



**Testimony of the
Marcellus Shale Coalition**

**Before the
House Energy Committee
&
House Consumer Protection, Technology and Utilities Committee**

Public Hearing on Energy Affordability

January 20, 2026

The Marcellus Shale Coalition (MSC) is a state-wide trade association representing more than 150 energy companies from the upstream, midstream, and downstream sectors, and those who supply goods and professional services to the industry, including our partners in the skilled building trades. 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 formations.

On behalf of the MSC and its members, we appreciate the opportunity to share this testimony with the committees regarding the issue of energy affordability and concerns over rising utility costs.

Introduction

The General Assembly's focus on costs for consumers is both appreciated and understandable. Utility bills comprise a significant portion of the budget for households, businesses, schools and other consumers. Fluctuating energy prices, including electricity and natural gas service, can have a disproportionate impact on lower-income residents.

Natural gas plays a key role in meeting the energy needs of Pennsylvania residents. Thanks to the abundance of natural gas in the Marcellus, Utica and other formations under our feet, Pennsylvanians have and continue to benefit from a clean, affordable, and abundant energy resource. Today, approximately 60% of the electricity generated in Pennsylvania comes from natural gas, and over 5 million Pennsylvania households heat their homes directly with natural gas or propane.

This abundance and proximity of the resource have aided Pennsylvania consumers in several ways. First, Pennsylvanians have benefitted from some of the most affordable natural gas in the entire nation – if not the world. The sheer abundance of the resource has helped to meet electric generation needs and utility supply needs for the past 15 years, while delivering tens of billions of dollars in savings to consumers. Additionally, no longer must utilities transport natural gas

from thousands of miles away from states like Texas or Louisiana, which adds costs and uncertainty and can lead consumers vulnerable to conditions far removed from Pennsylvania. Producing gas from Pennsylvania, for delivery to consumers in Pennsylvania, is a significant advantage for utility ratepayers.

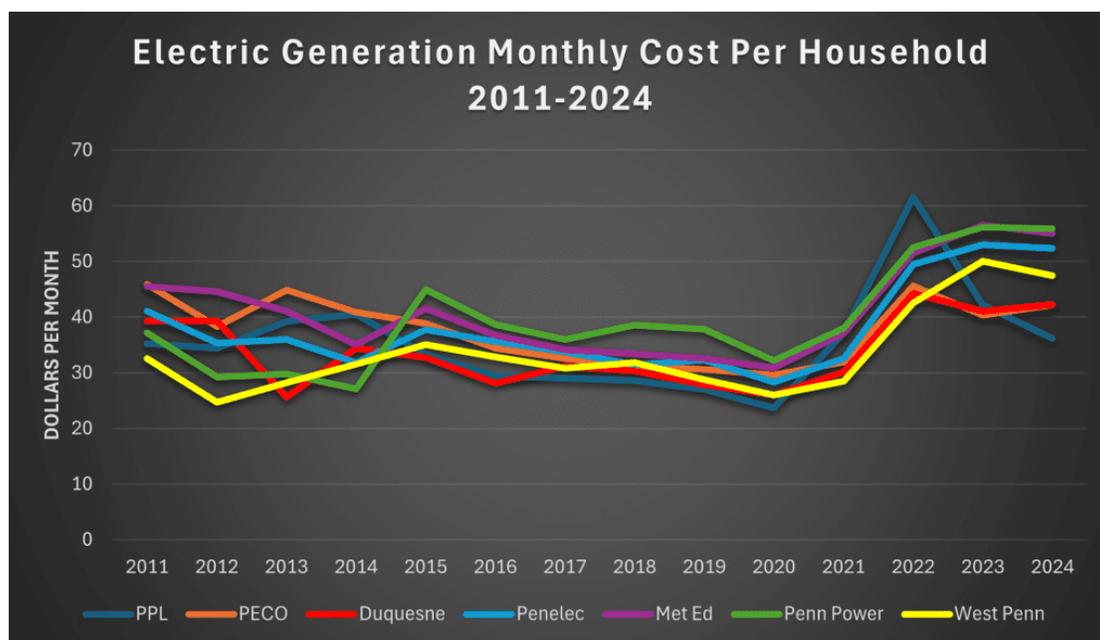
Electric Generation Costs Remain Stable

As the committees know well, electric bills are composed of many factors, from the cost of generating electricity, to transmission and distribution costs incurred by utilities to transport it, to various taxes and fees imposed by the government.

Pennsylvanians have enjoyed relatively stable electric generation costs over the past decade, even as outlier factors such as the 2020 pandemic or Russia's invasion and war on Ukraine can influence prices in the short term.

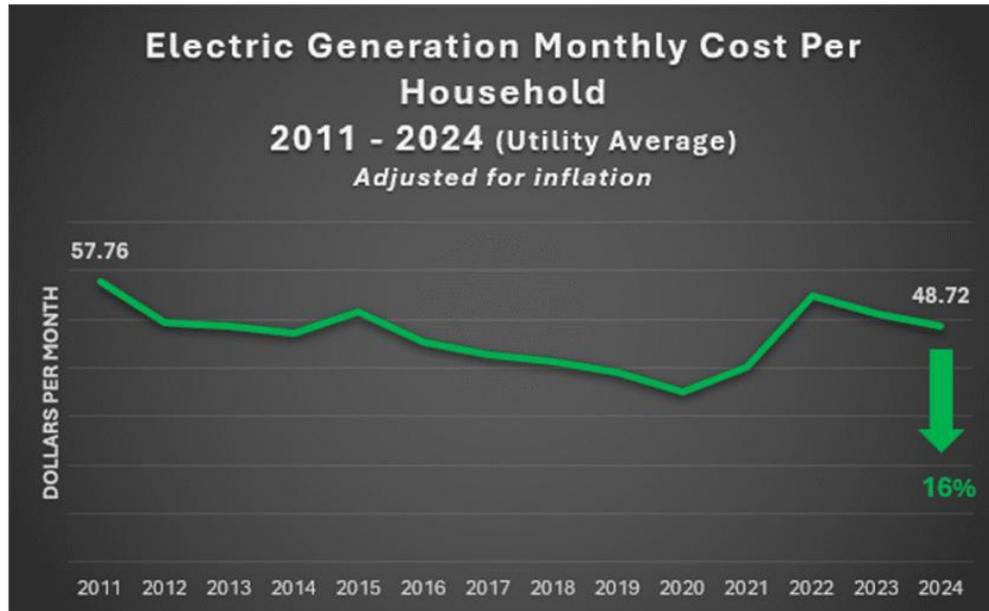
The way utility bills are adjusted can also influence the impact of a consumer's monthly bill. Under state law, utilities can seek to adjust the generation portion of an electric bill every six months. These adjustments at times can appear to be more significant because costs are not gradually adjusted within your bill.

Even so, the generation component of monthly electric bills has remained relatively consistent. The following chart shows the electric generation portion of an average residential electricity bill (using 500 kWh/month) for the top seven electric utilities in Pennsylvania from 2011 – 2024¹:



¹ 2025 data not yet finalized

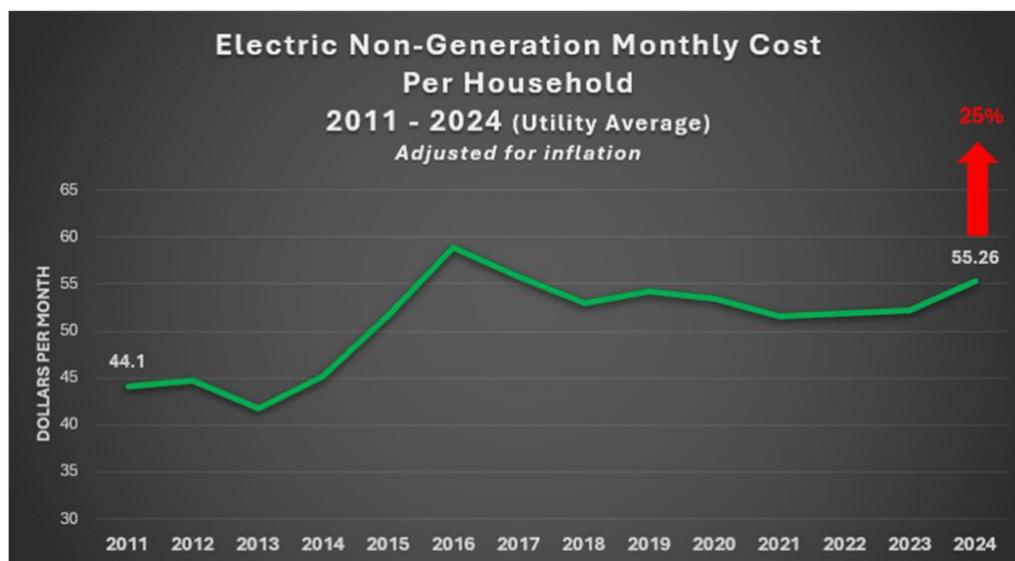
When the cost to generate electricity is adjusted for inflation, costs have actually gone down since 2011:



Non-Generation Costs Continue to Increase

While generation costs have remained stable – in fact, declining by 16% from 2011 – 2024 when adjusting for inflation – the non-generation costs of consumer bills have continued to climb.

PA Public Utility Commission (PA PUC) data shows the portion of a customer’s bill tied to costs *other than electric generation* – such as AEPS costs, distribution and transmission, and taxes – were up 25% in 2024 compared to costs in 2011, even after adjusting for inflation:

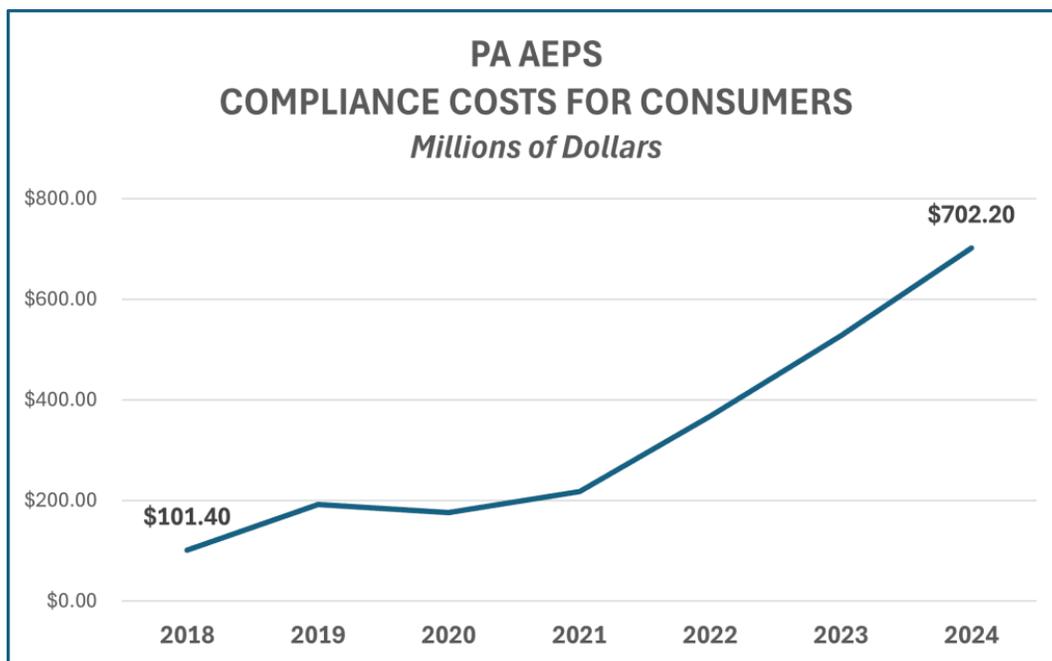


Intermittent and Alternative Energy Mandates

While electric generation costs have remained stable over the past decade, state policy decisions also influence the total cost of consumer electric bills.

Under the Pennsylvania Alternative Energy Portfolio Standards (AEPS) Act, utilities and competitive electricity suppliers are required to purchase a certain amount of electricity from sources like wind, solar, hydropower and other intermittent and alternative fuel sources. These sources of energy cost more than traditional baseload electric power, and these costs are passed on to consumers in monthly electric bills.

And these costs have skyrocketed – *by over 600%* – just since 2018:



Natural Gas Supply Costs

While a significant focus of energy utility prices has been on electricity, not to be overlooked are the consumers who rely upon natural gas directly to heat and power their homes, schools, hospitals, businesses and other facilities.

In Pennsylvania, 51% of households use natural gas directly, while another 5% rely on propane. And given that 60% of Pennsylvania's electricity is generated from natural gas, this translates to nearly **8.8 million Pennsylvanians** that rely on natural gas in one form or another to heat and cool their homes.

While it is true that natural gas costs increased in 2025 compared to the prior year, since the advent of Marcellus Shale development, natural gas prices have trended downward, significantly, to the benefit of consumers.

Consider this chart which looks at natural gas supply costs per utility and compares these costs² from the onset of significant new in-state natural gas production (2008) to 2025:

Utility	PGC Rate / MCF		% Change	Annual Customer Savings		
	2008	2025		2008-2025	Residential	Commercial
PECO	\$13.16	\$6.64	-50%	\$443	\$3,032	\$20,375
NFG	\$10.86	\$4.77	-56%	\$529	\$1,523	\$9,275
PGW	\$13.02	\$5.49	-58%	\$459	\$2,523	\$7,530
Columbia	\$15.94	\$7.01	-56%	\$616	\$2,661	\$33,541
UGI	\$13.26	\$6.61	-50%	\$479	\$2,095	\$8,299
Peoples/Equitable	\$15.89	\$4.09	-74%	\$920	\$3,044	\$37,170

Totaled up, and adjusting for inflation, Pennsylvania natural gas utility consumers saved at least³ **\$8.83 Billion in 2025 compared to 2008.**

These statistics underscore the folly that is the “*electrify everything*” mantra. One of the most shortsighted things the Commonwealth could do is to intentionally reduce the diversity of how consumers can meet their energy needs. The current energy diversity we have is a strength that helps to insulate the number of consumers potentially impacted should one segment of the energy delivery system face an interruption to service.

First, Do No Harm

The actions policymakers don’t take are as important as the ones that they do.

First, a thank you is in order to those legislators who supported repealing Pennsylvania’s entry into the Regional Greenhouse Gas Initiative (RGGI). The mere prospect of RGGI has had a significant and detrimental impact on Pennsylvania. At a time of historic retirements of electric generation, Pennsylvania saw no significant new investment in power plant construction or fuel

² PA PUC Purchased Gas Costs; average usage based on utility reported customer usage in PA PUC Natural Gas Outlook 2024

³ Savings reflect utility default customer prices; savings realized by customers who shopped for a competitive supplier are not reflected in this total.

source conversion over the past six years that RGGI was casting a cloud over the Commonwealth. And if RGGI had been in place this year, at the most recent allowance auction prices, it would have cost Pennsylvanians **an additional \$1.6 billion in taxes on their utility bills**.

Despite the positive action of repealing RGGI, several initiatives before this chamber propose significant changes to how Pennsylvanians generate and consume electricity. For example, House Bill 501 (referred to as PRESS) would fundamentally alter the existing AEPS statute and mandate utilities and competitive electricity suppliers to deliver an increasing amount of intermittent energy sources, rather than letting the market drive these decisions.

There is a reason that intermittent sources seek mandates and subsidies: because they are not, by their very nature, able to be produced at quantity and on demand to meet the baseload energy needs of consumers. As shown above, the state's current AEPS statute already costs ratepayers **over \$700 million** annually. Expanding this mandate from the current 18% up to 50% will result in billions of dollars of increased annual costs to consumers.

Likewise, House Bill 503 (referred to as PACER) would reimpose RGGI⁴ in Pennsylvania. PACER is nothing more than a tax on electric generation based upon carbon emissions. Returning a portion of these proceeds to Pennsylvanians does not mitigate the fact that it discourages new in-state generation construction and serves no purpose other than to generate revenue to subsidize uncompetitive sources of energy.

No legislator concerned about consumer impacts and rising utility bills should seek to enact legislation that will do just that: raise the cost to generate and consume electricity. This chamber is urged to reject these proposals and instead focus on policies that reduce – rather than increase – consumer energy bills.

Options to Save

Pennsylvania's embrace of competitive supply markets for both electricity and natural gas is a significant benefit for consumers. Under these laws, consumers can shop for competitive suppliers to take advantage of the best prices on the market and provide price stability by locking in rates over an extended period. Competitive markets help drive innovation within the industry and help to educate and inform consumers on how to best meet their needs in an affordable manner.

Both the PA PUC and MSC have prepared resources⁵ to help inform consumers about their shopping options.

⁴ Despite claims to the contrary, there is no material difference between RGGI and PACER. The number of allowances available under each program is identical; PACER allowances may be used in other states to comply with RGGI and RGGI allowances may be used in PA, which establishes a common allowance price. PACER also authorizes RGGI Inc. to operate Pennsylvania's carbon tax program.

⁵ [Electric Customer Choice](#) and [Natural Gas Customer Choice](#)

Support Market-Driven New Electric Generation

Despite all the important nuances, prices fundamentally are impacted by supply and demand. Pennsylvania has seen a significant number of baseload power generation facilities retire over the past fifteen years. New baseload generation, along with the necessary associated pipeline infrastructure, is needed. With the right policies – including avoiding proposals that would tax generation and subsidize uncompetitive and unreliable energy resources – the market will react and new investment will flow to Pennsylvania.

The committees are encouraged to support this market-driven approach, to be fuel agnostic, and to recognize that we need all sources of energy to meet the needs of consumers. Pennsylvania has the energy resources, the capable workforce, and a robust history of success to meet the energy needs of not only the Commonwealth, but our neighboring region.

Pennsylvania's natural gas industry stands ready to assist in meeting this charge.

