



May 15, 2024

Maria Delgado-Santana, President
League of Women Voters of Pennsylvania
922 North Third Street, 1st Floor
Harrisburg, PA 17102

Dear Ms. Delgado-Santana,

My name is David Callahan, and I serve as the President of the Marcellus Shale Coalition (MSC). The MSC is a statewide trade association that was formed in 2008 and is currently comprised of over 140 producing, midstream, transmission, professional service and supply chain member companies. Our member companies produce, process and transport in excess of 95% of Pennsylvania's natural gas.

Introduction

I am aware that the League of Women Voters of Pennsylvania (LWV-PA) sponsors a recurring conference focused on shale gas-related topics. In addition, it is clear that the LWV-PA has not deviated from its opinion, formed in 2009, that "*hydrofracking of shale was detrimental to the environment.*"

I respectfully urge you to reconsider this opinion. Let me offer a few reasons why.

The Marcellus Era: 2009 – 2024

Much has changed since 2009. Candidly, some of the issues that would be identified by operators, communities and regulators had not yet emerged at this time, and the suite of statutory and regulatory enactments and promulgations that were spurred by shale development to address these issues had not been adopted. Neither had the operational enhancements identified and implemented by operators, as they refined their processes, incorporated new technologies, trained staff and integrated Pennsylvania-specific policies into their operations. The industry of 2024 is very different than that of 2009.

Since this time, few if any states have implemented as many new public policies, via statute and regulation, concerning shale gas development as Pennsylvania. Consider the following:

Legislative Enactments

Act 13 of 2012 – Act 13 was a comprehensive re-write of Pennsylvania's Oil and Gas Act and contained nearly 40 significant enhancements to strengthen Pennsylvania's environmental standards. Examples of enhancements include:

- Increasing setback distances of wells from waterways, water wells, occupied buildings and public drinking water supplies;
- Mandating operators to fully disclose chemicals used in the well development process;
- Guaranteeing health care providers access to chemical data disclosures;
- Expanding ‘rebuttable presumption’ safeguards for landowners to protect water supplies;
- Mandating PA DEP on-site inspections at critical times of the well development process;
- Expanding notification of permit applications to all nearby landowners and municipal governments;
- Increasing the standard of water quality for a restored or replaced water supply;
- Prohibiting development in floodplains;
- Mandate water management plans;
- Requiring inspection reports to be posted online;
- Increasing fines and penalties;
- Instituting an Impact Fee for each shale gas well, which provides nearly \$14 million to PA DEP and county conservation districts to oversee the industry.

Act 127 of 2011 – Entitled the “Gas and Hazardous Liquids Pipelines Act”, this law empowers the PA Public Utility Commission to act as an agent to oversee and enforce federal pipeline safety laws.

Act 9 of 2012 – Entitled the “Unconventional Well 911 Emergency Response Act”, this law requires unconventional operators to prepare and file emergency response plans with PA DEP and local emergency response agencies.

Regulatory Promulgations

- 2009 Shale permit fees increased from \$100 to over \$2,500 to fund the hiring of 137 additional oversight staff.
- 2010 Updating of 25 PaCode Ch. 102, establishing new performance standards for erosion and sediment control.
- 2010 New wastewater treatment and discharge standards related to Total Dissolved Solids promulgated.
- 2010-11 Comprehensive rewrite of 25 PaCode Ch. 78, PA DEP’s oil and gas regulations, to establish modern well casing and construction standards to protect water supplies.



- 2012 Issuance of revised, updated Erosion and Sediment Control permit for earthmoving activities related to shale gas development.
- 2013 Issuance of a new permit (GP-5) governing air emission standards at compressor stations and other midstream facilities related to shale gas development.
- 2014 Shale gas permits increase to \$5,000 to sustain Oil & Gas Program and expand staff by additional 24 employees. The permit fee increase is in addition to the new \$6 million annual Impact Fee allocation to PA DEP.
- 2016 Second comprehensive rewrite of 25 PaCode Ch. 78a to update and enhance environmental performance standards for surface activities.
- 2019 Revised and new air quality permits (GP-5 & GP-5A) finalized for shale gas transmission, midstream and production sites.
- 2020 Shale gas permits increase to \$12,500 to sustain PA DEP Oil & Gas program.

It is important to note that these new policies identified above are not a comprehensive listing and do not reflect significant new requirements from the federal government or a variety of policies implemented by PA DEP outside of the regulatory process.

Environmental and Public Health Benefits

To put it bluntly, the environmental benefits of shale gas development and utilization are nothing short of staggering for the citizens of Pennsylvania. The irony has not been lost on us that many organizations, which profess to be guided by an interest in enhancing the environment, turn away blindly from these benefits.

Nowhere are these benefits more readily identifiable than in air quality. The advent of abundant natural gas and its use in electric power generation – which has grown from just 5% in 2005 to nearly 60% last year – has led to a massive decrease in criteria pollutants. For example, since 2005 volatile organic compounds are down 46%, nitrogen oxides are down 88% and sulfur oxides are down 96%. According to the methodology utilized by the PA Department of Environmental Protection, these reductions in criteria pollutants attributable to increased natural gas power generation translate to between **\$450 Billion and \$1.04 Trillion** in public health benefits for the citizens of Pennsylvania.

From a global concern perspective, carbon dioxide (CO₂) emissions from the power generation sector are down 46% since 2005. Contrast this to the proposed Regional



Greenhouse Gas Initiative (RGGI), which the LWV-PA supported, which would have had a net CO₂ reduction of only 0.169%. The reduction in CO₂ from the power generation sector, thanks to the increased use of natural gas as fuel, is equivalent to removing 12.5 million cars off the road (or removing every car in PA, CT, DE, MA, MD, NH, NJ, RI & VT *combined*).

Compatibility with Other Sources of Energy

While clearly advocating for the critical role of natural gas in society, the MSC believes we need all forms of energy to meet the needs of our citizens and indeed all people around the world. Natural gas is compatible with these other sources, often serving as backup baseload supplies for intermittent sources like wind and solar. Additionally, an oft-overlooked reality for those who advocate for a transition to wind and solar is that neither wind turbines nor solar panels can physically be manufactured without natural gas liquids such as those produced from Pennsylvania's shale formations. Natural gas liquids are the key building blocks for these components and a host of critical necessities we rely upon daily.

Conclusion

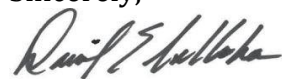
Much has changed since the League made its determination in 2009. The industry has more than a decade of operating experience in Pennsylvania and has demonstrated a willingness to seek operational excellence and an ability to achieve it. Our industry – and the countless employees who work directly and indirectly in it – are rightfully proud of the contributions natural gas development has made to a stronger economy, a cleaner environment, and a strengthened national security that no longer depends on foreign sources of energy.

Pennsylvania's position as a standard-setting shale basin is well understood. Many states have looked to the Commonwealth and its high standards for application in their jurisdictions. Additionally, periodic evaluation of Pennsylvania's regulatory framework by the State Review of Oil and Natural Gas Environmental Regulations (STRONGER) has found Pennsylvania's program to be professional, well-managed, and achieving of its goals.

In the spirit of education and collaboration and to help better inform you and your members, I extend an invitation for you and anyone from your team to visit natural gas facilities at any phase of the development process. This will enable you to talk directly to the professionals who work each day to safely develop this resource, see operations firsthand and ask any questions of interest. We are happy to arrange and participate in such a visit with you.

Thank you for considering this offer as well as the information contained in this letter.

Sincerely,



Dave Callahan
President

