

INDUSTRY...AT A GLANCE

January 2025

DRILLING ACTIVITY IN PA

Pennsylvania: A World-Class Player in Shale Gas Production

- 2nd largest natural gas producer in U.S.
- Nearly 11,500 producing wells
- 7.53 Trillion Cubic Feet (2023)
- 18% of total U.S. natural gas production
- 36 of 67 counties with at least 1 producing well

Drilling Activity in PA

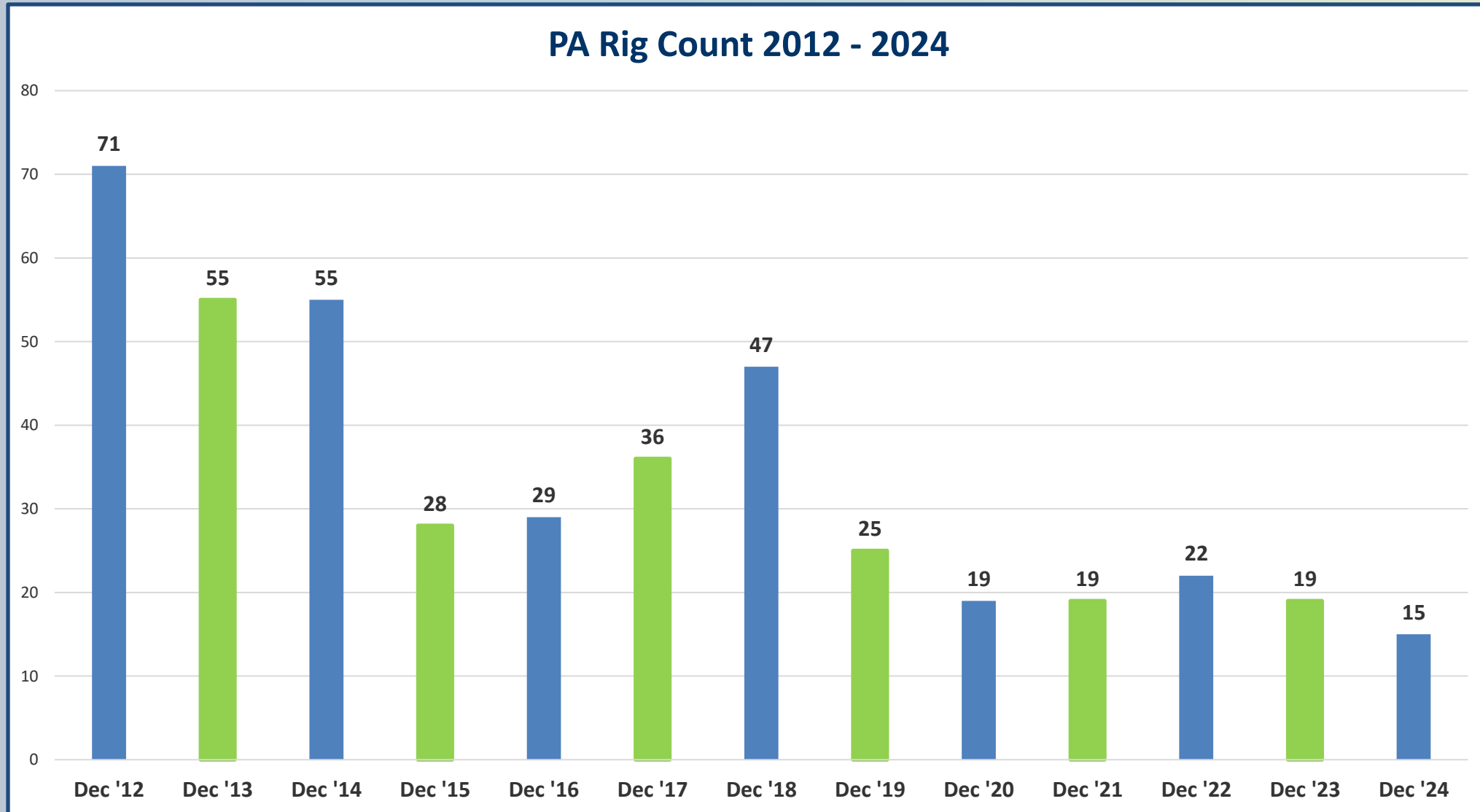
- 💧 13,168 unconventional wells*
- 💧 11,591 unconventional wells producing natural gas
- 💧 3,927 unconventional well pads
- 💧 20.2+ billion cubic feet/day
 - 7.53 trillion+ cubic feet/year
 - 32% of total U.S. shale gas production



Drilling rig in Potter County, PA

* June 2024 (most recent data available)

Drilling Activity in PA



Drilling Activity in PA

Keep in Mind...

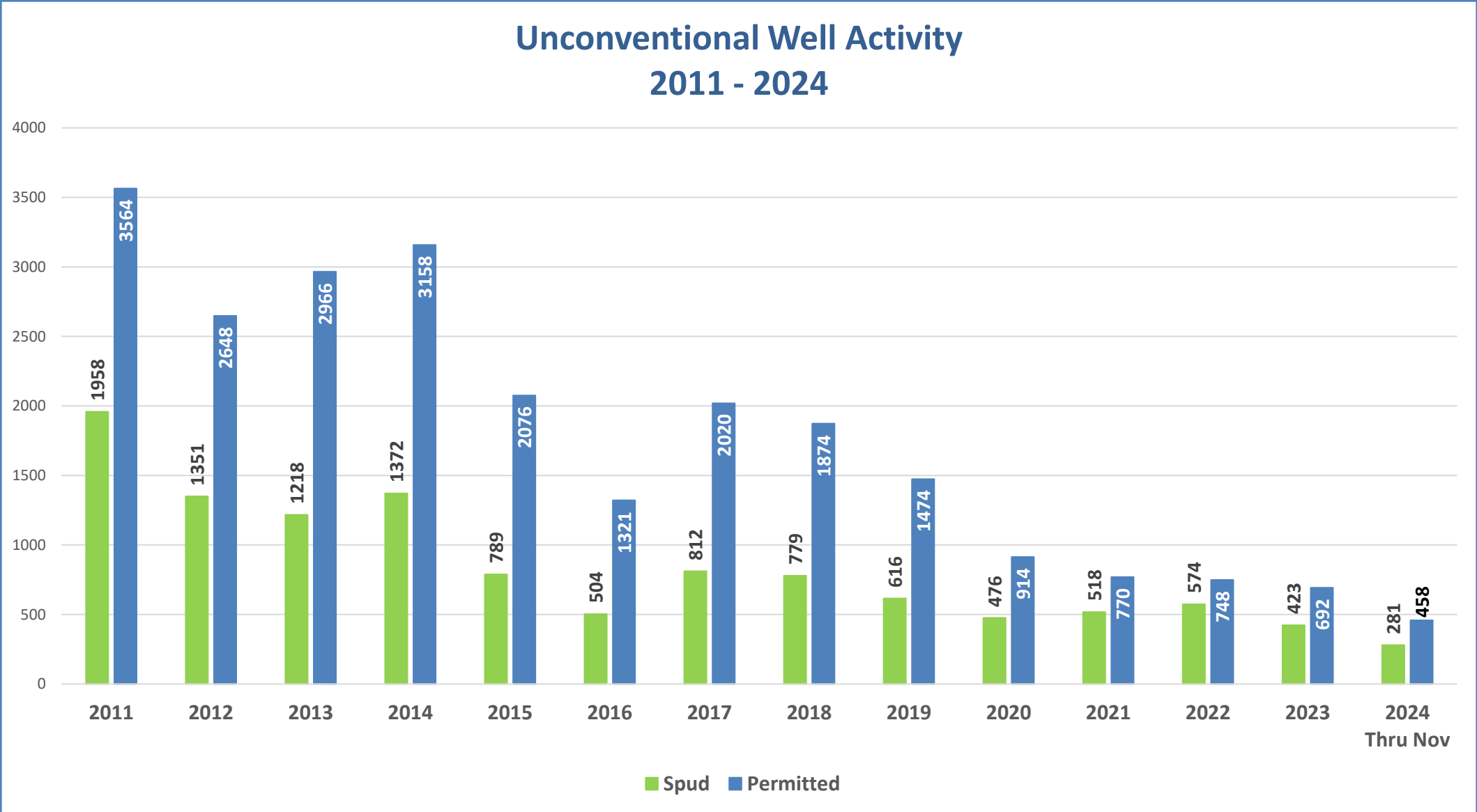
💧 Rig count not the same metric as 6-8 years ago:

- Longer laterals
- More efficient drilling
- More frac stage completions

💧 But still *an* indicator:

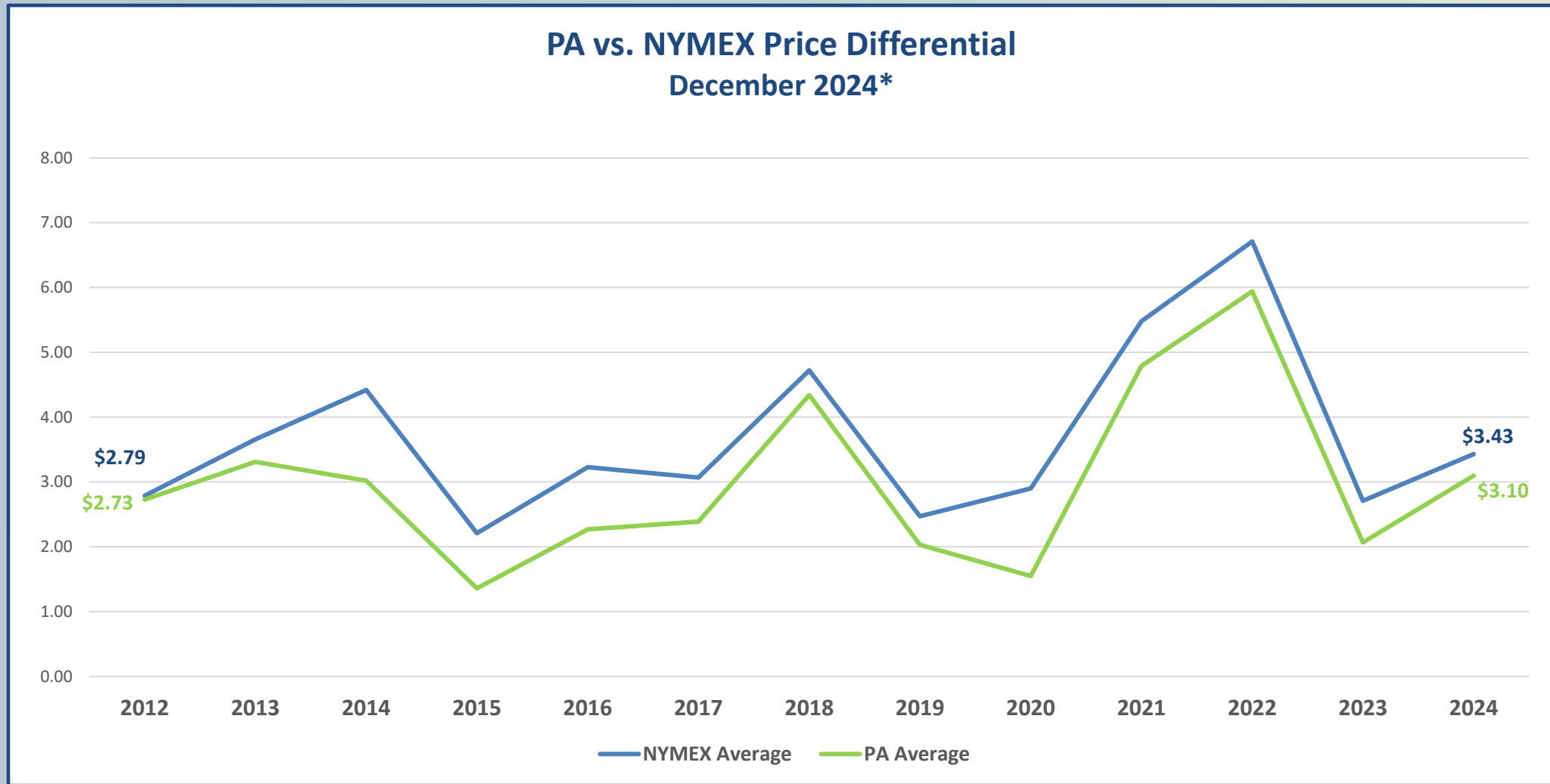
- Oil v Gas
- Wet v Dry
- Basin v Basin

Drilling Activity in PA



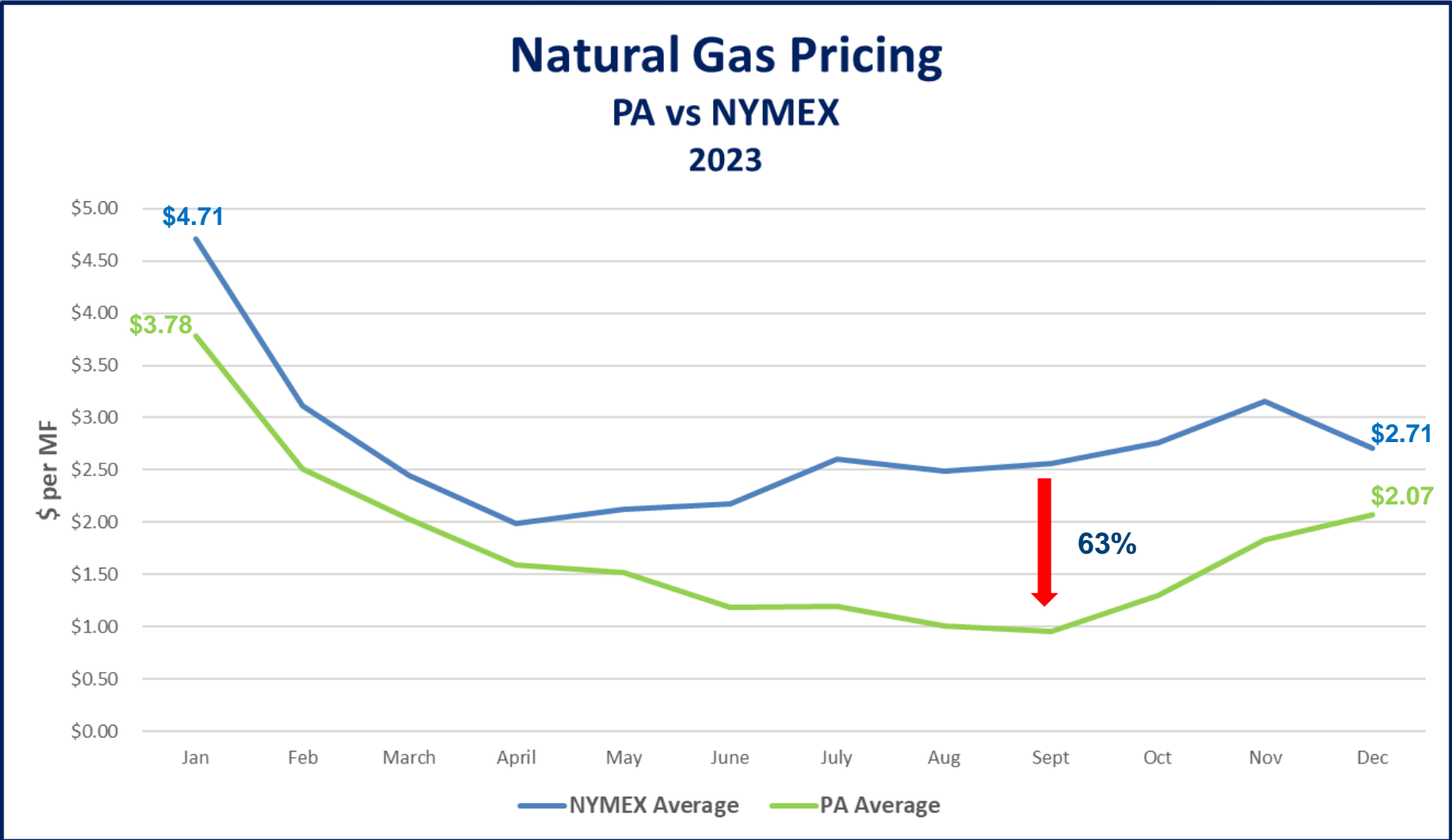
PRICING

PA Price Differential



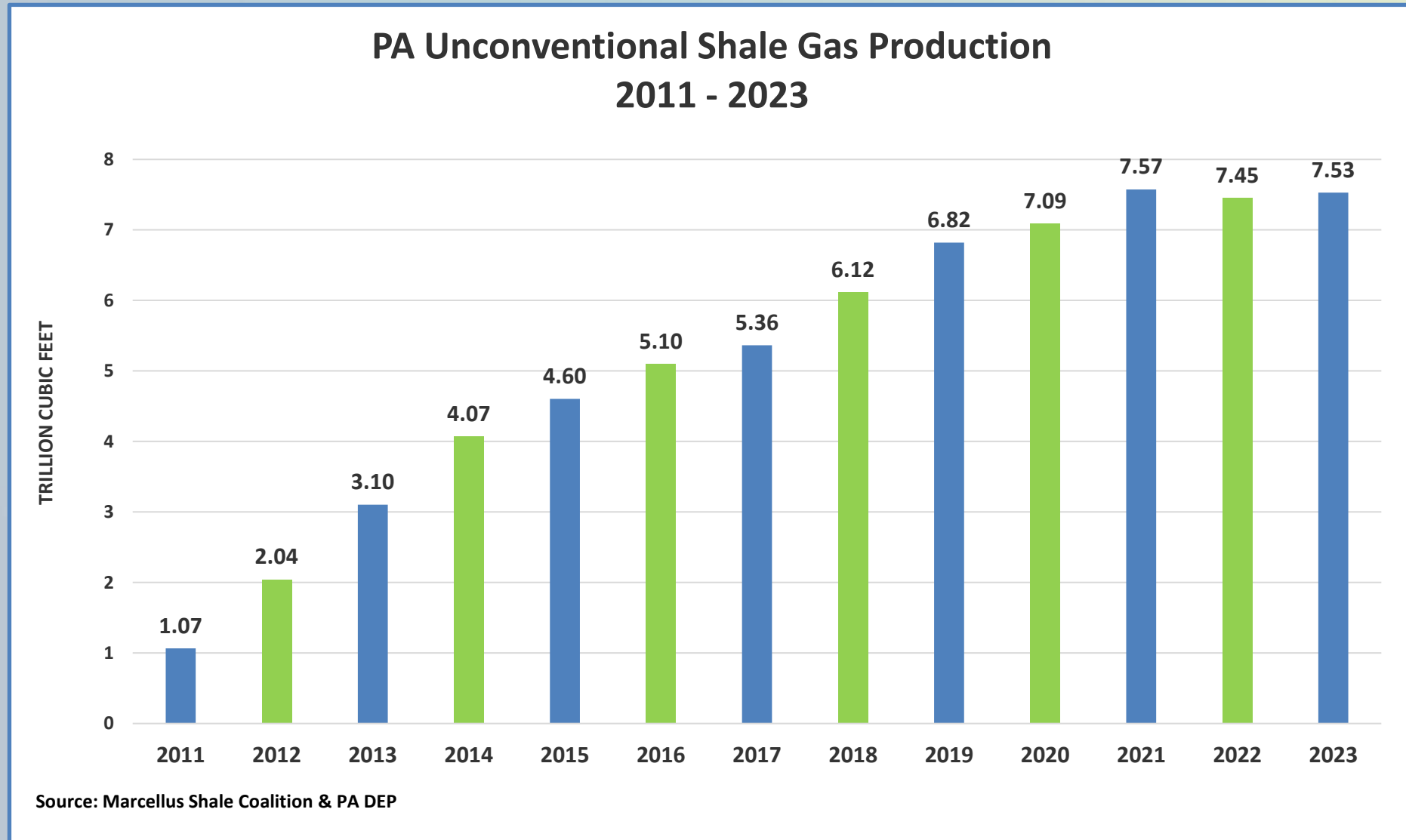
* December 2024 Monthly Bidweek Price – Platts Inside FERC
Price reflects year-over-year for current month

PA Price Differential



NATURAL GAS PRODUCTION

Fueling the Nation

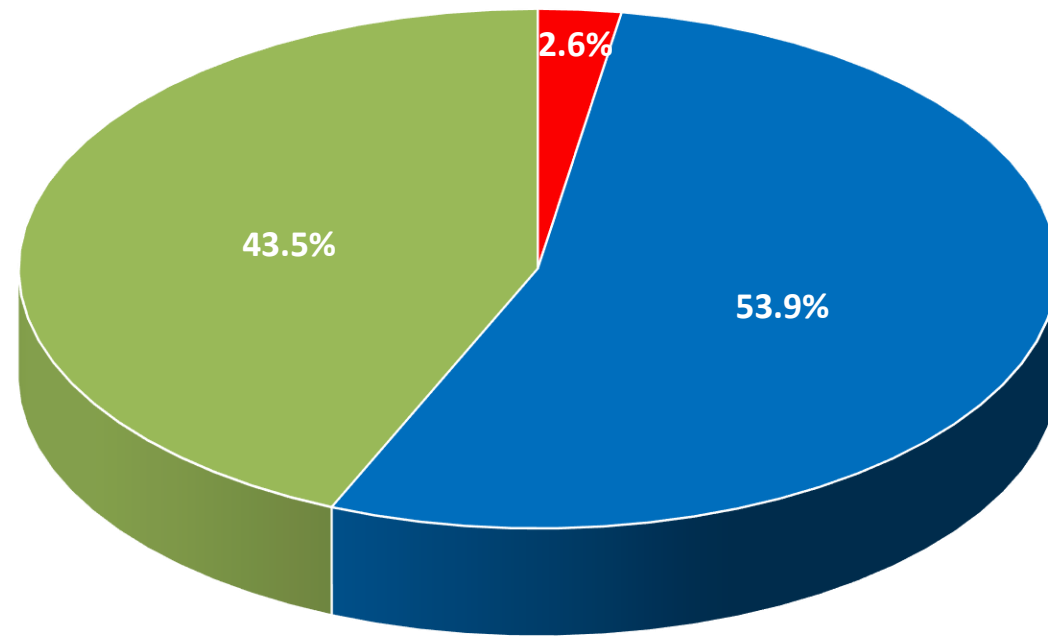


Top Ten Producing Counties by Volume (2023)

County	Production (MCF)	% of PA Production	# of Producing Wells
Susquehanna	1,583,843,478	21%	1,925
Greene	1,181,920,157	15.7%	1,406
Washington	1,153,447,381	15.3%	1,877
Bradford	1,133,569,361	15%	1,446
Lycoming	428,685,517	5.7%	977
Tioga	424,340,287	5.6%	805
Wyoming	281,552,297	3.7%	315
Butler	266,198,784	3.5%	607
Westmoreland	215,233,884	2.9%	289
Sullivan	171,976,215	2.3%	136

By The Numbers

Unconventional Natural Gas Production By Region - 2023



■ Northwest ■ Northcentral/Northeast ■ Southwest

MOVING GAS TO MARKET

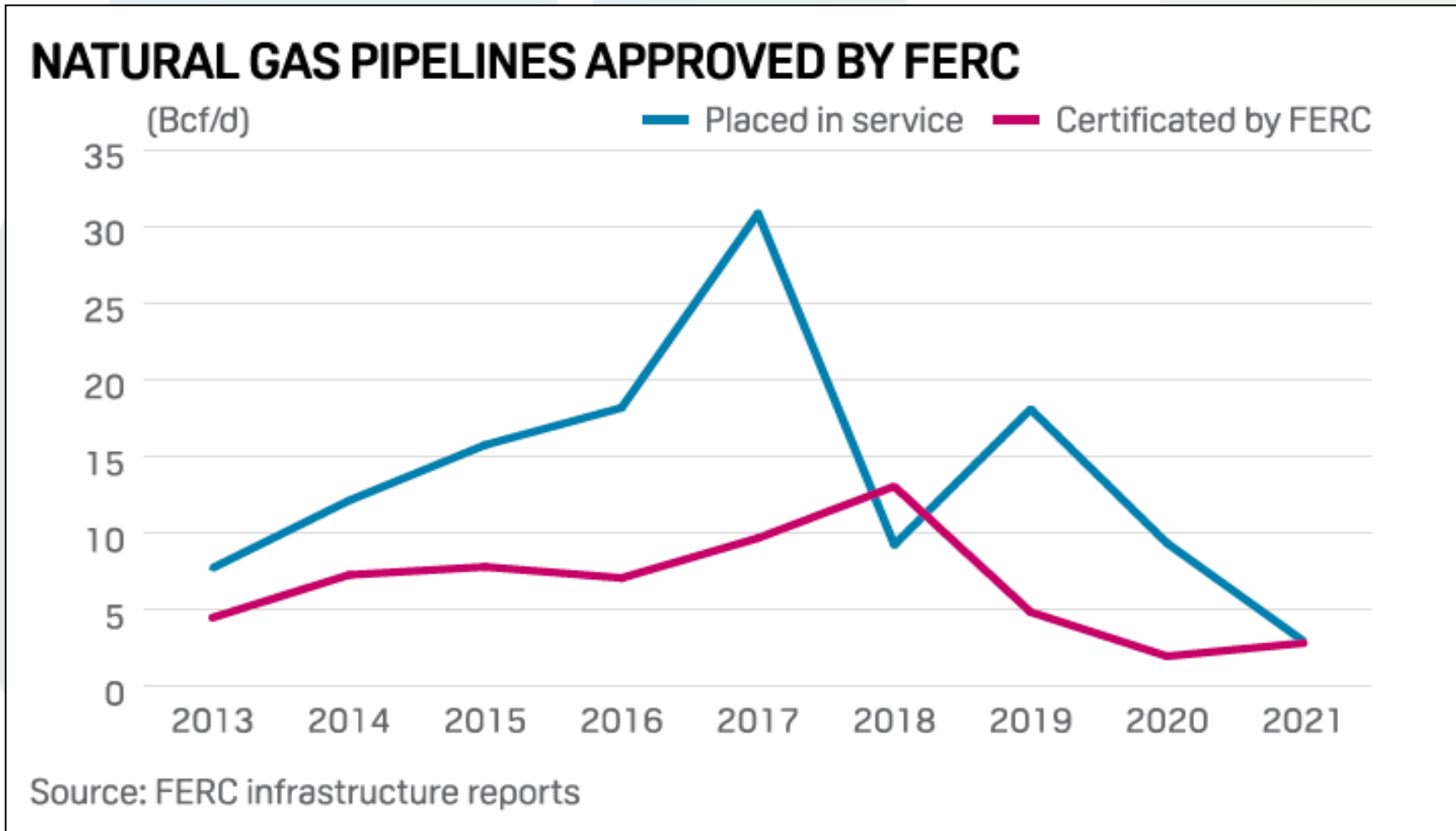
Moving Gas to Market

Upcoming Pipeline Projects for Appalachia

Project Name	Pipeline	Pipeline Corridor	Status	Stated Capacity	Stated Start Date
Greene Interconnect (MVP Partial Service)	EQT/MVP	Regional	EA/EIS Issued	1,000	12/1/2019
Southern Reliability Link	NJ Nat Gas	East/Northeast	Under Late Construction	180	3/1/2020
Gateway	TRANSCO	East/Northeast	Under Early Construction	65	3/1/2020
AquaTrans Power Plants Supply Laterals	EQT	South Ohio	Announced	100	6/1/2020
TP-4555 Bare Pipe Replacement	EQT	Regional	Filed	96	6/1/2020
Line N Expansion - 2020	NFG	Regional	Open Season Completed	215	7/1/2020
PennEast Pipeline	PennEast	East/Northeast	Certificate Issued	1,107	7/1/2020
Empire North Expansion	NFG	Canada	Under Early Construction	205	9/1/2020
Yorktown M&R Replacement & Reliability Project	AGT	Regional	Under Early Construction	22	9/1/2020
Buckeye Xpress	TCO	South Ohio	EA/EIS Issued	275	11/1/2020
Mountain Valley Pipeline	EQT	South Atlantic	Under Late Construction	2,000	12/1/2020
Wright Interconnect Project	Constitution	East/Northeast	Certificate Issued	650	12/1/2020
Constitution Pipeline	Constitution	East/Northeast	Under Early Construction	650	12/1/2020
DTI Supply Header	Atlantic Coast	East/Northeast	Under Early Construction	1,500	12/1/2020
Northeast Supply Enhancement Project	TRANSCO	East/Northeast	Certificate Issued	400	12/1/2020
Greater Philadelphia Expansion	TETCO	East/Northeast	Open Season Completed	475	4/1/2021
2020 Expansion Project	Eastern Shore	East/Northeast	EA/EIS Issued	14	6/1/2021
Brooke County Access	EQT	Regional	Filed	140	8/1/2021
Central Corridor Pipeline Extension	Duke LDC	West	Announced	168	9/1/2021
Atlantic Coast Pipeline (ACP)	Atlantic Coast	South Atlantic	Under Early Construction	1,500	12/1/2021
FM 100 Modernization	NFG	Regional	Filed	330	12/1/2021
Seneca Supply Project	TRANSCO	Regional	Filed	582	12/1/2021
Northern Access 2016- Replacement (Empire)	Empire	Canada	Certificate Issued	350	2/1/2022
Northern Access 2016- Mainline (NFG)	NFG	Canada	Certificate Issued	497	2/1/2022

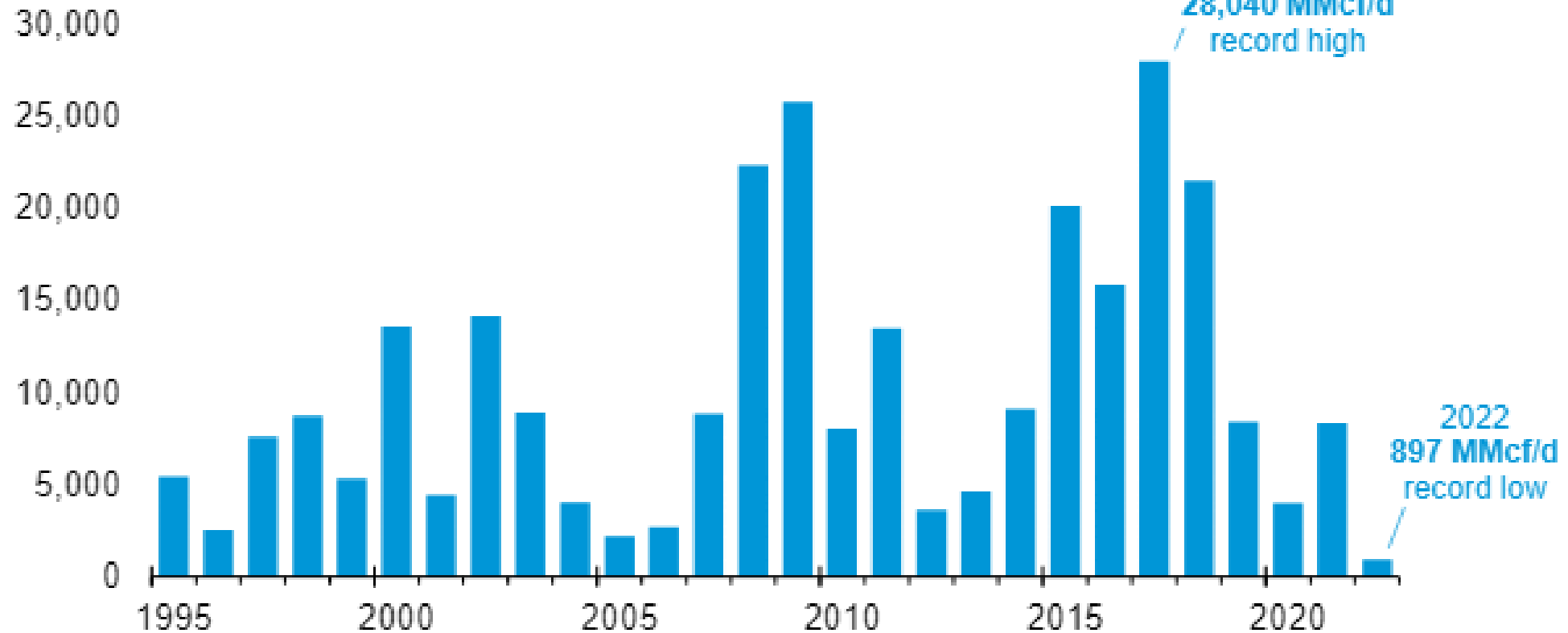
Source: GENSCAPE – Wood Mackenzie Nov. 2019

Slowing Infrastructure Build-Out



























Slowing Infrastructure Build-Out

Annual interstate natural gas pipeline capacity additions (1995–2022)
million cubic feet per day (MMcf/d)



Source: U.S. Energy Information Administration – State to State Capacity Tracker

Slowing Infrastructure Build-Out

Natural Gas, Oil Project Delays, Cancellations				
 CRUDE OIL  REFINED PRODUCTS  NATURAL GAS				
PROJECT	COMMODITY	OPERATOR	STATUS	YEARS ELAPSED PROPOSAL TO CANCELLATION ¹
KEYSTONE XL			CANCELLED	13
PORTLAND TO MONTREAL PIPELINE REVERSAL			CANCELLED	13
DAKOTA ACCESS PIPELINE EXPANSION			PERMIT VACATED	3
BYHALIA (DIAMOND TO CAPLINE)		 	CANCELLED	2
PALMETTO			CANCELLED	2
ATLANTIC COAST			CANCELLED	6
CONSTITUTION			CANCELLED	8
MOUNTAIN VALLEY			UNDER CONSTRUCTION	9
PENNEAST PIPELINE			CANCELLED	6
JORDAN COVE ENERGY PROJECT			CANCELLED	14

Note: Based on data from Rystad Energy; For Mountain Valley Pipeline, years elapsed represents from project's proposal to today.

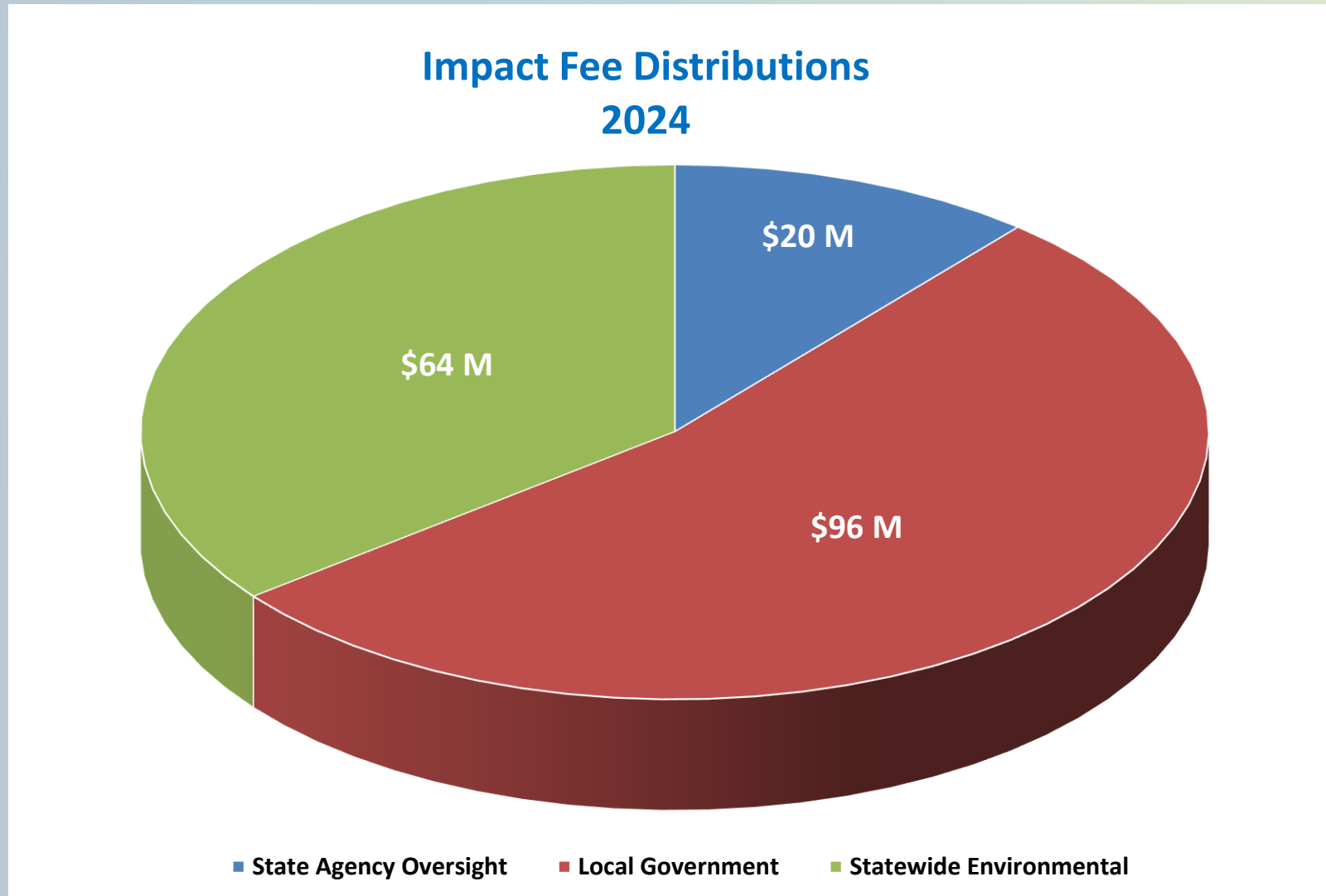
Source: American Petroleum Institute

PA'S SEVERANCE TAX: THE IMPACT FEE

Impact Fee Revenues to Date

Year Distributed	Amount
2012	\$204.2 M
2013	\$202.5 M
2014	\$225.8 M
2015	\$223.5 M
2016	\$187.7 M
2017	\$173.3 M
2018	\$209.6 M
2019	\$251.8 M
2020	\$200.3 M
2021	\$146.3 M
2022	\$233.8 M
2023	\$278.8 M
2024	\$179.6 M
TOTAL:	\$2.72 Billion

Benefiting PA Communities



Pa.'s Natural Gas Impact Fee (Tax) Over \$2.7 Billion Generated Since 2012

More than \$1.8 Billion Supports Community Initiatives:

- | | |
|---|---|
|  Roads & Bridges |  Social Services |
|  Storm Water & Sewer |  Judicial Services |
|  Emergency Preparedness |  Records Management |
|  Environmental Programs |  Capital Reserve Fund |
|  Preservation & Wetland Reclamation |  Workforce Training |
|  Tax Reduction |  Local, Regional Planning |
|  Affordable Housing | |

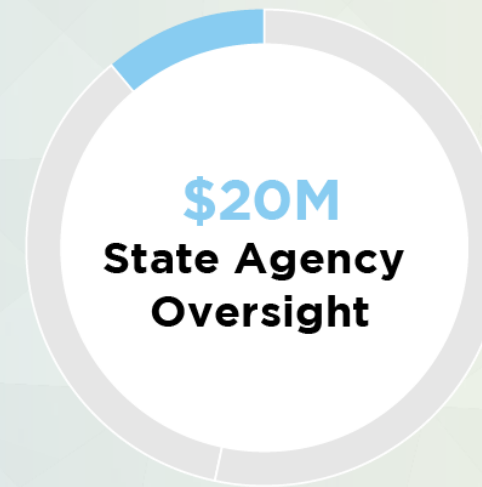
\$700+ Million Supports Statewide Projects

- | | |
|---------------|---|
| <u>\$99M</u> | Growing Greener |
| <u>\$197M</u> | Marcellus Legacy Grants |
| <u>\$246M</u> | Water & Sewer Infrastructure |
| <u>\$95M</u> | County Conservation Districts |
| <u>\$78M</u> | Pennsylvania Department of Environmental Protection |

Pennsylvania's Natural Gas Impact Tax Works

NATURAL GAS TAX REVENUES REACH **\$2.7 BILLION** FOR PA

\$179 MILLION DISTRIBUTED IN 2023



ROADS



BRIDGES



PARKS



EMERGENCY
SERVICES



ENVIRONMENTAL
CONSERVATION

CONSUMER & ECONOMIC BENEFITS

Benefiting Consumers

Lower Prices = Customer Savings

- 💧 Wholesale electric prices generally stable since 2008
- 💧 Market transition through rate caps, fuel generation shift
- 💧 Natural gas prices for end-use customers down 35% - 86% compared to 2008 **
- 💧 Average annual natural gas savings > \$388 - \$1,082 per household

Lower Prices = Customer Savings 2008 vs 2023



Utility	PGC Rate / MCF		% Change	Annual Customer Savings**		
	2008*	2023*		2008-2023	Residential	Commercial
PECO	\$13.16	\$5.74	-56%	\$623	\$3,873	\$12,985
NFG	\$10.86	\$7.02	-35%	\$388	\$1,110	\$7,484
PGW	\$13.02	\$3.55	-73%	\$634	\$3,400	\$9,678
Columbia	\$15.94	\$6.63	-58%	\$754	\$3,221	\$27,930
UGI	\$13.26	\$7.52	-43%	\$471	\$2,043	\$7,296
Peoples/Equitable	\$15.89	\$2.15	-86%	\$1,182	\$3,586	\$65,512

* PUC Purchased Gas Cost (PGC) Rate in Effect Prior to Annual Review

** Based on average customer usage for each utility as reported in PA PUC Natural Gas Outlook 2023

Benefiting Consumers

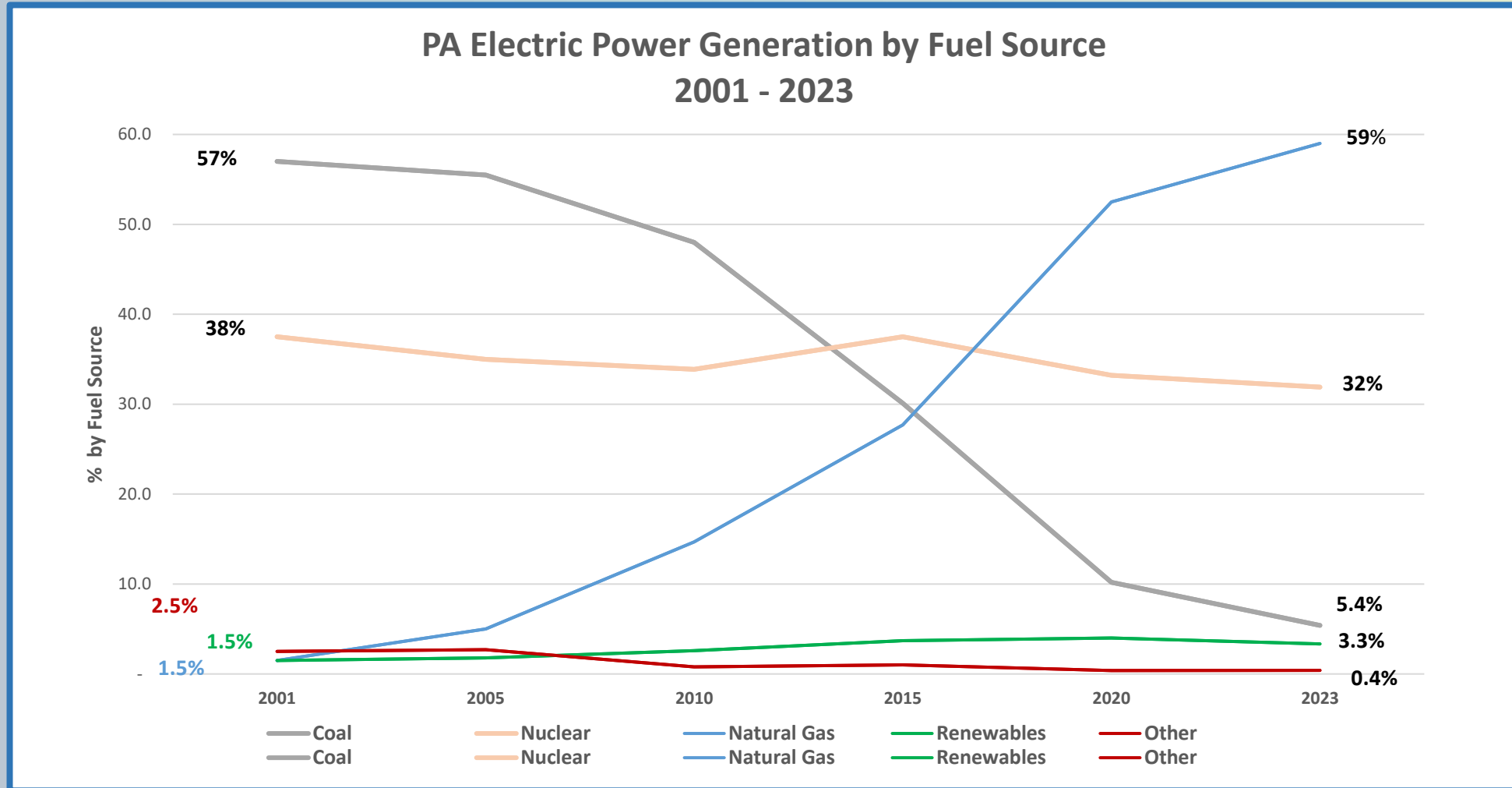


\$8,963,221,586

PA Natural Gas Consumer Savings in 2023 compared to 2008 prices

Based on average customer usage for each PA utility as reported in PA PUC Natural Gas Outlook 2023.
Savings adjusted to reflect inflation 2008-2023 (Bureau of Labor Statistics)

PA's Changing Energy Landscape

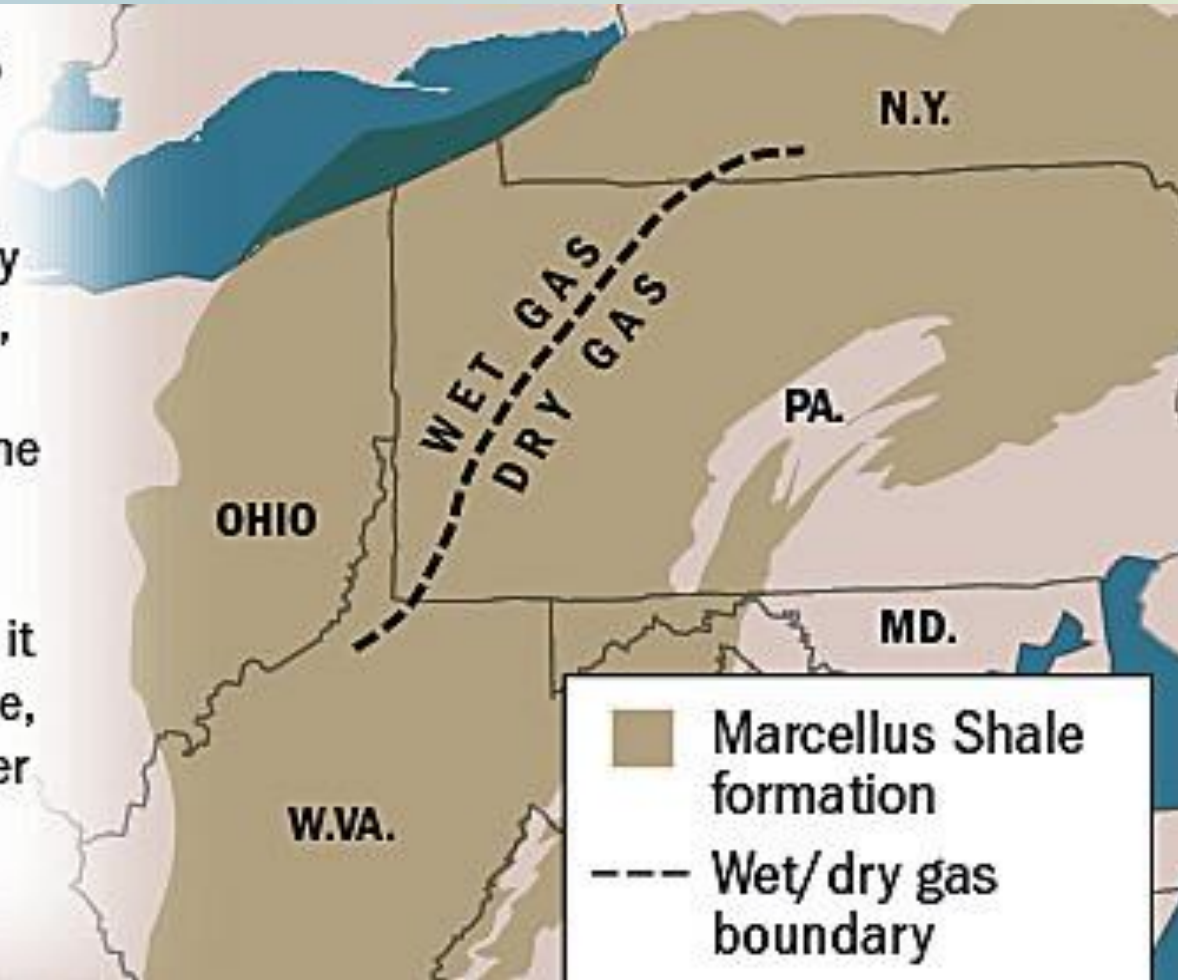


NATURAL GAS LIQUIDS

Shale Gas in PA

Wet/dry gas boundary

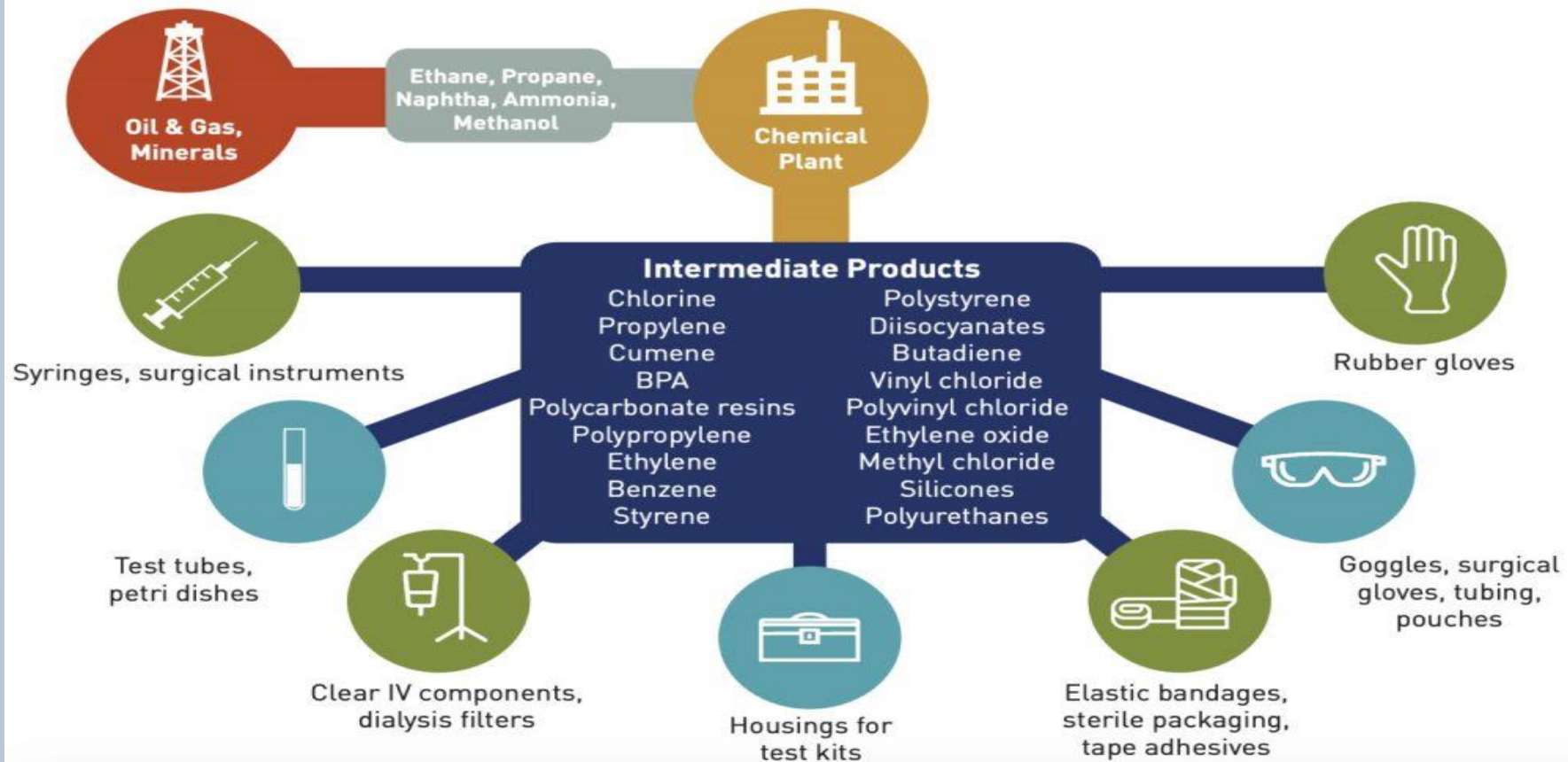
Natural gas is primarily composed of methane, and can also include ethane, propane, butane and pentane ("wet" gas). Natural gas is considered "dry" when it is almost pure methane, minus most of the other commonly associated hydrocarbons.



Source: Penn State University Extension

MEDICAL SUPPLIES

Chemistry contributes 25% of the value of material inputs used to make medical supplies.



COVID Vaccines

- 🔥 **Refrigeration** – Various chemicals captured as byproduct from butane production to meet extreme temperature storage standards
- 🔥 **Vaccine administration:** Syringes, vaccine vials, masks, gloves, face shields, anti-septic, band-aids
- 🔥 **Vaccines:** Both Moderna & Pfizer's vaccine contain polyethylene glycol derived from natural gas liquids



- 🔥 **Transportation:** Truck fuel to distribution sites
- 🔥 **Dry ice:** CO2 captured during petroleum refinement used for long-haul transport
- 🔥 **Health facilities:** heating, cooling & electrical power

Fueling Manufacturing

💧 \$208 Billion Chemical Industry Investment Tied to Shale Gas

- \$109 Billion (completed projects)
- \$31 Billion (under construction)
- \$68 Billion (planning phase)

💧 351 Total Projects

- 786,000 total jobs
- \$61.1 Billion payroll
- \$309.5 Billion economic output



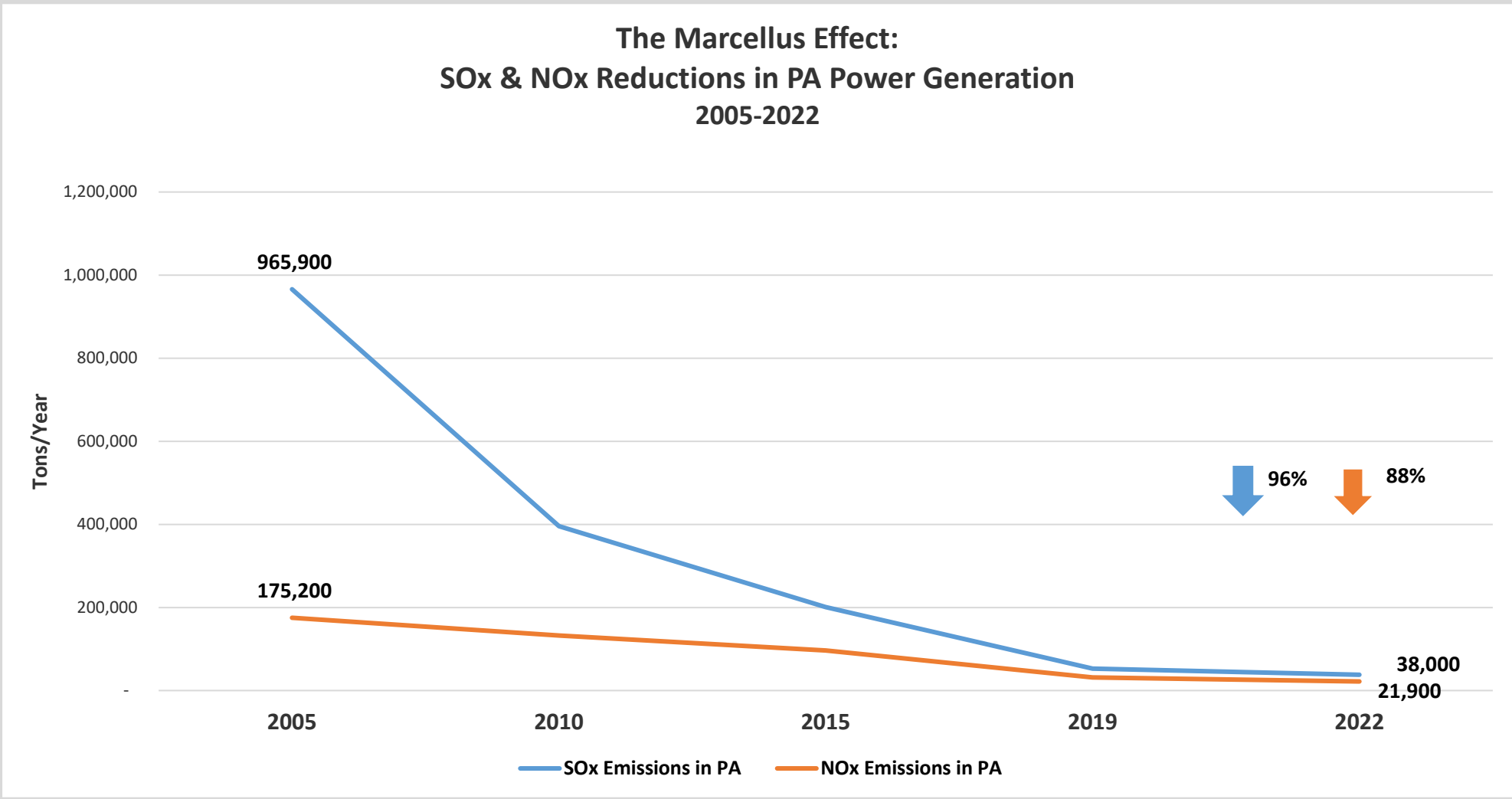
“Thanks to this versatile resource, American chemistry has experienced more than a decade of growth. Our new investment boosts employment, payrolls, and tax revenue in local communities and nationwide.”

Chris Jahn, President & CEO, ACC

Source: American Chemistry Council. Economic contributions tied to higher chemical industry output 2010 – 2030.

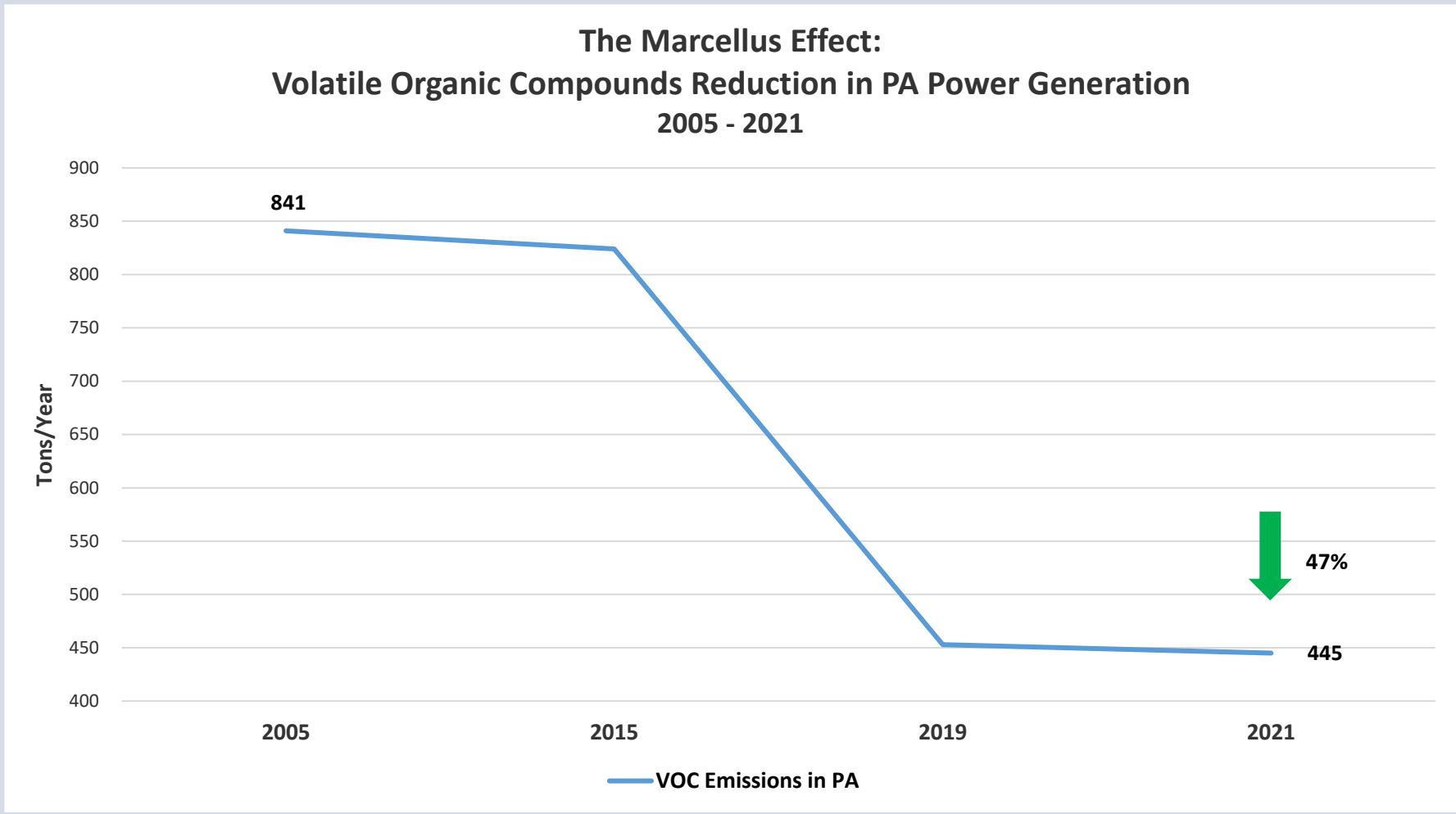
ENHANCING AIR QUALITY

Enhancing Air Quality



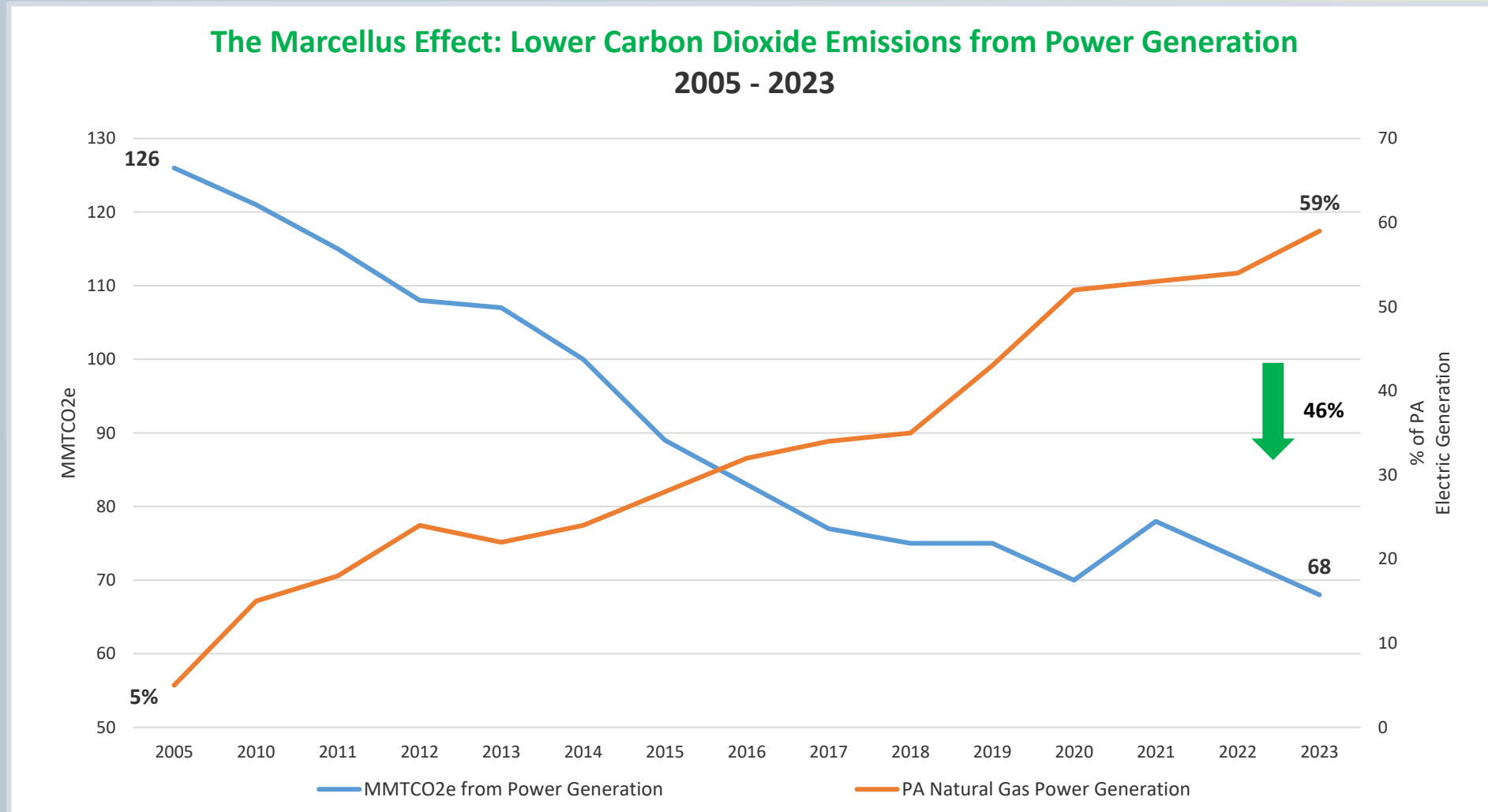
Source: PA Department of Environmental Protection – Air Emission Report (Power BI) – Accessed April 2024

Enhancing Air Quality



Source: PA Department of Environmental Protection – Air Emission Report (Power BI) – Accessed April 2024





Leading on Climate Change



Enhancing Air Quality

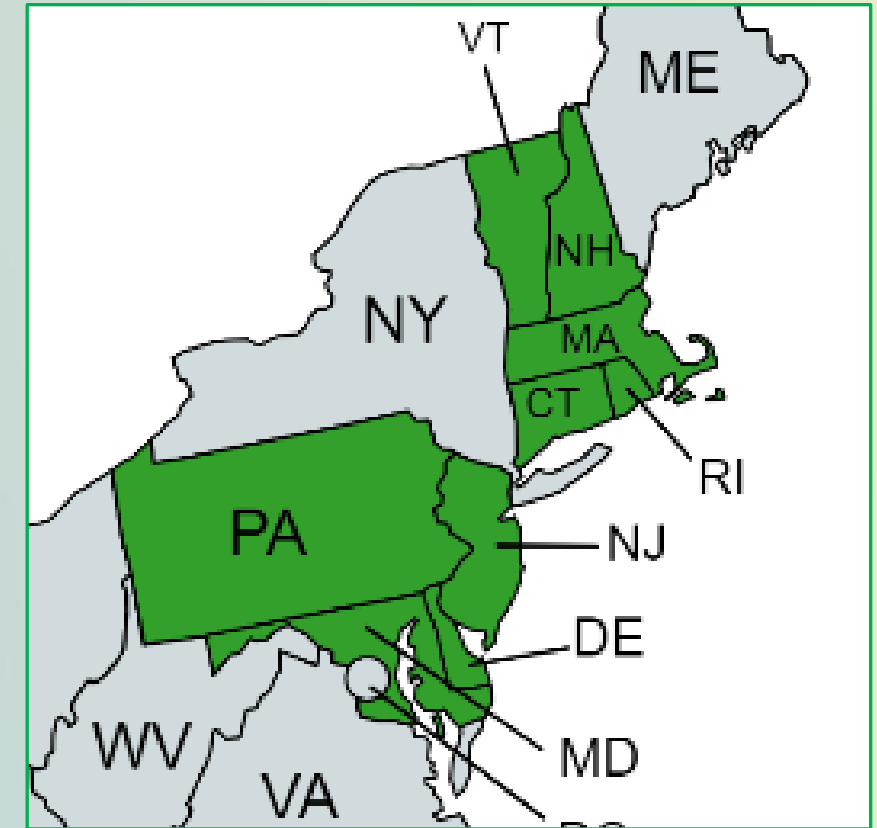
Environmental Benefits are Undeniable

Since 2005...

-  VOCs *down 47%*
-  NOx *down 88%*
-  SOx *down 96%*
-  CO₂ *down 46%*

Enhancing the Environment...Now and in the Future

- Thanks to natural gas electric generation, PA emitted 58 million metric tons fewer of CO₂ in 2023 compared to 2005.
- This is equivalent to removing **12.5 Million** cars from the road for a year.
- Or – removing every car in PA, CT, DE, MA, MD, NH, NJ, RI & VT – *combined*



Enhancing the Environment...Enhances Public Health

Since 2005

- 🔹 Natural gas electric generation has increased from 5% to 59% of all PA generation.
- 🔹 As a result, **nitrogen oxide emissions** are **down 81%** (1,317,000 *fewer* tons emitted) and **sulfur oxide emissions** are **down 93%** (11,126,000 *fewer* tons emitted) from the PA electric generation sector.
- 🔹 These emission reductions equate to public health benefits of between **\$450 Billion - \$1.04 Trillion** for Pennsylvania residents.



Marcellus Shale Coalition Contacts:

Jim Welty, President

jwelty@marcelluscoalition.org

Patrick Henderson

Vice President of Government Affairs & Communications

phenderson@marcelluscoalition.org