

**Testimony before the House Energy and Natural Resources Committee
April 10, 2018**

Chairman Landis, Vice-Chair Hagan, Ranking Member O'Brien and members of the House Energy and Natural Resources Committee, my name is Brydon Ross, and I am the Vice President of State Affairs for Consumer Energy Alliance (CEA). Thank you for the opportunity to speak today on behalf of CEA and share its strong support of HCR 22. CEA is a nationwide association with more than 500,000 individual members, over 35,000 of which reside in Ohio, as well as energy consumers and producers working to advance an all-of-the-above energy policy with diverse power supplies to help lower energy costs for every American.

I want to commend the Committee for holding this hearing today and for recognizing the critical importance energy development and related pipeline and midstream infrastructure is having on the vitality of Ohio's economy. The ultimate benefactors of this new and thriving energy abundance are hard-working families struggling to pay bills, seniors on fixed incomes, our rural communities in need of investment, small businesses and Ohio's manufacturing based and skilled trades.

As this Committee well knows, we are in the early stages of a transformative moment in our nation's history that we at CEA call the shale energy revolution. This success was not pre-ordained. It took the courage of entrepreneurs, technological innovation by some of our brightest minds, and forward-thinking policies by legislators and regulators to let our country and Ohio's ingenuity thrive.

I'd like you to consider where our country was at this point 10 years ago. Natural gas - an essential ingredient for not only manufacturing, but an indispensable building block of our region's incredible petrochemical industry - had spot prices of \$12.69/ million BTUs in June 2008. That same summer, the price for a gallon of regular gasoline hit an all-time national high as well at \$4.11. Just last week, according to the Department of Energy, natural gas spot prices were roughly \$2.75/ million BTUs (nearly an 80 percent decline since June 2008) and the national average price for a gallon of gasoline was \$2.66 (\$1.45/gallon savings from the all-time high).

Since the shale revolution, natural gas production in the Utica has grown astronomically and led to thousands of new jobs tied directly to energy development and pipeline construction. According to Ohio's Department of Natural Resources shale gas production in the state grew by over 24 percent in 2017.

These benefits translate beyond just the wellhead for companies and payments for royalty owners. This low-cost source of energy has led to a resurgence in local manufacturing - with Ohio landing 240 new manufacturing projects since 2016. Businesses that produce goods now account for 18 percent of the state's economy and employ more than one in eight people, per the Ohio Manufacturers' Association.

Ohio has also seen what this incredible turnaround has meant for areas of the state that have been hit hardest with job losses and are in dire need of local investment. Vallourec, for example, opened the first new steel plant in over 60 years in Youngstown as a direct result of the shale revolution, which translated to over \$1 billion in investments and more than 1,800 construction jobs.

The American Chemistry Council recently issued a report that found the Ohio River/Appalachian Basin region could be the “second center of U.S. petrochemical and plastic resin manufacturing, similar to the Gulf Coast” and as a result could see up to 100,000 permanent new jobs by 2025.

The planned investment of the PTT cracker facility in Belmont County could mean \$10 billion injected into the regional and local economy, which would be truly life-changing for thousands of residents and the region. At CEA we learned this first-hand at an energy and manufacturing forum we hosted in Canton with local leaders, elected officials, labor and the business community where they discussed the planned cracker facility in Beaver County, Pennsylvania and how it will need 5,000 skilled electricians and tradesmen to construct and wire the facility.

To bring this low-cost energy to homes, factories, and marketplaces, however, requires new and upgraded pipeline infrastructure. Despite the misguided attempts by groups to shut down this critical infrastructure, its build-out is integral to Ohio’s future success and to keep energy prices low for families, seniors, and small businesses. In addition, pipeline construction has been called a “game-changer” for school districts like Cloverleaf in Medina County which could potentially see \$25 million over the next five years in new property tax revenue while also providing the district with nearly 20 percent of its operating budget.

These are just a few examples of how energy development is more than just extracting resources from the ground.

We want to thank Representative Brian Hill and co-sponsors Representative Stein and Thompson here on the Committee for offering this important resolution to highlight and showcase what energy production and infrastructure truly means for Ohio. This means progress and a continued realization that because of energy, Ohio’s best days are yet to come.

Thank you, again, for the opportunity to speak and share our support for HCR 22. I would be happy to take any questions you may have.