



PA House of Representatives
Republican Policy Committee

414, Main Capitol Building
Harrisburg, PA 17120
(717) 260-6144

Rep. Joshua D. Kail
Chairman

PA House Republican Policy Committee Hearing
“Balancing Your Budget & Thermostat: Consumer-Focused Energy Policy”

April 3, 2024, at 10 a.m.

Butler County Community College, Ford City Campus
1100 4th Ave.
Ford City, PA 16226

10:00 a.m. Welcome and Pledge of Allegiance

Energy Experts Panel

10:10 a.m. Michael Butler
Mid-Atlantic Executive Director, Consumer Energy Alliance

10:15 a.m. Scott Waitlevertch
Manager of Government Relations, Columbia Gas of Pennsylvania

10:20 a.m. Deb Davis
Manager of Universal Services, Columbia Gas of Pennsylvania

10:25 a.m. Questions for the Energy Experts Panel

Pennsylvania Residents Panel

10:55 a.m. Steve Craven
Pennsylvania Resident

11:00 a.m. McKenna DeWitt
Pennsylvania Resident

11:05 a.m. Questions for the Pennsylvania Residents Panel

11:35 a.m. Closing Comments

March 28, 2024

Chairman Kail and Members of the House Policy Committee, I wish to thank you for allowing Consumer Energy Alliance (CEA) the opportunity to offer proponent testimony on issues facing energy consumers. My name is Mike Butler, and I am the Executive Director of Consumer Energy Alliance Mid-Atlantic.

Thank you for holding these field hearings to discuss the important consumer and economic impacts facing energy consumers and we encourage the committee to strongly consider the consumer impacts created by failing to invest in Pennsylvania's natural gas and energy infrastructure. It is imperative that our lawmakers prioritize a future where energy remains reliable and affordable for all Pennsylvanians, while continuing to achieve our environmental and climate goals.

Consumer Energy Alliance (CEA) brings together families, farmers, producers, small businesses, and manufacturers to engage in a meaningful dialogue about America's energy and environmental future. Founded in 2006, CEA is a nonpartisan, nonprofit organization representing virtually every sector of the U.S. economy – from the iron and steel industry to truckers, airlines, agriculture, labor unions, restaurants, chemical manufacturers, small businesses, and families all across the nation. Our more than 500,000 members, including over 30,000 in Pennsylvania support a rational, all-of-the-above energy policy that utilizes all of our domestic natural resources – both traditional and renewable – while ensuring continued progress in protecting our shared environment.

I offer this testimony in support of sensible energy and environmental policies that ensures families and businesses continue to receive safe, affordable, reliable and environmentally responsible energy. Far too often we are seeing projects tabled that stymie the growth of the energy industry in Pennsylvania and have severe negative consequences for energy consumers. In the most extreme situations, canceling energy infrastructure projects could have Pennsylvanians facing with brown-out, black-outs or other health and economic calamities.

Across the country, and increasingly here in Pennsylvania, we are witnessing irresponsible policies and proposals that would have the unfortunate consequences of increasing prices and harming reliability while failing to achieve environmental goals. The genesis of these policy proposals originated in the Green New Deal proposed in Congress. They ignore the remarkable progress our country and Pennsylvania have made due in large part to the buildout and use of natural gas in addition to new renewable deployment and improved efficiency and conservation. These harmful policies will lead to higher energy bills, significant service disruptions, and increase income inequality while doing little to achieve the environmental progress we all desire.

To be clear, CEA supports actions that thoughtfully advance our nation towards a cleaner, more environmentally responsible energy future. We believe that responsible policies always consider the needs of consumers while leveraging and supporting the development of state-of-the-art technologies to improve our environmental stewardship, aiding in the continued reductions of all emissions. However, well-intentioned but misguided attempts at environmental stewardship will lead to astronomical costs and jeopardize energy resources that are helping our nation reduce harmful emissions.

A recent report CEA put together identified that delays and cancellations of pipeline projects, including many in Pennsylvania, have cost our nation more the \$13.6 billion in lost investments, forgoing up to 66,000 jobs, and more than \$280 million in annual state and local tax revenues. Here in Pennsylvania, losing the PennEast, Northeast Supply Enhancement, and Northern Access pipelines have cost the Commonwealth over \$1.5 billion in economic activity, approximately 11,500 jobs, and over \$790 million in state and local tax revenue. Furthermore, energy infrastructure construction creates and spurs demand in the manufacturing and industrial sector for steel, parts, services and other supply chain needs.

COVID-19 laid bare our great national weaknesses in our supply chains and a problematic over reliance on China for key components including in the renewable energy sectors for solar development and battery storage. Ending our national supply chain vulnerabilities and while putting Americans to work can happen and should be happening here in Pennsylvania.

It is particularly egregious to forego these jobs and revenues when the enormous consumer benefit is taken into account. A CEA report showed that in a 10-year window, Pennsylvania consumers had saved over \$30.5 billion with lower energy prices due to the bountiful reserves of natural gas in the Commonwealth.

This supply of affordable energy is most critically needed for our fellow Pennsylvanians, the nearly 1.6 million of us, that live at or below the poverty line. On average, Pennsylvanian's spend over \$3,100 on energy needs. A staggering sum for a low income family, it is simply unconscionable that anti-energy development zealots block projects that would help alleviate that cost for working families and seniors on a fixed income. Those same natural gas pipeline projects would have saved consumers the following; the Penn East pipeline would have saved consumers \$1.3 billion in energy costs in just two winters, the Northeast Supply Enhancement would have saved residential consumers 65% on their utility bills and the average commercial or industrial user would have saved \$36,000 per year.

During these past few years as our nation struggled with the COVID pandemic the vital role that energy plays in all of everyday lives became even more clear. From the production of PPE and fuel for food delivers to creation of life savings products, energy and pipeline companies stepped up even in the face of their industrial turmoil. These companies provided services to keep hospitals, first responders, grocery stores and our homes powered – often a great personal risk to their workers, to help maintain our public health and the health of the nation. With all the worries many had, the one worry that was rarely had was having enough energy, fuel, or power. Yet, we now find ourselves deliberately sabotaging the reliability that we've all become accustomed to.

All of these self-inflicted economic wounds might be tolerable if our nation was a laggard in environmental progress. However, nothing could be further from the truth. We at CEA refer to America's environmental progress as the greatest story never told. This great story is unfolding here as well. Our nation has trimmed almost twice as much carbon dioxide from the atmosphere as any other nation. Overall, the United States has cut over 12% of its greenhouse gas emissions from the 2005 baseline. In Pennsylvania over the last 30 years, carbon monoxide by 80%, nitrogen oxide by 79%, coarse particulate matter by 73%, sulfur dioxide by 96%, and volatile organic compounds by more than 61%.

Too often our politics and governments have recently catered to extremist who oppose – without factual basis - the infrastructure that delivers the energy we use, the energy that makes our lives easier and our environment better. This extreme anti-energy effort champions lawsuits, procedural delays, and regulatory roadblocks to stop construction projects. Ironically, stopping projects that almost always wagers far above the national average and which, when complete, can lower energy bills and emissions in a host of communities. Our regulatory framework has gone from ensuring safety and soundness abs at times reaching compromised solutions to balance many needs to bodies that are wielded to kill projects. This isn't traditional energy versus renewables, as it's also becoming increasingly difficult to build wind and solar projects and nearly impossible to build nuclear.

A key question the public should be asking of policy makers and elected officials is why are we making it harder for regular people, small businesses, farmers and industries to get back to work and save on energy costs especially coming on the heels of COVID driven economic downturn and now with a few years of staggering high inflation. We all want to diversify our energy resources with more renewable energy, but the evidence shows that the political goals – designed to please a small, vocal minority are disconnected from the realities of engineering and construction. With rising gasoline prices and inflation, we can see now more than ever that energy is a fundamental right, and Pennsylvania of all places should lead the way and advance a regulatory agenda that recognizes that. Anything else would be an energy injustice.

March 28, 2024

Chairman Kail and Members of the House Policy Committee, I wish to thank you for allowing Consumer Energy Alliance (CEA) the opportunity to offer proponent testimony on issues facing energy consumers. My name is Mike Butler, and I am the Executive Director of Consumer Energy Alliance Mid-Atlantic.

CEA is the nation's leading consumer energy and environmental advocate – ensuring families, farmers, and local businesses have access to sustainably produced, affordable, reliable and environmentally responsible energy. Our members represent a cross-section of the economy, all of whom have been impacted by rising inflation and higher energy prices.

We support a rational, all-of-the-above energy policy that utilizes all our domestic natural resources – both traditional and renewable – while ensuring commonsense environmental protections are in place. As Pennsylvania makes legislative and policy choices setting the course for its energy future, we urge law makers and regulators to take note of trends around the nation toward adoption of electric vehicles and the heavy handed and counterproductive methods that some states are adopting.

As consumers become more accepting of electric vehicles (EV), taxpayer-funded incentives expand, and automobile manufacturers produce a greater variety of models, EV purchases are expected to keep growing. Despite this, policymakers in several states have embarked on a regulatory regime designed to force a market transition without holistically examining the impacts these mandates will have on consumers.

Our latest report, *Freedom to Fuel: Consumer Choice in the Automotive Marketplace* reviewed several questions which policymakers must ask themselves to ensure consumer acceptance and reduce negative economic and societal impacts. Some of these questions include:

- What is the true cost to consumers of moving from internal combustion engine-powered vehicles to electric vehicles?
- What electric generation requirements and transmission investments are necessary to power a move to electric vehicles?
- How does a transition and vehicle affordability affect equitable job growth in the United States?

Unfortunately, by not addressing these questions, consumers are driven to purchase products they aren't ready to accept, they can't afford to purchase, and that face significant supply-chain bottlenecks that are already limiting supply and increasing costs.

Looking at total cost of ownership, there is a \$16,360 upfront price difference between EV and ICE vehicles - more than two times the federal tax credit. As a result, the break-even point for

families in the United States would be close to 24 years. In addition, as reported by *Consumer Reports* in November 2023, “Electric vehicles are less reliable than conventional cars,” and, “on average, EVs from the past three model years had 79 percent more problems than conventional cars.”

While the push to transition to EVs from ICE vehicles is an effort to shift to a low-carbon economy, the shift from a transportation system based on gasoline to one based on electricity is far more complicated and costly than most decision-makers consider.

Nationally, there are about 250 million light-duty, clocking over 2.8 trillion miles. This would require over 1 trillion Kwh/year of new generation. To account just for the increase in electricity usage to power light duty vehicles, over the next decade we would need to build the equivalent of 122 new nuclear stations, or almost 284,000 MW of onshore wind capacity.

More than just generation, investments in transmission and distribution would also be required. Brattle identified \$15-\$25 billion in required upgrades for transmission and distribution systems, and another \$30-\$50 billion for charging infrastructure as automobiles move from ICE to EV. This investment represents only about 7% of the US light-duty vehicle fleet.

There is often a component of the debate over EV mandates that declares that the benefits of shifting the public to electric vehicles is helpful to working-class and lower-income families. Often ignored are the direct impacts on the practical use of EVs for a working-class family and how the benefits of an EV transition mostly flow to the wealthier segments of the population.

Charging infrastructure is a critical component for EV usage, with access to chargers (and specifically fast chargers) a major consideration in purchasing an EV. Wealthier users are far more likely to live in single family homes where installation of a fast charger costing thousands of dollars is simply a matter of fact. Lower income families who are more likely to reside in apartments or rented properties do not have the option of installing their own personal dedicated fast chargers.

In fact, a recent MIT study on EVs and equity noted that public charging, when available to lower income communities, typically costs more than home charging. “This higher cost would disproportionately affect low-income households who already pay a higher proportion of their income towards transportation.”

Electric vehicles will play an important role in diversifying our vehicle mix, and, if integrated correctly, can help meet our shared environmental goals. Yet, it is increasingly clear that public officials and regulators are not fully considering all the implications of aggressively mandating EVs and banning ICE vehicles. Without adequately considering the impact this will have on consumers, acceptance of EVs will suffer as overall negative impacts on low- and middle-income earners will increase.

Thank you, again, for the opportunity to provide comments on House Bill 2783. I am happy to answer any questions the committee may have.

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Founded in 2006, CEA is a nonpartisan, nonprofit organization representing virtually every sector of the U.S. economy – from the iron and steel industry to truckers, airlines, agriculture, labor unions, restaurants, chemical manufacturers, small businesses, and families across the nation. Our members support a rational, all-of-the-above energy policy that utilizes all of our domestic natural resources – both traditional and renewable – while ensuring continued progress in protecting our shared environment.

Across the country, we have witnessed irresponsible policies put forth by local and state governments that would have the unfortunate consequences of increasing prices and harming reliability while failing to achieve environmental goals.

The genesis of these policy proposals originated in the Green New Deal proposed in Congress. They ignore the remarkable progress our country and Pennsylvania have made due in large part to the record production and use of natural gas in addition to new renewable deployment. These harmful policies will lead to higher energy bills, significant service disruptions, and increase income inequality while doing little to achieve the environmental progress we all desire. We need only look to similar policies enacted in Germany and the UK to see how disastrous they are, in terms of increasing costs as much as 300 percent and making energy scarcer – which is borderline dangerous in a crisis. It is simply not feasible nor practical to prohibit the use of traditional fuels like natural gas and propane in homes and businesses either through outright bans or backdoor bans by changes to building codes.

These harmful policies will lead to higher energy bills, significant service disruptions, and increase income inequality and segregation while doing little to achieve the environmental progress we all desire.

To be clear, CEA supports actions that thoughtfully advance our nation towards a cleaner, more environmentally responsible energy future. We believe that responsible policies always consider the needs of consumers while leveraging and supporting the development of state-of-the-art technologies to improve our environmental stewardship, aiding in the continued reductions of all emissions. In fact, we are seeing emissions reductions through the use of such advanced technologies as renewable natural gas and hydrogen blending.

A few facts and figures to put this in context. Two-thirds of Pennsylvania households use natural gas as their primary home heating fuel. The annual total energy expenditures per capita for Pennsylvania are \$2,890. More than 12% of Pennsylvanians live at or below the poverty line. Based on annual total energy expenditures, that means that over 1.5 million Pennsylvanians are spending nearly a quarter of their annual income for energy expenses. It is a story playing out nationwide. According to 2020 data, 34 million U.S. households (27% of all U.S. households) reported difficulty paying energy bills or reported that they had kept their home at an unsafe temperature because of energy cost concerns. It doesn't have to be this way. We have the means at our disposal for affordable and reliable energy that keeps

costs down for our families and small businesses. I've included with my submitted written testimony the energy burden (the percentage of gross household income spent on energy costs) by county for Pennsylvania.

A key question the public should be asking of policy makers and elected officials is why are we making it harder for regular people, small businesses, farmers and industries to get back to work and save on energy costs. We all want to diversify our energy resources with more renewable energy, but the evidence shows that the political goals – designed to please a small, vocal minority – are disconnected from the realities. Energy is a fundamental right, and Pennsylvania of all places – as the nation's second largest provider of energy to other states behind only Texas, according to the Energy Information Administration – should lead the way and advance a legislative and regulatory agenda that recognizes that. Anything else would be an energy injustice. We stand ready to work with the legislature in pursuit of smart, realistic policies that keep our needs for abundant, affordable energy and environmental progress in balance, and recognize the incredible value Pennsylvania's energy economy brings to both goals.

However, misguided attempts to ban natural gas service by forcing mandates onto consumers will lead to astronomical costs and jeopardize energy resources that are helping our nation reduce harmful emissions. According to an analysis done by CEA, the cost to replace just major gas appliances in homes nationwide would cost households over \$250 billion. This conservative estimate does not include costs for rewiring houses, decommissioning existing energy infrastructure, or increases in utility bills – especially for home heating.

Moreover, the most comprehensive municipal study performed by the City of Ann Arbor Michigan found that these policies will lead to "further exacerbating class and race segregation" as they will increase rental costs and the construction of new housing units which will be occupied by primarily higher income residents.¹ According to a study by the National Association of Home Builders, requiring forced electrification on new construction can add upwards of \$15,000 in construction costs for homes in colder climates like the City of Erie and across our Northern Tier Counties.

Consider, the U.S. Department of Energy released their average unit costs for energy for residential energy sources in August. They found that electricity was 266% more expensive than natural gas as a residential energy source. Electricity was also 103% more expensive than propane.

We can and must have energy that is affordable, reliable and meets our shared environmental goals. Utilizing all of our resources like natural gas, coupled with new technology like renewable natural gas

and hydrogen blending, is leading us to a cleaner energy future with lower emissions. And, we can continue to achieve this without harming our families, farmers, and local businesses along the way.

The irony is that the groups supporting these harmful mandates ignore the tremendous air quality improvements and carbon reduction benefits that natural gas has provided our country and Pennsylvania.

Since 1990, Pennsylvania GDP and population have both markedly increased while the state has seen emissions decline sharply – especially among key air pollutants identified by the U.S. EPA. This is due in large part to increased use of natural gas. Based on federal air quality data, from 1990 to 2019, Pennsylvania's emissions of key pollutants have decreased across the board:

72 percent reduction in nitrogen oxides (NOx) • 92 percent reduction in sulfur dioxide (SO₂) • 77 percent reduction in carbon monoxide (CO) • 53 percent reduction in volatile organic compounds (VOCs) • 45 percent reduction in fine particulate matter (PM_{2.5}) • 61 percent reduction in coarse particulate matter (PM₁₀) • 45 percent reduction in ammonia (NH₃)

Further, these trends all occurred while Pennsylvania's natural gas production soared eleven fold from 2010 to 2018 and natural gas plant processing expanded more than eightfold from 2010 to 2017.

Thank you, again, for the opportunity to testify. In the event the committee may have any questions, please feel free to contact me at mbutler@consumerenergyalliance.org or 412-448-6851.



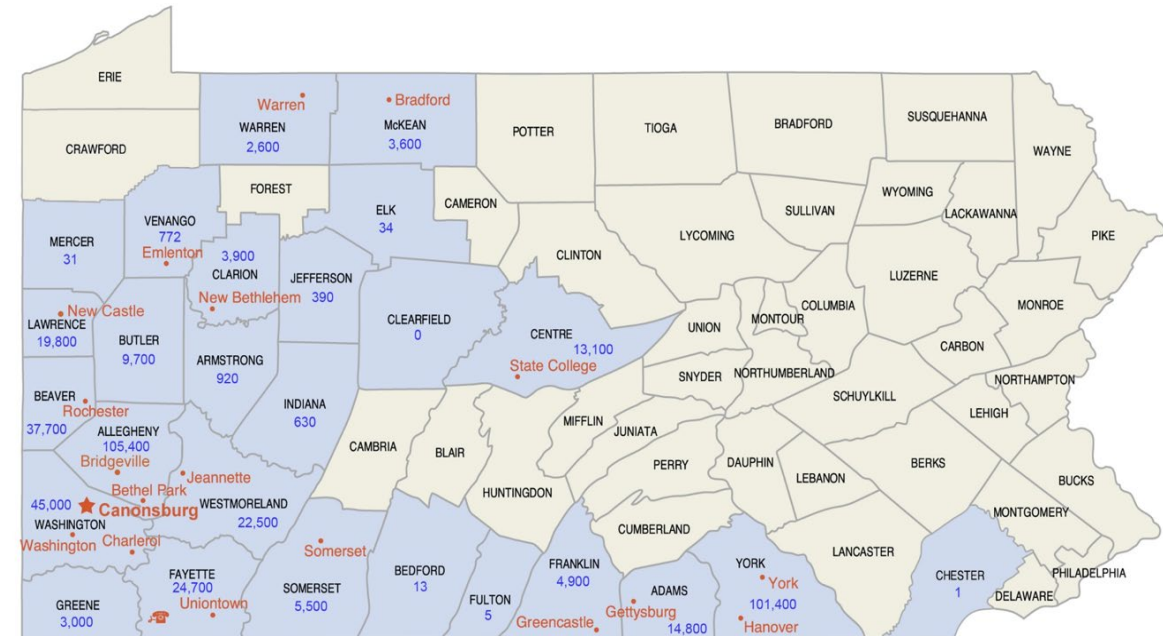
We exist to deliver safe, reliable energy that drives value to our customers

Utility Customer Assistance Programs

Before the Pennsylvania House Republican Policy Committee
April 3, 2024



- Natural gas utility regulated by the Pennsylvania Public Utility Commission (PUC)
- Provides essential energy services to more than 442,000 customers in 26 Counties and 450 Municipalities
- Maintains more than 7,700 miles of pipe in service territory



Customer Assistance Programs

- Columbia and other PA utilities offer a suite of programs to assist families and households with lower income to pay their bills and manage energy usage. The first of Columbia's programs began as early as 1986.
- These programs offer vital protection for PA families to maintain service. Programs are regulated and have direct oversight by the Public Utility Commission with input from consumer advocates, low-income advocates and other interested parties.
- Columbia's Universal Service Advisory Council meets twice a year to discuss programs and provide recommendations. The group is comprised of the prior mentioned parties as well as contractors and community-based agency representatives.
- These programs are funded through base rates, company/customer donations or a Rider. Rider recovered funds are paid by residential customers not in the customer assistance program. (Exception is LIHEAP/CRISIS are federal funds administered by the state of PA)
- All of Columbia's programs can be found on our website under "financial support"
<https://www.columbiagaspa.com/bills-and-payments/financial-support/income-eligible-assistance-programs>



Customer Assistance Programs

- **Financial Assistance:**

- Customer Assistance Program (CAP) – current participation is 24,500. 2023 cost was \$27 million
- Link to LIHEAP & CRISIS funds – 19,000 participants received federal funding over \$10 million
- Hardship Fund – 1350 customers received \$540,000 in benefits
- Security Deposit Assistance Fund – to assist customer over LIHEAP income guidelines with required security deposits - \$25,000 annually paid by Company

- **Ways to save energy:**

- WarmWise LIURP - \$5.4 million helping 500 families. Average savings range from 15% - 22% annual reduction in usage.
- WarmWise Audits & Rebates - \$1 Million annually to assist families with moderate income. Free in home audit & up to \$3,600 in rebates for recommended energy efficiency measures
- WarmWise all residential – New program started in 2023 to offer on line audits of residential homes & some rebates on energy efficient appliances \$1.3 Million annually

- **CARES:**

- Outreach to promote all programs and a case manager to assist individual customers in crisis to provide links and assistance to available resources

- **Emergency Repair Program**

- Assists homeowners with lower incomes facing lack of heat and hot water due to equipment failure. \$1 Million annually

Income Guidelines

| HOUSEHOLD SIZE | Monthly Income | | | |
|---------------------------------------|----------------------|------------------------|------------------------------|--|
| | LIHEAP AND CRISIS | C.A.P. OR E.R.P. | LIURP OR DOLLAR ENERGY | AUDITS & REBATES, & SECURITY DEPOSIT PROGRAMS |
| | 150% | 150% | 200% | 151% - 250% |
| 1 | \$1,823 | \$1,883 | \$2,510 | \$1,884 - \$3,138 |
| 2 | \$2,465 | \$2,555 | \$3,407 | \$2,556 - \$4,258 |
| 3 | \$3,180 | \$3,228 | \$4,303 | \$3,229 - \$5,379 |
| 4 | \$3,750 | \$3,900 | \$5,200 | \$3,901 - \$6,500 |
| 5 | \$4,393 | \$4,573 | \$6,097 | \$4,574 - \$7,621 |
| 6 | \$5,035 | \$5,245 | \$6,993 | \$5,246 - \$8,742 |
| 7 | \$5,678 | \$5,918 | \$7,890 | \$5,919 - \$9,863 |
| 8 | \$6,320 | \$6,590 | \$8,787 | \$6,591 - \$10,983 |
| FOR EACH ADDITIONAL PERSON ADD: | \$643 | \$673 | \$897 | \$673 - \$1121 |

We exist to deliver safe, reliable energy that drives value to our customers



Questions?

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Columbia Gas of Pennsylvania | ColumbiaGasPA.com |    