



June 12, 2025

Honorable Jessica Shirley, Chair
Pennsylvania Energy Development Authority
16th Floor Rachel Carson State Office Building
P.O. Box 8772
Harrisburg, PA 17105-8772

Re: Pennsylvania Energy Development Authority – Energy Development Plan (7200-RE-DEP5217) submitted via eComment and ecomment@pa.gov

Dear Chair Shirley:

The Marcellus Shale Coalition (MSC), a regional trade association with a national membership, appreciated the opportunity to submit comments for consideration regarding the Pennsylvania Energy Development Authority's (PEDA or Authority) Energy Development Plan (Plan).

The MSC was formed in 2008 and is currently comprised of approximately 150 member companies who are fully committed to working with local, state and federal government officials and regulators to facilitate the development of the natural gas resources in the Marcellus, Utica and related geological formations. Our members represent many of the largest and most active companies in natural gas production, gathering, processing, transmission, and utilization in the country, as well as the supply chain companies, contractors, professional service firms, and the skilled trades who work with the industry.

Please find our comments below.

Introduction

History of Energy Development

Page 1 notes that Pennsylvania “*gave birth to the modern energy industry more than 100 years ago.*” Given the rich history of energy development that extends well before 1924, the Authority is encouraged to increase this reference to at least 150 years.

Role of Natural Gas

PEDA acknowledges the ongoing conversion of Pennsylvania’s electric generation portfolio “*to a cleaner, more reliable natural gas fleet has allowed Pennsylvania to emerge as the essential electricity provider for the PJM regional transmission organization and, by extension, the eastern half of the United States.*” The MSC agrees with this acknowledgement and encourages the Authority to embrace innovative and cost-efficient opportunities to expand such baseload electric power generation within the Commonwealth to address current retirements and forecasted load growth.

Responsibilities of PA DEP and PEDA

Page 1, 5th paragraph states:

“Nonetheless, the realities of climate change and the responsibility under the state constitution for the Pennsylvania Department of Environmental Protection (DEP) to ensure clean air and pure water drive the Pennsylvania Energy Development Authority (PEDA or Authority) to foster and support innovative, new approaches in the power sector, ones that offer increasingly cleaner solutions to our overall energy usage.”

Respectfully, there are several concerns with this perceived understanding of the responsibilities of both PA DEP and PEDA.

- PA DEP and PEDA are separate and distinct entities, each with specified responsibilities as directed under their applicable state law. Certainly, the MSC recognizes the overlap in leadership of and staff support for PEDA by PA DEP, mostly as a practical matter of efficiency of limited state resources. This overlap, though, should not conflate the distinct responsibilities of PA DEP and PEDA.
- Again, respectfully, PA DEP does not have any *“responsibility under the state constitution”* to ensure clean air and pure water. Of course, citizens are indeed afforded this right under the state constitution (and many other rights of equal stature). The PA DEP is a creature of state government, created by the General Assembly, and charged by the General Assembly (not the state constitution) to meet the needs and protect the rights of the citizens. This is a small but important distinction. The General Assembly fulfills the obligation to protect and further the rights under the state constitution through the enactment of various environmental protection laws, and PA DEP implements these laws as directed by the General Assembly.
- Furthermore, PA DEP’s mission as a state agency to fulfill and carry out the responsibilities assigned to it by the General Assembly should not “drive” the work of PEDA. Rather, PEDA’s work should be driven by its enabling statute.
- It is unclear why the draft Plan needs any narrative with respect to these issues – but to the extent that the draft Plan has such narrative, it should accurately reflect this reality.

The Mission of the Authority: Fostering Innovation

Throughout this section, and indeed elsewhere in the draft Plan, the term “clean” is inserted and used quite generously.

The MSC recommends that this term be removed for two primary reasons: 1) there is no definition of ‘clean’ that is offered in the Plan and 2) the term ‘clean’ does not exist in any underlying statute governing PEDA nor is it part of any legislative direction to PEDA from the General Assembly.



All forms of energy, including wind and solar, have impacts and attributes which some may not regard in layman's terms as "clean."¹ To avoid characterizations of different energy sources as "clean", or conversely "dirty", the Authority is encouraged to utilize terms, when appropriate, such as "alternative energy" which are defined in statute and can fairly describe and capture energy resources not traditionally regarded as baseload energy resources, such as coal, natural gas or nuclear. Doing so is also consistent with the statutory authority and intent of the Energy Development Authority and Emergency Powers Act² (Emergency Powers Act) which created the Authority. Despite the draft Plan stating that the mission of the Authority is to "*expand the market for Pennsylvania's clean, diverse, indigenous energy resources,*" nothing within the Act actually speaks to this stated mission or utilizes the term "clean" energy. Moreover, neither the AEPS Act, Act 129 nor the Emergency Powers Act references climate change specifically. The Authority is encouraged to support projects which will more broadly mitigate potential environmental impacts associated with the development of all the energy resources under consideration.

Act 129 – Historical Context

As the draft Plan references Act 129 of 2008, additional context for readers may be worth including.

A primary motivation of Act 129 was to create energy efficiency and conservation programs focused on the efficient use of all energy resources and reducing peak demand so as to deliver cost savings to consumers. The energy efficiency and conservation programs specifically did not address fuel sources but instead sought to alleviate concerns of impending significant cost increases³ to consumers as the Commonwealth transitioned out of generation rate caps imposed as a result of Pennsylvania's 1996 electric restructuring statute (Competition Act).⁴

It is important to note that enactment of Act 129 occurred prior to the advent of significant unconventional natural gas production in Pennsylvania⁵, and therefore prior to the historic transformation of the Commonwealth's electric generation profile that has delivered massive

¹ For example, components of wind and solar energy facilities require the use of rare earth minerals, which involves intensive mining techniques and present unique challenges related to recycling or disposal. The minerals are often mined and imported from foreign countries that do not impose environmental protection or worker safety standards.

² Act 280 of 1982:

<https://www.legis.state.pa.us/cfdocs/legis/LI/uconsCheck.cfm?txtType=HTM&yr=1929&sessInd=0&smthLwInd=0&act=175&chpt=28C>

³ For example, in testimony before the Senate Consumer Protection and Professional Licensure Committee, then-Secretary Kathleen McGinty warned that "default service customers will soon be facing high and unstable electricity prices." <http://files.dep.state.pa.us/energy/energy%20independence/lib/energy/docs/Testimonies/11-20-07-Testimony.pdf> (November 20, 2007)

⁴ Act 138 of 1996, known as the Electricity Generation Customer Choice and Competition Act:

<https://www.legis.state.pa.us/CFDOCS/LEGIS/LI/uconsCheck.cfm?txtType=HTM&yr=1996&sessInd=0&smthLwInd=0&act=0138>.

⁵ For example, in 2008 Pennsylvania produced 198,000 million cubic feet, while in 2018 Pennsylvania produced 6,200,000 million cubic feet – a 3,100% increase (PA Department of Environmental Protection and U.S. Energy Information Administration)

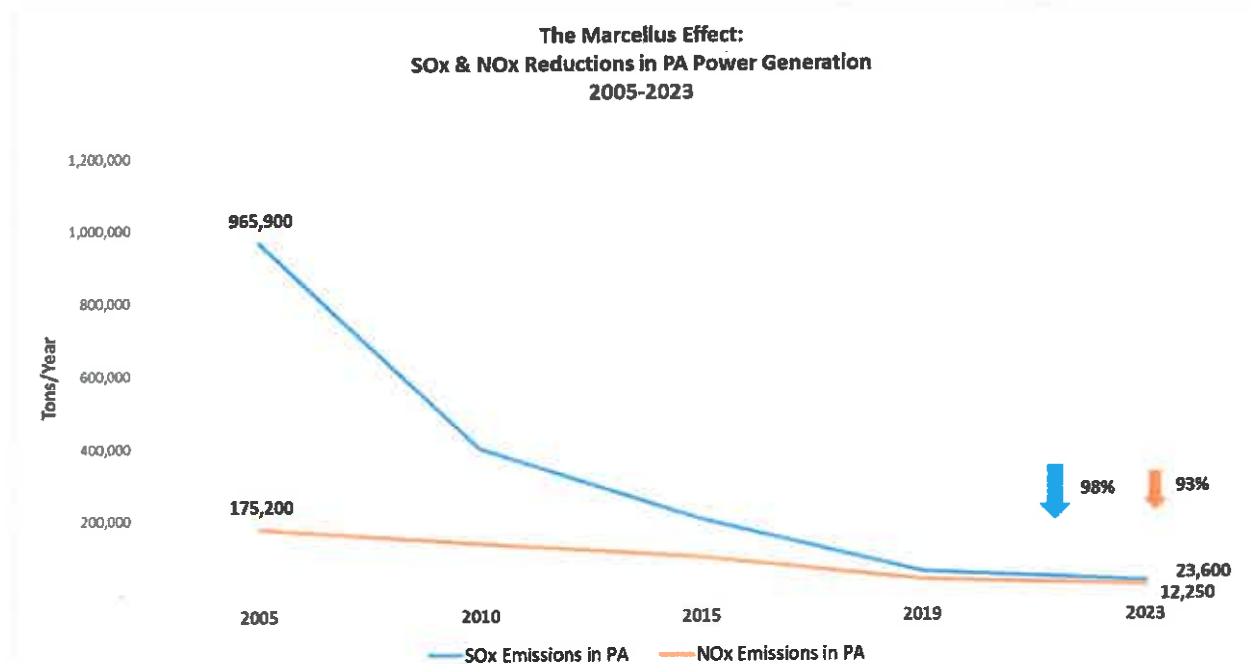


cost savings to Pennsylvania consumers. Additionally, Act 129 established a new electric generation procurement policy for default electricity providers in the Commonwealth, introducing the obligation for default electricity providers to procure a “prudent mix”⁶ of electricity based on short-term, long-term and spot market purchases of electricity, and replacing the long-standing policy of procuring electricity at “prevailing market prices.”

The Competition Act notably shifted the financing of new and expanded power generation facilities from utility ratepayers to the private sector. This resulted in significant savings for these ratepayers while ensuring that proposed generation projects were more fully vetted, with a demonstrated need, and encouraged and rewarded competition and capital investment in the Commonwealth. The MSC believes this has been a significant benefit to Pennsylvania consumers; any retrenchment of this policy, including through the state providing a significantly disproportionate public financing of power generation, threatens to erode these consumer benefits.

Benefits of Natural Gas to Meeting the Mission of PEDAs

The use of natural gas should also be clearly recognized in the Plan as a proven alternative energy source for electric generation and as part of the advanced energy sector. Consider for example the significant and historic declines in SO_x and NO_x emissions from the electric power generation sector in Pennsylvania since the onset of Marcellus Shale development:



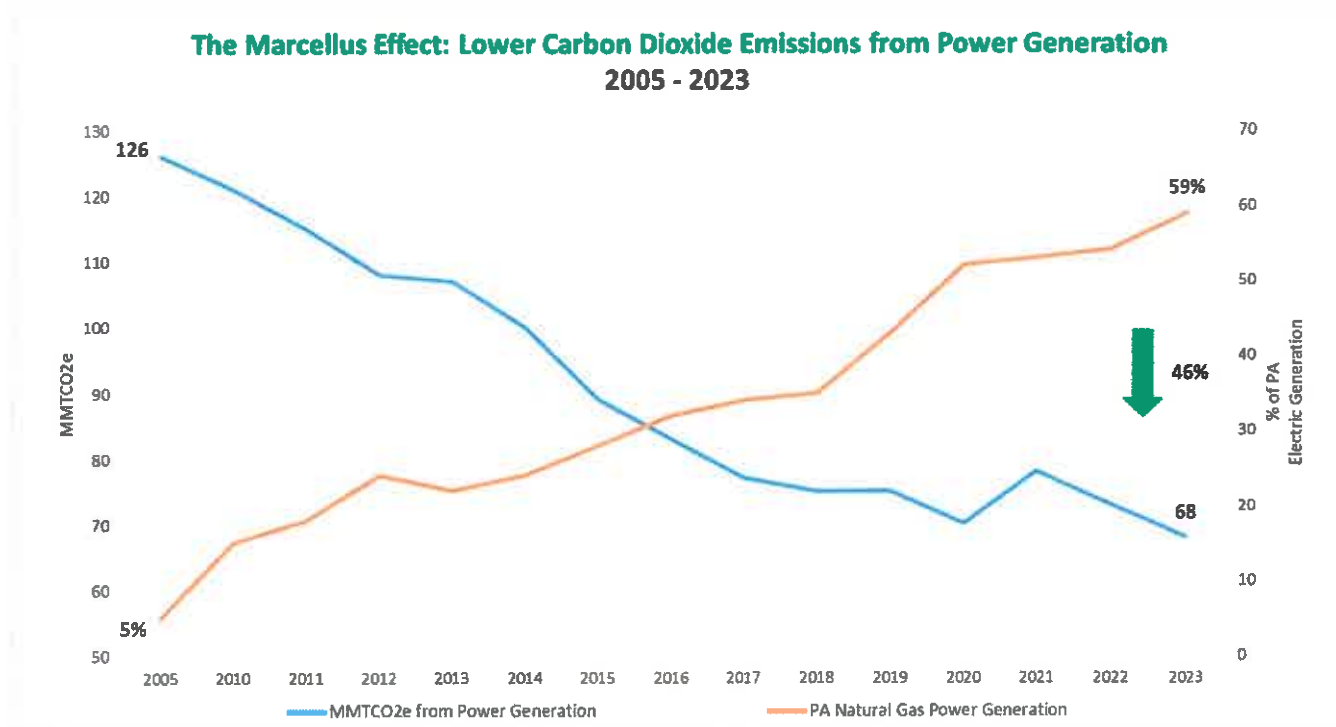
Source: PA DEP Air Emissions Report

⁶ 66 Pa.C.S. §2807 (e)(3.2)

Applying the methodology utilized by PA DEP, these reductions in criteria pollutants thanks to increased natural gas generation equate to between \$491 Billion and \$1.13 Trillion in public health benefits for Pennsylvania residents.

Reductions in Carbon Dioxide Emissions from PA Electric Power Generation

In addition to the public health benefits identified above thanks to the historic reduction of criteria pollutants, it is also worth noting for the Authority the significant reduction of carbon dioxide emissions from the electric power generation sector thanks to the increased use of natural gas:



Source: U.S. Energy Information Administration

Competitive Energy Markets

One of the signature and lasting impacts of the 1996 Competition Act was the ability for customers of all classes (residential, industrial and commercial) to choose their electricity generation supplier. Competitive markets incentivize suppliers to offer customers a variety of products to manage energy costs, save money and pursue a preferred energy generation source if they desire.

Competition also enables the cost-effective development and expansion of additional alternative and renewable energy resources, which benefits consumers and the environment. Natural gas development and utilization is complementary to the success of alternative and renewable energy resources, particularly since many of the components of wind, solar and other energy sources are



manufactured from natural gas and natural gas liquids. Over 125 licensed suppliers offer a multitude of electric generation packages to consumers of all classes in electric distribution company territories across the Commonwealth.⁷ The Authority is encouraged to recognize the significant contributions of electric competition to diversifying and encouraging innovation within Pennsylvania's energy markets.

Prior plans have included the Authority's recognition that a competitive energy economy requires balancing energy production, environmental considerations, economic development and equitable customer access. The MSC agrees with this need for balance and believes that competitive energy markets help achieve these goals.

Criteria for Evaluating Proposed Programs and Projects

The MSC generally supports the criteria for proposed programs and projects delineated on page 11 of the Plan. With respect to the third listed criteria, concerning demonstration of "*significant environmental benefits*", the Authority again is encouraged to expand this demonstration beyond the only listed attribute of "*mitigation of greenhouse gas emissions.*" While recognizing the overall importance of reducing climate change-inducing emissions, it must be noted that individual projects within the Commonwealth will not – of themselves – deliver "*significant environmental benefit*" to the citizens of Pennsylvania through the reduction or mitigation of greenhouse gas emissions. Projects that reduce other emissions that directly affect air quality in the Commonwealth, such as NOx, SO₂, volatile organic compounds, particulate matter, or that mitigate other environmental challenges such as acid mine drainage or reduced water consumption have a more direct, positive environmental benefit to Pennsylvanians. The Authority is encouraged to identify additional environmental benefits and explicitly include them in the Plan.

Finally, the MSC appreciates the Authority for modifying its criteria in response to its 2019 Plan to also recognize the benefits of job retention, in addition to job growth.

Conclusion

Thank you for your consideration of these comments. Should you have any questions or desire additional clarification, please do not hesitate to reach out.

Sincerely,



Patrick Henderson
Vice President, Government Affairs & Communications

⁷ www.papowerswitch.com