American Petroleum Institute
Pennsylvania

PA Senate Republican Policy Committee

Interested Party Testimony
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Chairman Argall, Senator Brown, and members of the Senate Republican Policy Committee, thank you for the opportunity to provide testimony today regarding Pennsylvania's growing load demand and the need for additional energy.

The American Petroleum Institute Pennsylvania (API Pennsylvania) is the state affiliate office of the American Petroleum Institute (API). API represents all segments of America's natural gas and oil industry, which supports nearly 11 million U.S. jobs and is backed by a growing grassroots movement of millions of Americans. Our nearly 600 members produce, process, and distribute most of the nation's energy and participate in ***API Energy Excellence®***, which is accelerating safety and environmental progress by fostering new technologies and transparent reporting. API was formed in 1919 as a standards-setting organization and has developed more than 800 standards to enhance operational and environmental safety, efficiency, and sustainability.

API Pennsylvania commends the Senate Republican Policy Committee in convening this hearing to explore how to best meet growing energy demands while harnessing local economic development opportunities.

After nearly two decades of relatively flat load growth, the advent of artificial intelligence (AI) into everyday life along with policies that encourage the reshoring of manufacturing is resulting in a surge of electricity demand. Load growth could represent the biggest paradigm shift since hydraulic fracturing. According to a recent report by the Department of Energy , electricity demand from data centers in the U.S. could triple from about 4% in 2023 to 12% by 2028.[1] And, PJM Interconnection forecasted in its *2025 Long-Term Load Forecast Report* that by 2035, the region's summer peak is expected to increase by 36% while its winter peak is expected to increase by a startling 46%.[2]

A hallmark of data centers and manufacturing facilities is their dependence on 24/7 dispatchable power. Natural gas is a proven, affordable, reliable and cleaner resource that remains the best near-term solution to provide both baseload and quick-start peaking power to meet rising demand and support a diverse grid. In 2024, roughly 43% of U.S. utility-scale electricity generation came from natural gas – nearly double the 23% from all renewables combined.[3]

Recently announced development projects at U.S. Senator Dave McCormick's Pennsylvania Energy and Innovation Summit showcased Pennsylvania not only as a state lucrative for new businesses but as one bursting with new career opportunities. Easy access to the abundant natural gas reserves in the Appalachian basin provides Pennsylvania with a head-start to capture this momentum. Consider for example, the recently announced Homer City redevelopment Project: this 4.5-gigawatt project includes roughly 0.7 billion cubic feet

[1] "2024 United States Data Center Energy Usage Report." Lawrence Berkley National Laboratory. Available at: https://escholarship.org/uc/item/32d6m0d1.
[2] See *2025 PJM Long-Term Load Forecast Report*. Available at: https://www.pjm.com/-/media/DotCom/library/reports-notices/load-forecast/2025-load-report.pdf.
[3] "Electric Power Monthly." Energy Information Administration. Available at: https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=table_1_01

per day of Pennsylvania natural gas agreements. That's equivalent to almost 40% of the existing capacity of the Atlantic Sunrise Pipeline.[4]

The shale revolution helped to usher in a new era of American energy dominance and since 2013, natural gas production in Pennsylvania has more than doubled.[5] This in part allows the United States, and Pennsylvanians in particular, to enjoy some of the lowest residential natural gas prices in the world.[6] Furthermore, the switch from other forms of electric power generation to natural gas power generation has contributed to a 41% decline in CO_2 emissions from the power sector since 2005.[7] Natural gas' lower carbon intensity combined with advancements in gas turbine efficiency has facilitated these reductions.

The need for natural gas has rarely been more defined. Consistently a top exporter of electricity to other states in the region and the second largest producer of natural gas in the United States, Pennsylvania remains uniquely positioned to be the epicenter of growth and opportunity.

Yet still, none of the opportunities can be realized for Pennsylvania without the support for continued improvements and buildout of natural gas pipelines, infrastructure and storage that help to ensure and prioritize grid reliability.

The nickname "Keystone State" is rather fitting, as the combination of natural resources and pro-business policies allow condensed speed-to-market propositions without having to cross state borders. However, to capture the full breath of potential, permitting reform at both the federal and state level is still required to unlock linear interstate infrastructure. The construction of new natural gas generation will require new pipelines to be built, especially as the current pipeline network operates at full capacity. The industry needs smart, comprehensive permitting reform that helps ensure transparency, predictability, timeliness, and durability. All sectors of the economy will benefit from comprehensive permitting reform, as all will require more electricity and more natural gas. Pennsylvania can meet the moment.

With the right policies in place, Pennsylvania is well-positioned to take advantage of the economic opportunities that accompany data centers and manufacturing facilities while continuing to provide reliable, affordable power for all customers and bolster American energy security.

We appreciate the opportunity to testify today, and API remains committed to working with the Committee on technology-neutral, flexible solutions that support the goal of providing Pennsylvania with a reliable grid ready to meet the future demand.

[4] "Press Release: Homer City Redevelopment Announces Agreement in Principle for EQT Corporation to Supply Nation's Largest Natural Gas-Powered Data Center Campus." Homer City Redevelopment. Available at: https://www.homercityredevelopment.com/post/press-release-homer-city-redevelopment-announces-agreement-in-principle-for-eqt-corporation-to-supp

[5] "Pennsylvania Natural Gas Marketed Production." Energy Information Administration. Available at: https://www.eia.gov/dnav/ng/hist/n9050pa2a.htm.

[6] "Impact Analysis of U.S. Natural Gas Exports of Domestic Natural Gas Pricing." Energy Ventures Analysis. Available at: https://www.api.org/~/media/files/news/2024/03/18/api-eva-lng-price-full-report.

[7] "Monthly Energy Review." Energy Information Administration. Available at: https://www.eia.gov/totalenergy/data/monthly/pdf.mer.pdf