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Pittsburgh Works Together
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My name is Ken Zapinski, and I am the director of research & public policy for Pittsburgh Works Together. We are an alliance of business, organized labor, and economic development representatives whose goal is to grow jobs in the industries that are at the foundation of our economy – energy, manufacturing, and construction.

Those sectors provide the basis for our modern way of life, and they also represent the best path for economic opportunity and stability for the greatest number of Commonwealth residents.

The AI and data center phenomenon is a perfect example of this. The AI jobs themselves may go to Ph.D.s and keyboard wizards. But it all starts with something far more fundamental and industrial – from skilled trades men and women building and operating the plants to produce enough electricity to power all those computers and algorithms.

That makes it a perfect economic development opportunity for Pennsylvania, which produces more excess power than any other state. But so far, we have not leveraged that advantage nearly enough to create jobs and prosperity in the Commonwealth.

Instead, Virginia and Ohio have taken advantage of being in the same power pool as Pennsylvania to build their data-center economies. Loudon County, Virginia, and the Columbus suburb of New Albany are the hottest data center markets in the country. And it is no exaggeration to say they are being powered by Pennsylvania electricity.

Combined, the two states import 25% of their electricity from the rest of the PJM grid, a total that is a little less than Pennsylvania exports to the grid every year.

The data centers that make AI possible need reliable power that is available 24/7/365 from sources such as natural gas and nuclear. Once again, that is tailor-made for Pennsylvania, where 91% of our generation comes from natural gas and nuclear.

Last year's announcement that Microsoft is partnering with Constellation Energy to restart the Three Mile Island nuclear reactor underscores the scope of the opportunity, if we are willing and able to grasp it.

A ***Pittsburgh Works Together*** research report from last month showed, however, that we are moving far too slowly. Pennsylvania is the only major natural gas producing state that does not have a single gas power plant currently under construction. Texas, the only state which produces more gas than Pennsylvania, has 12.

Thankfully, there are signs that things are starting to improve, most notably the recent announcement to rebuild the former Homer City coal plant as the country's largest natural gas power plant to serve data centers built on the 3,200-acre site. And Liberty Energy, Range Resources, and Imperial Land Co. announced a plan last week to build new natural gas generation on reclaimed strip mining land.

Pennsylvania has many redevelopment sites that are already outfitted with oversized gas pipelines and electric transmission wires that served the power plants and other industrial facilities that used to be there. Like Homer City, they are an asset for data center development that few other places can match. We should be working to prep them for new development and aggressively market them to the industry.

But building power plants and data centers faces the same kind of siting and permitting hurdles that, unfortunately, all heavy industry faces in Pennsylvania. We need to move at the speed of business. Consider what is happening in next door in Ohio.

Williams, the huge pipeline and energy company, is spending \$1.6 billion to build two 200-megawatt natural gas power plants for a new hyperscaler data center in New Albany. Williams filed its application for environmental and site approvals for the first half of the project with the Ohio Power Siting Board on March 7.

It anticipates getting the approvals by June 5. The project's air permit is expected to be issued in half that time.

Imagine trying to permit a \$1.5 billion project in Pennsylvania in less than 90 days.

But that's what we need to do to be competitive.

Finally, we can't let the Homer City announcement distract us from the broader peril facing Pennsylvania and the PJM grid. Yes, data center growth, EVs, and the electrification of life is adding demand that must be met.

At the same time, ill-advised government policies are shutting down existing power plants that are needed to meet our existing demand. Those policies helped lead to the original shut down of Homer City, and they will push other plants to shut down just as we need more power than ever.

PJM Interconnection is predicting power shortages and blackouts by 2030 if not sooner, if nothing changes. And we are already feeling the impact of rising electric bills.

In short, taking advantage of the AI opportunity as well as maintaining our current standard of living, relies on intelligently addressing the problems facing our electric grid. As Secretary of the Interior Burgum said during a visit to Washington County earlier this month, energy is the industry that underpins every other industry.

To sum up, for Pennsylvania to take advantage of the AI and data center economic opportunities to provide jobs and prosperity for Commonwealth residents, we need to:

- Build more power plants which provide electricity around the clock, primarily natural gas and nuclear.
- Take advantage of old industrial sites that have access to existing gas and electric infrastructure.
- Minimize permitting and development hurdles to move at the speed of business.
- And Maintain the existing baseload generation we currently have, to facilitate expansion opportunities and to preserve what we already have.