



Friday, May 7, 2021

The Honorable Gene Yaw, Chairman
Environmental Resources and Energy Committee
362 Main Capitol
Harrisburg, PA 17120

The Honorable Carolyn Committa, Minority Chair
Environmental Resources and Energy Committee
457 Main Capitol
Harrisburg, PA 17120

The Honorable Chris Dush, Chairman
Senate Local Government Committee
16 East Wing
Harrisburg, PA 17120

The Honorable Tim Kearney, Minority Chair
Senate Local Government Committee
463 Main Capitol
Harrisburg, PA 17120

RE: Senate Bill 275

On behalf of the Chamber of Commerce for Greater Philadelphia and the Greater Pittsburgh Chamber of Commerce, we write to encourage your support of Senate Bill 275, the Energy Choice Legislation, sponsored by Senator Yaw.

For several years, the Greater Pittsburgh Chamber of Commerce and the Chamber of Commerce for Greater Philadelphia have worked together to advance public policy solutions that move Pennsylvania forward. Now, championing pro-growth policies is especially vital as we turn the corner on the pandemic. The actions our policymakers take now will determine the pace of our recovery.

Senate Bill 275 establishes a statewide energy policy that ensures Pennsylvania businesses and homeowners have access to all energy sources. Creating a patchwork of municipal restrictions on energy sources for residents and businesses hurts our state's overall economic competitiveness; for these reasons, our chambers strongly support Senate Bill 275.

We see the consequences of local energy bans firsthand, as cities and municipalities across the nation are rewriting local building codes to block new homes and businesses from using natural gas. No local or state government should prevent a business or household from accessing any energy sources. These restrictions undercut the need for reliable energy, increase costs, and deny consumer choice. Senate Bill 275 would preemptively bar local governments in Pennsylvania from prohibiting any utility or energy source in their jurisdiction.

Our abundant, low-cost energy is a competitive advantage that should not be taken for granted. Natural gas is the lowest-cost energy source, with today's gas bill lower than it was 15 years ago. Local government policies that deprive businesses from accessing the lowest-cost energy option will deter local business expansion and drive new investments elsewhere.

Beyond the economic costs, restrictions on natural gas don't provide any discernible environmental benefits. Banning direct-use natural gas is the least cost-effective approach to mitigating emissions. We know that residential natural gas consumption only accounts for 4.6 percent of U.S. emissions.¹ The natural gas we all use to heat our homes and cook is more than 90% efficient, compared to

¹ 2021 Playbook. AGA, 2021. <http://playbook.aga.org/>

electricity produced by natural gas, which is less than 45% efficient.² Forecasts have shown that even assuming that electricity is produced from clean sources, the emissions reductions of a household switching from gas to electric are marginal.³

Precluding any energy source is short-sighted. Banning the use of gas infrastructure hinders the opportunity to leverage infrastructure to integrate more affordable near-term solutions with even lower environmental footprints, like injecting renewable natural gas (RNG) or hydrogen into the pipeline network. Worse, restrictions on energy sources like natural gas create a declining customer base and challenge the financial viability of our state's infrastructure for existing ratepayers. To meet our climate change goals requires an array of energy sources and choices.

A patchwork approach to energy is unworkable in Pennsylvania. To support our businesses, our citizens, and our freedom of choice, we respectfully urge the committee to vote in favor of Senate Bill 275.

Sincerely,

Matt Smith
President
Greater Pittsburgh Chamber of Commerce

Rob Wonderling
President & CEO
The Chamber of Commerce for Greater Philadelphia

² More than 60% of energy used for electricity generation is lost in conversion. EIA, 2021
<https://www.eia.gov/todayinenergy/detail.php?id=44436>

³ American Gas Association. Implications of Policy-Driven Residential Electrification. AGA, 2018 https://www.aga.org/globalassets/research-insights/reports/aga_study_on_residential_electrification.pdf