



Growing the Clean Energy Economy

**Testimony of David Spigelmyer, President
Marcellus Shale Coalition
before the Subcommittee on Rural Development, Agriculture, Trade and
Entrepreneurship,
U.S. House Committee on Small Business
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Chairwoman Finkenauer, Ranking Member Joyce, and members of the House Subcommittee on Rural Development, Agriculture, Trade and Entrepreneurship, thank you for the opportunity to testify today. My name is David J. Spigelmyer, and I serve as President of the Marcellus Shale Coalition (MSC). The MSC is a Pennsylvania-based statewide trade association representing energy producing, midstream, transmission and supply chain businesses who 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 am grateful to be here with you today for this critical and timely conversation about supporting our nation's pursuit of a thriving clean energy economy that prioritizes innovation, job growth and a sustainable energy future. Our country's energy landscape has changed dramatically over the past decade, and our members are proud to be part of that transformation.

With the innovation that has enabled access to deep shale formations in the Appalachian Basin, our region has experienced tremendous job growth, and the natural gas we are producing in Pennsylvania has driven unprecedented environmental gains that are enhancing air quality and making clean energy more affordable for the small businesses that need it. Furthermore, natural gas is the ideal fuel to provide the necessary backup required for interruptible sources of renewable energy to contribute to our electric grid.

How Shale Revolutionized Our Economy & Environment

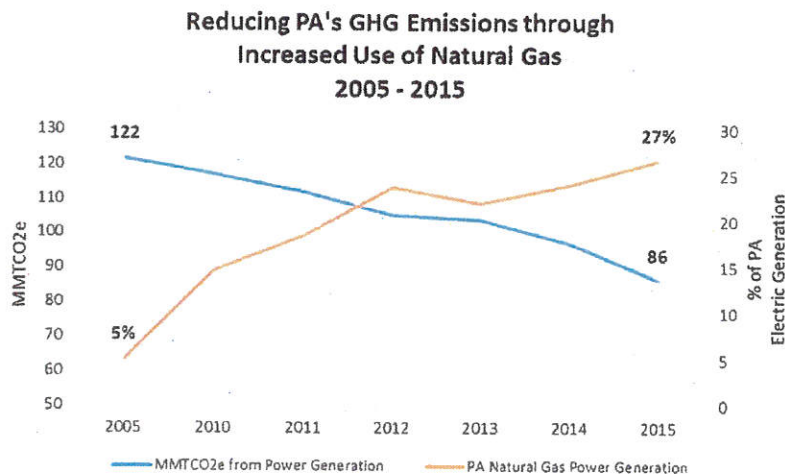
The words "shale revolution" are probably familiar to you, and I am here to tell you that our country's security, as well as economic and environmental progress is in large part owed to it. In Pennsylvania alone, our industry supports over 300,000 direct and indirect jobs and contributes \$45 billion to our state's economy, according to PricewaterhouseCoopers. From Pennsylvania's labor community that celebrates bustling union halls at full employment, to new members being trained – jobs are being generated to modernize our nation's energy infrastructure. Our building trades are constructing new power generation facilities, fractionators, pipelines and a world-class petrochemical complex west of Pittsburgh in Beaver County. There are also countless small business owners whose entrepreneurial spirit has seized the opportunities presented by this industry. In our state's agricultural sector, proceeds from natural gas development have saved family farms. Indeed, natural gas has provided a rising employment and economic tide that has lifted us all.

As the shale industry advances, Pennsylvania ratepayers have witnessed historic reductions in natural gas commodity prices that have been a major economic driver for small business across the state. Natural gas commodity prices for end-use customers are down 56% - 76% since 2008, and wholesale electric prices in PJM are down 41% since 2008, saving the average household between \$1,200 and \$2,500 annually, according to the Pennsylvania Public Utility Commission. For small businesses operating on thin profit margins, these savings are even more significant, allowing them either to reinvest in their businesses or hire more workers.

Pennsylvania's economic strides have been met with equally impressive air quality achievements¹. Thanks to innovations in technology, tightening environmental performance standards and increased use of natural gas:

- Volatile Organic Compounds emissions, affecting respiratory health, are **down 51%** between 1995 and 2015;
- Sulfur dioxide emissions, which contributes to acid rain, are **down 82%** between 1990 and 2015; and
- Nitrogen oxide emissions, affecting respiratory health, are **down 72%** between 1990 and 2015.

Additionally, in Pennsylvania, carbon dioxide (CO₂) emissions from the electric power generation sector, where natural gas is playing a bigger role than ever before, are **down 30%** since 2005 (through 2015).



Nationally, according to the U.S. Environmental Protection Agency, in 2017 total greenhouse gas emissions across the United States reached their lowest levels in 25 years, propelling the U.S. to the world leader in CO₂ emissions reductions. This is not despite the shale revolution but rather *because* of it.

¹ PA Department of Environmental Protection – Stationary Source Emission Inventory 2012-2015



Clean Energy Economy Starts with Natural Gas

Natural gas is the most reliable and affordable partner for growing a clean energy economy. When intermittent renewable resources are unavailable, dependable baseload power is essential. Natural gas generators can scale up rapidly to meet demand, making natural gas a critical partner with renewable energy. Indeed, according to the International Energy Agency, “natural gas has an important role to play in complementing low-carbon energy solutions by providing the flexibility needed to support a growing renewables component in power generation.”

Further, as small businesses in the clean energy space seek to innovate, manufacturing new products and technologies that will enhance our environment and quality of life, the affordability of natural gas as a manufacturing fuel source has been and will continue to be a major contributor to their long-term viability and success.

Without a doubt, any conversation about clean energy must be grounded in the partnership that will make its future possible. Supporting a thriving natural gas industry – from production to pipeline deployment to its growth in electric generation – should be a core focus of any public policy discussions aimed at building upon the progress our industry has realized for Pennsylvania and the nation.

Conclusion

As you continue to explore how Congress can best support the growth of our nation’s clean energy economy, I appreciate the recognition of this subcommittee that natural gas is a vital component.

On behalf of our members and the thousands of men and women who work in Pennsylvania’s natural gas industry, thank you for having me here today, and I look forward to answering any questions you may have.

