



## **Testimony of**

**David Callahan, President  
Marcellus Shale Coalition  
Before the**

**Senate Environmental Resources & Energy Committee and the  
Senate Community, Economic, & Recreational Development Committee**

**October 4, 2021**

Good afternoon, Chairmen Yaw and Yudichak, Democratic Chairs Comitta and Cappelletti, and members of the committees. My name is David Callahan, and I serve as President of the Marcellus Shale Coalition (MSC). The MSC is a state-wide trade association representing more than 100 energy-producing companies from the upstream, midstream, and downstream sectors, and those who supply goods and services to the industry. All of our members are fully committed to working with local, county, state and federal government officials to facilitate the safe development of natural gas resources in the Marcellus, Utica and related geologic formations. I appreciate the opportunity to be with you today, and to share some thoughts on the negative and detrimental impacts of failing to invest in our natural gas infrastructure.

Thanks to our abundant natural gas resources, along with our embrace of competitive energy markets, Pennsylvania has benefitted from tens of billions of dollars in investment and several hundred thousand direct and indirect jobs, including those in the building trades. Nearly \$14 billion has been invested to date in new natural gas-powered electric generation, not to mention the billions of dollars of investment and thousands of jobs associated with downstream utilization of natural gas and natural gas liquids such as the world-class petrochemical facility in Beaver County, PA that will open up considerable downstream opportunities. These natural gas related investments across the state have brought billions of dollars to our communities and helped support thousands of more Pennsylvanians with family sustaining wages.

I would be remiss if I did not thank those members of these committees who have steadfastly supported this generational development and championed energy, environmental and economic policies on behalf of their constituents and to the benefit of all Pennsylvanians. Yet, misguided state and federal policies not only threaten our economic prosperity – they inflict significant damage on Pennsylvania families, businesses and communities. We cannot begin to quantify the impacts of opportunities lost due to both misguided actions and inaction, but they are real. Whether it's the jobs at risk that are not saved, the jobs which are not created because opportunities are lost, or the capital and revenues that are lost because investors avoid Pennsylvania as a place to do business, the impacts are significant.

The benefits of investment in and development of natural gas infrastructure stretch far beyond the production areas of northern and western Pennsylvania. In addition to the downstream,

family sustaining jobs, we all benefit from lower energy costs. You need only look to the PUC purchased gas costs to see that consumer natural gas prices today are between 55% - 85% less on average than they were pre-Marcellus. This translates into thousands of dollars of savings for homeowners, and exponentially more for businesses every year.

Not only do we benefit as consumers, but the continued development of natural gas infrastructure allows us to enhance our national security. We are less dependent on foreign sources of energy today due to the production and transportation of our shale gas resources, and we do so at the highest of environmental standards. This is a point that cannot be overemphasized - Pennsylvania has world-class oil and gas regulations, a point reinforced by reviews from a non-profit, multi-stakeholder organization named State Review of Oil and Natural Gas Environmental Regulations. Globally, our domestic energy industry outshines those from competitor nations that do not share similar levels of environmental stewardship, let alone value the civil liberties of their citizens and workers alike.

A robust infrastructure translates into cleaner air for us all, and especially for our most vulnerable populations such as seniors and young children – the details of which you heard from Mr. Sunday. It allows our communities to finance and then power new hospitals, like they've done in Montrose, or convert to using natural gas and propane to grow and harvest mushrooms, like they've done in Chester County, or reboot an aging refinery, like they've done in Marcus Hook, Delaware County. Our limited time today does not allow for a comprehensive list of all these projects – though all have been life-changing and uniquely important to the residents of the host local communities.

To be sure, some of the failures to complete several Pennsylvania-based infrastructure projects have been heavily influenced by the decisions of other states. Consider that New York has manipulated federal Clean Water Act provisions to stop infrastructure build-out that impacts not only the Empire State, but all of New England. The consequences are real and substantial. Consumers pay higher energy bills in that region. According to data from the Global Energy Institute, consumers in New England paid 81% more for their electricity than consumers in Pennsylvania. More to the point, a recent Carnegie Mellon University study showed natural gas infrastructure constraints in New York and across New England cost consumers there an estimated \$1.8 billion in just one month in 2014. These harmful decisions not only cost consumers, but they empower our adversaries by allowing Putin's Russia to deliver natural gas into historic Boston Harbor.

Similarly, New Jersey has fought, nearly every step of the way, infrastructure that would deliver low-cost, and life-sustaining natural gas, to not only its own citizens, but also to the businesses and citizens of our state.

And unfortunately, our own Governor recently followed suit when the Wolf administration voted to ban natural gas development in the Delaware River Basin, denying thousands of Pennsylvanians their property rights, while simultaneously signaling to investors that their capital and jobs are not welcome.



Make no mistake about it, these misguided, misinformed, and even vitriolic policy decisions are, to put it bluntly, anti-consumer, anti-worker, anti-building trades, anti-landowner, and yes, anti-American.

Finally, it is important to be clear that when we are talking about a failure to invest in our natural gas infrastructure, we are talking about lost opportunities regarding private capital investment. The industry in Pennsylvania has asked for one thing: predictability. It has not sought, as other energy sources have, taxpayer or ratepayer financed subsidies, bailouts, or market-share mandates. We seek not a hand-out in order to operate, but rather regulatory certainty and predictability.

What could help with this certainty? Well, at the state level, we need legislation that would provide much-needed permitting certainty, such as deemed-approved legislation. At the federal level, we need all our members of Congress on both sides of the political aisle to stand up for Pennsylvania workers; to make a concerted decision that we are going to safely produce energy here at home, and not greenlight our adversaries to increase their substandard energy production at the expense of our domestic energy industry. We also need champions – more voices to join with you in touting the benefits of safe, affordable, and clean domestic energy resources and the need to build infrastructure to deliver it to consumers who rely upon it.

Our member company employees are your constituents. They are proud Pennsylvanians, contributing each day to strengthening our economy and national security while protecting and enhancing our shared environment. Natural gas needs to be here to stay. It is not a transition fuel. As noted by the Progressive Policy Institute: “Natural gas can play an indispensable role in managing the risk that a precipitous leap to renewables will make electricity more expensive and potentially less reliable.” It is a cornerstone of our economy. It has helped to create millions of jobs, produce life-sustaining products, navigate us through a pandemic, and effectively eliminate our dependence on energy resources from distant nations.

We stand ready to work with you in maximizing the opportunities before us. Thank you for your attention today and I look forward to your questions.

