

**Written Testimony for Pennsylvania State Majority Policy Committee
Hearing on Energy Access and Affordability
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Boilermakers Local 154

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Community Development**

Good morning, I am Lauren Connelly, vice president of local government political affairs and advocacy at the Greater Pittsburgh Chamber of Commerce, an affiliate of the Allegheny Conference on Community Development. On behalf of the 10-county Pittsburgh region, the Chamber advocates at the local, state and federal levels of government for public policy improvements that enhance our region's competitiveness.

I would like to thank Chairman Laughlin and all members of the Pennsylvania Senate Majority Policy Committee for the opportunity to speak with you today about the region's energy potential. Our region is the birthplace of American energy, from oil and gas to alternating current to power the grid, and from commercial nuclear energy to green buildings. We have always been and continue to be a global energy leader.

Our region is home to a spectrum of unique energy opportunities based on our strengths in industry, innovation, natural resources, including natural gas, and workforce. It should be noted that our region's innovation cuts across a wide spectrum of end uses – from a natural gas and solar powered microgrid at Pittsburgh International Airport to industry led cutting edge technology used in carbon capture deployment. These strengths, along with the region's intellectual and physical muscle, position the Pittsburgh region for future energy success. The brightest minds at Carnegie Mellon University and the University of Pittsburgh, two Tier-1 research universities, plus more than 70 regional universities, colleges and other post-secondary institutions, the building trades, our hosts here today, and the National Energy Technology Lab, are pioneering solutions in partnership with industry and building a globally competitive, skilled workforce offering opportunity for everyone.

Our spirit of collaboration is well established and proven. It's known as "The Pittsburgh Way" and it has been honed across two generations of public-private partnerships. With that in mind, in 2021, the Allegheny Conference convened an energy working group – and in turn, created the Energy Task Force with a focus on supporting a regional strategy to accomplish both a lower carbon future and drive business investment, employment and inclusive growth.

The Task Force set out to define the baseline, the pre-pandemic state of the region's energy and energy-intensive sectors and determine where southwestern Pennsylvania has a competitive advantage and is positioned to achieve transformational impact. In April 2022, the Energy Task Force issued [Our Region's Energy Future](#).

In that report, the leaders and members of the Allegheny Conference identified six specific levers that have a strong potential to stimulate sustainable and equitable economic growth, abate emissions from high-emitting sectors and be financially and physically feasible. Three primary criteria informed development of this strategy's vision: equity, GHG emissions reductions and viability.

The six levers include:

- Developing low-carbon energy and grid improvements
- Deploying carbon capture and storage
- Preventing methane emissions
- Electrifying transportation
- Deploying hydrogen
- Increasing building efficiency and electrification

All of these levers are critical components of the energy strategy and produce mutually reinforcing benefits. Together, they chart a viable path for the region to be a leader in the deployment of climate technology and remain economically competitive. Through these levers, we have an opportunity to collectively decrease the region's emissions by 70 percent by 2050 while increasing regional spending by \$40 billion and producing as many as 60,000 good paying jobs.

The ability of southwestern Pennsylvania to thrive – economically, socially and environmentally – is dependent on our ability to thoughtfully utilize our energy assets cited earlier. If not utilized successfully, we will have missed a tremendous opportunity to grow the economy and create jobs. If strategically supported, sound policy supporting energy progress can enable the region to restore its economic performance and global competitiveness.

As we think about our region's energy future, we must address the impacts of the economic and workforce transition at the same time. It is critical that no one and no community be left behind. Success will require public policy interventions, significant investment in upskilling and improved connectivity to make sure workers and communities can access new opportunities being created.

With regard to public policy, on behalf of our region's business community, I want to applaud the bipartisan efforts of all our elected officials who worked on the PA EDGE Tax Credit. The Pittsburgh region will benefit from curated projects in various industries, potentially including a hydrogen hub, semiconductor manufacturing, and biomedical manufacturing and research.

In southwestern Pennsylvania, the tax credit will specifically incentivize the creation of a regional hydrogen hub and related market. The 2021 federal infrastructure bill allocated \$8 billion to regions across the country to develop hydrogen hubs, and in the spirit of collaboration, labor and business communities in southwestern Pennsylvania have come together to support a hydrogen hub initiative. The passage of the PA EDGE legislation signals to the federal government that Pennsylvania is fully committed to our pursuit of this funding and implementation of the project in the Pittsburgh region. With the intellectual, physical, and natural resources, including natural gas as noted earlier, in southwestern Pennsylvania, our region is competitively poised for the development of a hydrogen hub, and these tax credits add another advantage for our region.

Pennsylvania must also adopt competitive statutes, policies, and regulations to help keep Pennsylvania globally competitive, attractive, and sustainable. As we work towards engaging the six levers that will each contribute to reducing CO₂ emissions, we are identifying permitting reform and regulatory changes necessary to advancing our collective work, particularly regarding hydrogen generation and transport and carbon capture utilization and storage (CCUS).

To pair hydrogen with CCUS, key issues still need to be addressed through regulation and ordinance by the state, including defining CO₂ ownership from capture to post closure, establishing or confirming mineral rights primacy, and defining the permitting process and the state's authority in that process. Currently the Commonwealth does not possess the statutory authority and, therefore, has not decreed the rules to address a myriad of pore space issues, liability issues, and the control of the permitting process to ensure commercial entities experience certainty and timely responses.

Provisions and permitting to develop and host clean energy infrastructure throughout the Commonwealth are necessary to both provide economic opportunity and enhance our environment. Land use regulations and permitting policies will need to be updated and permitting times should be reduced to attract developers, investors, and users across the energy sector. For example, as numerous and diverse Small Modular Reactors (SMR) are being investigated, we must develop a regulatory framework and associated permitting processes to guide their development, construction, and deployment. The commonwealth will also need to develop policies related to the electrification of vehicles, ranging from specific guidelines at the local municipal levels for the construction and placement of charging stations to the PUC establishing electric rates to accelerate the adoption of electric vehicles.

To attract investment, Pennsylvania needs to offer clear and predictable guidance and processes. Regulatory predictability will allow businesses to plan and invest with greater confidence. The permitting processes for energy are multi-layered and regulated by different agencies within varied levels of government that will need to coordinate effectively and efficiently. We have 2,500 municipalities within Pennsylvania and multi-agency coordination will be critical to our success. As businesses consider where they want to invest, we know that we can make our region more attractive and competitive as part of that decision-making

process by showing that Pennsylvania has created forward-thinking, predictable and efficient systems through early, active and thoughtful policymaking processes.

As we work to strengthen our communities and propel our economy into the future – we need to build off our successful work together to create a next generation economy that is truly for all. We, at the Greater Pittsburgh Chamber of Commerce and the Allegheny Conference, look forward to working with you to elevate the Pittsburgh region’s energy opportunities to benefit all people across the Commonwealth. We can’t afford not to.

Thank you for your time and I look forward to the discussion.