

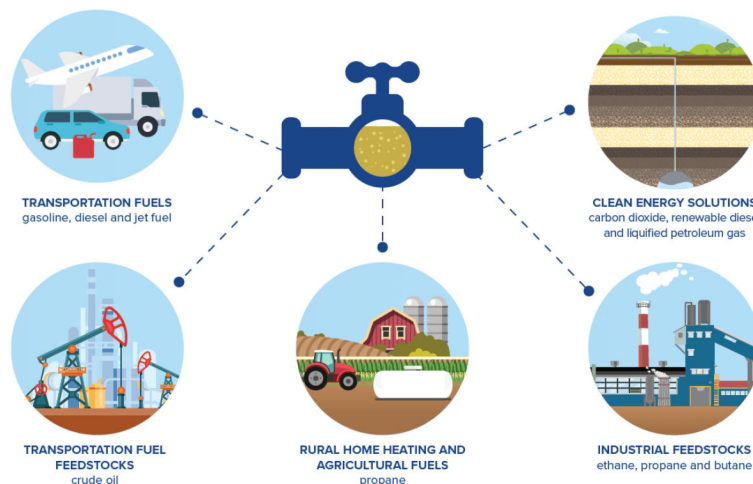
Testimony of John Stoody
Vice President of Government and Public Relations
Liquid Energy Pipeline Association

Wellhead to Stovetop – Conveying Energy in PA
Pennsylvania House Environmental Resources and Energy Committee
Tuesday, September 20, 2022

Thank you, Chair and members of the Committee, for inviting me here today to share the story of how Pennsylvanians depend on pipelines for their energy. My name is John Stoody and I am Vice President of Government and Public Relations for the Liquid Energy Pipeline Association.

While based in Washington, DC, our 50+ member companies operate over 200,000 miles of pipeline across the United States, including Pennsylvania. LEPA members range from small operators focused on a local region, to operators with multi-state systems supporting energy production, refining and carbon capture, to large midstream transmission companies.

LIQUID ENERGY PIPELINES DELIVER:

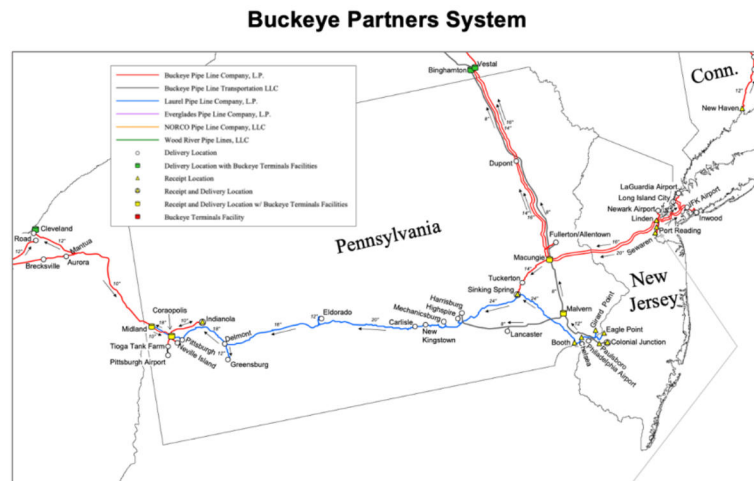


Our member companies operate pipelines delivering transportation fuel like gasoline, diesel and jet fuel. Pipelines deliver rural home heating and agriculture fuels like propane. Pipelines deliver industrial feedstocks like ethane, propane and butane, and transportation fuel feedstocks like crude oil and renewable diesel. Pipelines are also providing clean energy solutions by transporting lower carbon liquified petroleum gas, renewable diesel and carbon dioxide.

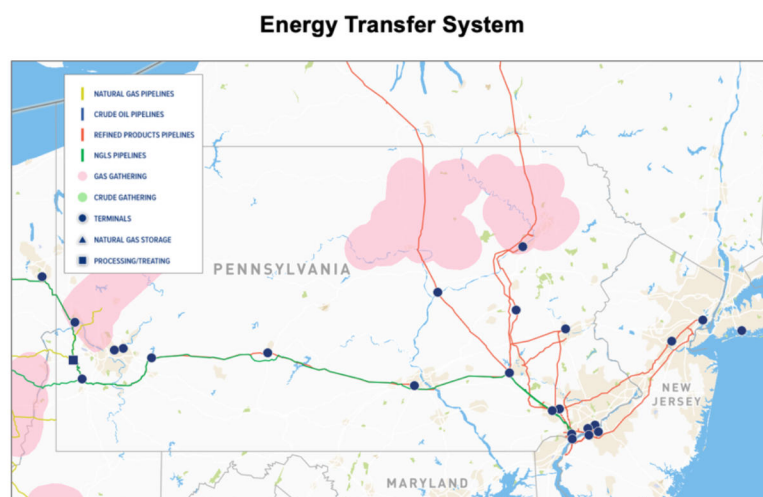
Pipelines are a vital part of our transportation infrastructure because of their ability to deliver high volumes of energy. In 2020, U.S. pipelines delivered 20.4 billion barrels of liquid energy, including 11.9 billion barrels of crude oil and 8.5 billion barrels of other petroleum products.

Testimony of John Stoody
Liquid Energy Pipeline Association

No other form of transportation can meet America's energy needs. By contrast, the 91,152 carloads of crude oil originated by U.S. Class I railroads in 2021 were equivalent to around 162,000 barrels per day, or only 1.5% of U.S. production. In 2014, the peak year for rail crude oil shipments, railroads accounted for just 11% of U.S. crude oil production.

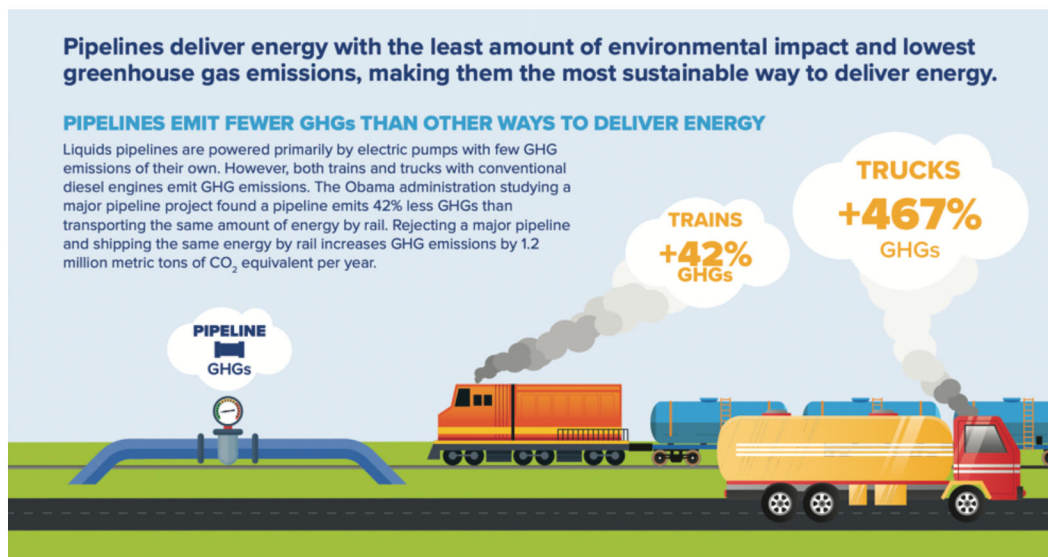


In Pennsylvania, pipelines deliver refined products like gasoline, diesel and jet fuel to area regional terminals providing supply to local Pennsylvania gas stations. West bound pipelines travel from New York harbor and refineries into eastern Pennsylvania. Pipelines travel north from Philadelphia area refineries and still more pipelines travel east from Ohio to provide energy to western Pennsylvania.



Pennsylvania is also an energy crossroads sending refined products north into upstate New York and natural gas liquids exports to ports and destinations around the world.

Not only are pipelines the most efficient and cost-effective way to deliver the large amounts of energy America needs, pipelines are also the most sustainable form of energy transportation. Pipelines deliver energy with the least amount of environmental impact and lowest greenhouse gas emissions.



Liquids pipelines are powered primarily by electric pumps with few greenhouse gas emissions of their own. Both trains and trucks with conventional diesel engines emit GHG emissions. The Obama administration studying a major pipeline project found a pipeline emits 42% less GHGs than transporting the same amount of energy by rail. Rejecting a major pipeline and forcing the shipment of that same energy by rail increases GHG emissions by 1.2 million metric tons of CO₂ equivalent per year.

Pipelines also impact the environment less than other ways to deliver energy. In addition to no direct GHG emissions from liquids pipeline operations, neither the pipeline itself nor the pump stations pushing product through the line emit air pollution to surrounding communities. Diesel powered trains and trucks both emit air pollution as they travel from community to community.

Pipelines also cause fewer incidents and release less of their product into the environment. Government review has found the probability of an incident was 800 times greater by rail than pipeline and would result in 2.6 times more crude oil released into the environment.

I recognize all these statistics can become a bit esoteric. After all, the purpose of today's hearing is to describe how energy travels from wellhead to stovetop. It is good to relate what we do to the everyday lives of our customers and constituents.

Testimony of John Stoody
Liquid Energy Pipeline Association

One Pennsylvania constituent who can reflect the energy journey is my mother, Annette Stoody of Easton, PA. Born in 1944, my mom is 78 years old. She retired after a career as a school teacher, including over 20 years teaching K-12 and special ed in Norristown, PA. As a retiree, her sources of income are social security and a Pennsylvania teacher's pension.

My mom depends on Pennsylvania natural gas pipelines to keep her house warm through the winter. As you know, Pennsylvania is blessed with abundant natural gas supplies. But my mom can only receive that bounty through gathering pipelines in the Marcellus, long distance transmission pipelines across the state, and local distribution pipelines in her home town.

My mom, cost conscious on her modest budget, for many years drove a diesel-powered car because of its better gas mileage. The diesel fuel she bought at Easton area gas stations may have come by truck from a regional tank farm, but it was delivered to her region by pipelines carrying refined products to the New Jersey/Pennsylvania area from as far away as Texas.

Now that she's retired, mom doesn't drive as much. So, she traded in her diesel for a gasoline powered car that does better with low mileage and infrequent driving. Like diesel fuel, her gasoline needs to travel by pipeline to reach the Northeast. Both her gasoline and diesel come from crude oil, which travels by pipeline from West Texas to the Gulf Coast.

Whenever mom flies out of Lehigh Valley airport, or out of Philadelphia, the jet fuel for her plane was delivered to the airport by pipeline. And whenever they use their backyard grill, the propane in their tank was delivered to the region by pipeline.

Like Pennsylvanians across the state, the current high prices and inflation are hitting hard the seniors on a fixed budget like my mom. A teacher's pension does not go a long way even in good times. Low-income residents, and those on fixed incomes have little to spare when prices rise.

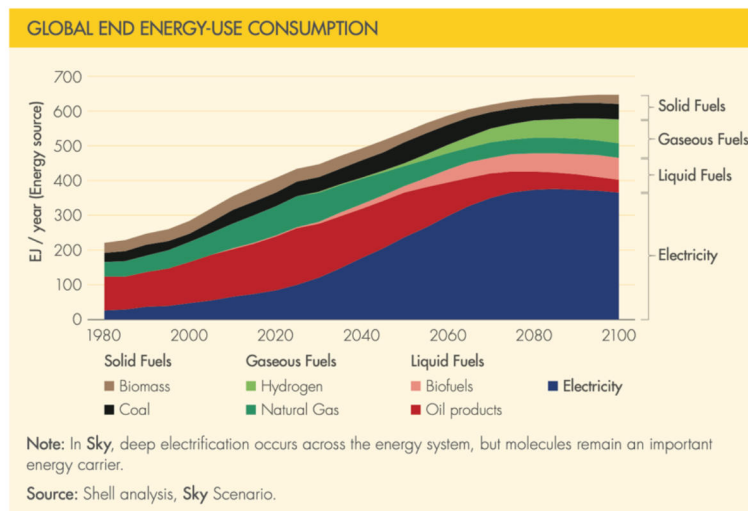
A study by the U.S. Senate Committee on Energy and Natural Resources found a 10% increase in household energy costs leads to over 800,000 people across the U.S. being pushed into poverty. The U.S. Energy Information Administration tells us minority households at twice the national average are forced to choose between reducing or forgoing food or medicine to pay higher energy costs.

That is why abundant energy is so important to affordability. Simple supply and demand tells us when supplies are higher the pressure on prices is lower. Data backs this up. During the height of the horizontal drilling and hydraulic fracturing boom last decade, the White House Council of Economic Advisors estimated increased natural gas and crude oil production were saving U.S. consumers \$203 billion annually. These savings equated to \$2,500 per American family of four.

There are no easy or quick fixes to our current inflation price crisis. But we can return to a more energy secure America with abundant energy. LEPA encourages Pennsylvania to embrace energy infrastructure that provides energy security for its families and businesses. That means abundant energy that is affordable and reliable.

Policies that slow or restrict energy infrastructure construction limit supplies and drive up prices for consumers. Government reviews that take longer than they should delay energy supplies and pressure prices upward. With the energy transition underway, some ask do we need more traditional energy infrastructure? The answer to that question is do consumers need lower energy prices?

LEPA recognizes an energy transition is underway. Like I mentioned above, liquid pipelines are part of the clean energy future delivering lower carbon fuels and captured carbon to permanent storage. However, it's called a transition for a reason. It won't happen overnight and if we limit ourselves too much, too quickly before we're ready, we give ourselves price shocks like we're seeing today.



Consumer purchase rates of electric vehicles show us we are decades away from EVs representing a majority of sales. Fleet turnover, given how long we keep our vehicles, means it will take even longer before most all vehicles on the road are electric. Indeed, even aggressive climate models that meet Paris Accord temperature targets acknowledge traditional liquid energy will remain part of our fuel mix for decades to come.

Until then and beyond, liquid energy pipeline operators are here to meet Pennsylvania's energy needs. Thank you.

#####