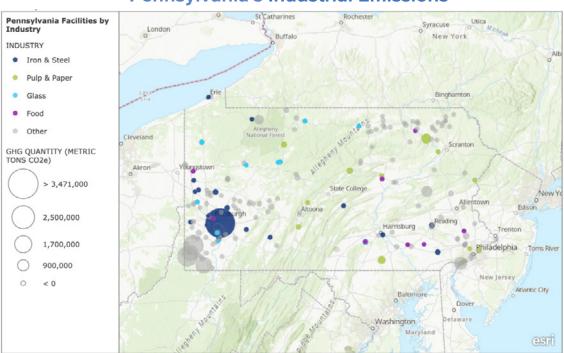
Quick Facts

- 33% of Pennsylvania's GHG emissions are from industry.¹
- The state is committed to achieving 80% emissions reductions from a 2005 baseline by 2050.²
- As of 2022, the manufacturing sector employed 9.5% of the state's workforce and accounted for nearly 13% of total gross state product.³

in the map below. These emissions must be reduced to meet Pennsylvania's emissions reductions goal. In numerous industrial subsectors, electrified technologies can shift production away from carbon-intensive fossil fuels to renewable electricity.

The report <u>Industrial Electrification in U.S. States</u> analyzes nine of Pennsylvania's industrial subsectors and the changes in energy use, CO₂ emissions, and energy costs that would occur if individual industrial processes were electrified. This report studied Pennsylvania's industrial pulp and paper, container glass, plastic recycling. steel, milk powder, wet corn milling, aluminum casting, beer, and soybean oil sectors.

Pennsylvania's Industrial Emissions



Esri, USGS | Centre County Government, data.pa.gov, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS

Built using ArcGIS online with U.S. Environmental Protection Agency's Facility Level Information on GHGs Tool (FLIGHT) 2020 data. U.S. Environmental Protection Agency, "Greenhouse Gas Reporting Program (GHGRP)," last accessed February 25, 2022, https://www.epa.gov/ghgreporting.

This map shows the relative emissions of large industrial facilities. Facility types that are included in the full report analysis are shown in colors while other industrial facility types are shown in grey.

The study found that, among the Pennsylvania subsectors studied, the following have the potential to reduce emissions by the largest margins, ranked by the expected decrease in annual emissions by 2050 through electrification:

- Steel (4318 kt CO₂)
- Plastic Recycling (306 kt CO₂)
- Container Glass (218 kt CO₂)

Deploying electric technologies would result in near-term emissions reductions, and, given the Biden administration's stated policy to achieve a "carbon pollution-free power sector by 2035," electrification could deliver even further decarbonization in the near- and medium-term.

Many electrification technologies considered in this study are commercially available, enabling Pennsylvania to begin electrifying, and realizing emissions reductions, in the near-term. Within Pennsylvania today:

- The iron and steel sector can electrify using Hydrogen Direct Reduced Iron (H₂-DRI) and Electric Arc Furnace (EAF) technology, immediately delivering energy and emissions savings.
- Electrification can bring energy cost savings across eight industries including container glass, plastic recycling, steel, milk powder, wet corn milling, aluminum casting, beer, or soybean oil production if lower renewable electricity cost is used. Additional cost information can be found in the full report.
- Industrial electrification can be supported by supporting electrified technology
 demonstration, financially incentivizing electrification, increasing the state's renewable
 electricity generation capacity, enhancing the electric grid, and developing the workforce.
 A decarbonized energy grid is crucial for realizing the full benefits of industrial electrification
 and bringing Pennsylvania closer to its emissions reduction goals.

Key Actions to Accelerate Industrial Electrification in Pennsylvania

- Open a dialogue with the steel industry to learn what hurdles prevent manufacturers from adopting commercially available electrified technologies, especially H₂-DRI and Electric Arc Furnaces.
- Assist facilities in accessing the Inflation Reduction Act's incentives for electrification, such as the Sec. 48C Advanced Energy Manufacturing Credit and the Advanced Industrial Facilities Deployment Program.
- Support efforts to establish federally supported H₂ Hubs in the state, given the potential for hydrogen to decarbonize the steel industry with clean electricity.
- Leverage federal resources in the Investment in Infrastructure and Jobs Act (IIJA), including opportunities under the Advanced Energy Manufacturing and Recycling Grant Program and the Industrial Emissions Reduction Technology Development Program.
- Ensure sufficient renewable electricity generation resources are built to supply increasing demand and that grid infrastructure can adequately and reliably serve increased loads.
- Engage frontline communities and those working on environmental justice in this industrial transition.

Additional Factsheet Sources:

- ¹ Pennsylvania Department of Environmental Protection, "Pennsylvania Greenhouse Gas Inventory," 2023.
- ² Pennsylvania Department of Environmental Protection, "<u>Pennsylvania Climate Action Plan</u>," 2021.
- ³ National Association of Manufacturers, "Pennsylvania Manufacturing Facts," 2022.

Download the full report and analysis here: https://www.globalefficiencyintel.com/industrial-electrification-in-us-states





