

Republican Policy Hearing – PA Hydrogen Hub
Chris Petrone

First and foremost, I'd like to thank Representative Nelson, Chairman Causer, and all of the member of the Policy committee for hosting a hearing on such an important and urgent topic. My name is Chris Petrone and I am here representing the Operating Engineers Local 66. I work at Allegheny Strategy Partners as a Senior Associate and Labor Practice Lead. I worked as the Legislative Director for the Operators for over 12 years before joining on with ASP.

This hearing is to discuss the possibility and potential of a hydrogen hub. The federal government has made roughly \$8 billion available to help incentivize the private market to invest in the creation of a hydrogen hub. Hydrogen is a powerful and clean energy source that can help to diversify our energy portfolio and reduce the carbon footprint associated with both energy and manufacturing. While the exact cost of such a hub is still unknown, it will easily rise into the billions of dollars of investment for each one. That kind of investment will create incredible job opportunities, tax revenue, and further economic growth.

Western Pennsylvania is uniquely positioned to host one of these hubs; and as a State we need to act quickly to bring those federal dollars here. One of the reasons we are so well positioned to host a hub is our shale reserves. In Western Pennsylvania, we have some of the richest reserves of natural gas in the world and that gas can be used as a feedstock to create blue hydrogen through a complex scientific process of splitting the carbon molecules from the hydrogen molecules found in the elemental composition of shale gas. Once separated, the carbon is captured and stored underground and the hydrogen is available to be used as an energy source and can be utilized in a number of different ways. This is beyond my scope of expertise; but, hydrogen has multiple applications each with great potential to create clean energy and good jobs.

Beyond the Shale reserves, Pennsylvania also offers one of the most qualified and abundant workforces in the world. As our union building trades are completing one of the largest projects in Pennsylvania history, the Shell Petrochemical Facility in Beaver County, we have proven that we can take on the largest of projects that industry can throw at us and do it with professionalism and safety. A hydrogen hub is going to require exactly this and no place in America can compete with us when it comes to skilled workforce.

This leads to the "why" in why do we want a hub here in Western Pennsylvania. The most obvious is simply the build out of a massive, potentially multi billion dollar facility. I don't have exact figures on the cost to build or timeline; but again, this is going to be on the scale of the Beaver County Shell facility, which has taken the better part of a decade to build and has employed hundreds of our members here at local 66, not to mention all of the other crafts involved. These union members have great careers with family sustaining wages, healthcare benefits, and retirement savings in the form of defined benefit plans that will ensure they are able to contribute to the local economy both while working and in retirement. A hydrogen hub would ensure another decade or more of substantial work and tax revenue for the building trades and Pennsylvania respectively.

Furthermore, the carbon capture piece required to make blue hydrogen would allow us to use significant federal investment that would have purpose beyond just hydrogen production. ESG and

carbon emissions have become significant pieces of the corporate landscape and all companies have put a focus on reducing their carbon footprint. Carbon capture storage would be an incredibly useful and appealing benefit Pennsylvania could offer to companies that manufacture goods, that create energy, and likely many other end users. Think US Steel and Coal fired or natural gas fired power plants. These types of industries would be able to capture their carbon, pipe it to our carbon capture storage location, and have their carbon sequestered, safely removing significant emissions from the atmosphere. There is currently very little carbon capture infrastructure anywhere in the US. This infrastructure would have to be built from scratch. The potential pipeline infrastructure for Operating Engineers, Steamfitters, Laborers and others is immense and would mean good jobs for Pennsylvanians for decades to come all while reducing the carbon footprint of our commonwealth and offering a partner to manufacturing and industry that looks to either start, relocate, or re-shore in the US.

I see a hydrogen hub as critically important to the evolution of Pennsylvania business. It checks so many boxes for our region, for our commonwealth, for our workers, and for our environment that it should be the primary focus in Harrisburg now and going forward. We can capitalize on significant federal investment to create a new and clean energy industry. That industry would synergize with so many others to help reduce carbon, attract new business, and support existing business through a new energy source and through carbon capture. It would also create massive amounts of work with family sustaining jobs through the build out of new industry, the traditional infrastructure to connect new business, and the infrastructure associated with carbon capture. Folks on the left and the right should unite to bring a hydrogen hub to Western Pennsylvania, helping industry, environmental, and labor interests alike.