

Ohio Senate Energy and Public Utilities Committee
The Honorable Bill Reineke, Chairman
Proponent Testimony Senate Resolution 121
Jackie Stewart | Encino Energy
January 23, 2024

Chairman Reineke, Vice Chair McColley and Ranking Member Smith, my name is Jackie Stewart and I am the Director of External Affairs for Encino Energy. Thank you for allowing me to submit written testimony in support of Senate Resolution 121, to urge continued investment in natural gas infrastructure and recognize the critical importance of natural gas to Ohio, the United States and the world.

Encino Energy is one of the largest private oil and natural gas producers in the U.S. and a top 25 North American natural gas producer. Our operations in the prolific Utica Shale make us the largest oil producer in Ohio and the second-largest natural gas producer in the state. But beyond our day-to-day operations, we are a company dedicated to our values of results, transparency, innovation, ownership, and sustainability. These foundational values guide our employees and make us who we are. Encino Energy's proven management team is deeply committed to our people, and we are fully invested in the communities we call home.

Encino has been growing its footprint in Ohio and is hiring Ohioans nearly every day. Encino engaged FTI Consulting, Inc. ("FTI") to evaluate the benefits the company delivered to the Ohio economy in 2021. As shown in Figure 1, Encino's business activities supported approximately 10,000 jobs in Ohio, \$2.7 billion in output, \$1.4 billion in GDP, and \$670 million in labor income. The company also supported roughly \$163 million in federal revenues and \$115 million in state and local revenues in 2021. In 2021, Encino directly paid \$333 million to Ohioans through ad valorem and severance taxes, right-of-way payments, royalties to rightsholders, and other taxes and fees. If the same study was conducted in 2023, these figures would be even higher on an annual basis as the study was conducted assuming a two-drilling program. Today, we have three rigs operating in Ohio.

Just as important, Encino has been a leader in reducing our fugitive emissions and we are proud to produce clean, affordable natural gas in Ohio that benefits consumers and the environment. In 2023, the United States became the global leader in production of natural gas and natural gas exports, while simultaneously reducing U.S. carbon emissions and driving costs down for consumers. However, our ability to continue this renaissance relies now on natural gas infrastructure.

We applaud the Ohio Senate for its consideration to recognize that natural gas and the natural gas industry at large are "vital components of the state's economic future and urge continued investment in natural gas infrastructure to make affordable energy available to every Ohioan". We appreciate the acknowledgement of our investment in Ohio and role that our industry plays in economic development and efforts to address global climate change and energy poverty. For these reasons Encino supports the resolution.