

November 13, 2023

The Honorable Representative Greg Vitali – Chair

The Honorable Representative Martin Causer – Minority Chair

The Honorable Committee Members – Environmental Resources and Energy Committee

Thank you, Chairman Vitali and members of the Committee, for the opportunity to testify today. My name is Mike Butler, and I am the Mid-Atlantic Executive Director for the Consumer Energy Alliance. CEA is the nation's leading consumer energy and environmental advocate – ensuring families, farmers, and local businesses have access to sustainably produced, affordable, reliable, and resilient energy.

Our members support a rational, all-of-the-above energy policy that utilizes all our domestic natural resources – both traditional and renewable – while ensuring commonsense environmental protections are in place. We believe that responsible policies always consider the needs of consumers while leveraging and supporting the development of state-of-the-art technologies to improve our environmental stewardship, aiding in the continued reduction of all emissions. By advocating for energy justice and sensible energy solutions, we hope to ensure that people who need affordable energy the most - have access to it.

In that spirit, we consider it vital to educate the public and policymakers on the crucial role that hydrogen will play in our energy, economic, and environmental future. The Federal Hydrogen Hubs, of which Pennsylvania is the only state to reap the benefits of two regional hubs, is the big next step in realizing this future.

Our nation's most significant emissions sources come from industrial use, transportation, and home heating and cooling. As we look to curb emissions from hard-to-decarbonize sectors through carbon capture and storage, it will also be important to focus on the availability of energy-dense fuels to provide baseload capacity we'll need in the future, like hydrogen, and ways we can use and store them for times when not enough gas, sun or wind to provide transportation fuel and the energy for individuals and businesses across the country. More than 10 million metric tons of hydrogen are being produced annually in the United States. This number is poised to grow with the development of these hydrogen hubs, creating a clean fuel to help states get closer to achieving their net zero goals.

Hydrogen has vast potential as a clean, zero-emissions fuel. It produces only water and heat when burned with oxygen, with no harmful pollutants or greenhouse gas

emissions. This makes hydrogen an attractive option for transportation applications, where emissions are a major concern, and for electricity to heat and cool our homes. New technology advancements have made it easier to store and transport hydrogen, greatly increasing its potential applications as a clean energy source and as a resource to help unlock the full potential of renewable energy.

Unlike traditional fuels, which can be burned to release energy, hydrogen must be produced from another energy source. Simply put, hydrogen is like electricity. It is an energy carrier. Both electricity and hydrogen need to be produced from something else. Here in Pennsylvania, that source is cleaner-burning natural gas with the potential to on-ramp other fuels as the technology expands and becomes more economical.

Unfortunately, some consider using traditional fuel sources like natural gas a black mark on the Hydrogen Hubs. Nothing could be further from the truth. CEA has gone to great lengths to promote what we call the “The Greatest Story Never Told,” which is that America leads the world in emissions reduction. By 2025, we will be more than two-thirds of the way to reaching our targeted emissions reductions of 28% from 2005 levels, according to Bloomberg Philanthropies. In fact, the U.S. has cut its annual carbon dioxide-equivalent output by almost as much as the entire European Union since 2005, according to the Environmental and Energy Study Institute. The large-scale conversion to the utilization of natural gas has primarily achieved this.

Presuming, or worse demanding, that only renewable energy resources are utilized is as foolish as it is impractical. Natural gas and renewable energy sources are a complement to one another. In fact, due to the intermittent nature of renewable energy sources, they must be partnered with a traditional baseload power source if you expect the lights to come on every time you flip the switch. Better yet, deploying them in tandem can yield dynamic outcomes, like the first in the national airport microgrid at Pittsburgh’s International Airport. The flip side is like a funhouse hall of mirrors that predictably distorts the results for the worse. Take when New England blocked the development of a natural gas pipeline development from Pennsylvania, which ended with the predictable outcome where Massachusetts imported natural gas from a Russian plant built on the Arctic Ocean. That result did not benefit Pennsylvania workers, Massachusetts ratepayers, and worse, the environment. Opposing these hubs because, to start, they’ll generate blue and grey hydrogen is similarly misguided and will have foreseeable consequences as we surrender our natural advantages to be true global leaders of environmental progress.

Pennsylvania is a natural location to start the development of our hydrogen future because of our position within the Marcellus Shale basin and our skilled workforce. The building trades workers, and the more than 400,000 workers already supported by the natural gas industry should be positioned to get these family-sustaining jobs of the future.

Approving these hubs was important in advancing hydrogen development in Pennsylvania and the United States. There is no question that we need more, not less, American energy and infrastructure to meet demand and ensure a future where energy is affordable, reliable, and clean for families and businesses. American innovation, energy expertise, and a strong commitment to environmental progress are leading the way forward. Pennsylvania has, and should, continue to play a leading role in this story.

Thank you.  
Michael Butler  
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