

**Rhetoric vs. Reality: Does President Obama Really Support an
“All-of-the-Above” Energy Strategy?**

Testimony of
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Members of the committee, thank you for the opportunity to provide this testimony on behalf of the Commonwealth of Pennsylvania Department of Environmental Protection.

We are blessed in Pennsylvania to have a very diverse energy generation portfolio: coal, nuclear, natural gas, wind, solar and more. Pennsylvania truly is an energy capital of the country. We have a true “all of the above” energy strategy in Pennsylvania. We are also blessed in this country to have a very diverse domestic energy production portfolio. The United States has all of the resources right here to be the energy production leader of the world.

And make no mistake about it: Energy equals jobs. Every economy needs the most affordable and plentiful energy it can have to sustain itself and to grow. Energy demand is projected to increase 50% worldwide in the next 20 years. The majority of that growth will come from the developing world. 80% of that increased demand will have to be met with hydrocarbon-based energy. This presents us with a daunting task and a tremendous opportunity because we have tremendous domestic energy resources right here in Pennsylvania and in America. You really need ask just three basic questions: (1) do we want energy; (2) do we have it here; and (3) who can develop it in a more environmentally sensitive manner than we here in America?

We have a great domestic energy resource right in Pennsylvania and other states around us—natural gas. The supply we have right here is huge, and the technology to enable us to get it in a safe and environmentally protective manner is here. This fuel is available, abundant, domestic, clean and cheap. And this fuel can provide the path to cleaner air in our urban areas where vehicles now fueled with largely imported oil are the main source of air contaminants. The department I lead oversees the safe development of natural gas.

Pennsylvania’s natural gas extraction has dramatically increased over the past few years, and we are delivering huge amounts of cheap clean fuel to Americans because of our ability to know our state and regulate and oversee the safe conduct of this activity within our state better than anyone. The Energy Information Administration reported on May 23, 2012, that natural gas production in Pennsylvania has quadrupled since 2009, averaging now nearly 3.5 billion cubic feet per day in 2011. See <http://www.eia.gov/todayinenergy/detail.cfm?id=6390>. A copy of the dramatic chart from the EIA is attached as an exhibit. This has, in turn, resulted in what PJM, the largest competitive electric power grid operator covering 13 states and the District of Columbia

from New Jersey to Illinois and over 51,000,000 consumers, has called a massive increase in future gas powered electricity generation. In fact, the PJM capacity auction of May 2012 cleared nearly 5 GW of new gas fired generation capacity. Low gas and electric utility rates for consumers is only one side of the story. The promise for the future is even brighter, as this and other domestic energy sources can unlock an economic renaissance that America can lead.

However, it is distressing to see on the federal level actions that show that there is not a similar commitment to, or even a focus on, an “all of the above” strategy toward domestic energy resources. We also see federal policies and actions which seem to be geared toward picking selected winners and losers in the energy generation market instead of policies which foster a true “all of the above” energy extraction and utilization process. We in Pennsylvania have been frustrated to see at the federal level a negative attitude, even hostility, toward development of domestic energy resources, especially certain resources like coal. We see this manifested in many respects including, but not limited to, our interactions with the federal government in the following areas:

- EPA’s and other federal agency’s treatment of and intervention in hydraulic fracturing
- The Army Corps of Engineers’ increased intervention into infrastructure projects such as natural gas pipelines
- Federal air regulations, such as NAAQS, Utility MACT, the Cross-State Transport Rule and regulation of carbon dioxide
- EPA’s course for the treatment of coal residuals
- EPA’s treatment of coal mining-related water discharge permits
- The federal government’s inability or unwillingness to deal with the issue of disposal of waste from nuclear power plants

I look forward to discussing each of these items in more detail and answering your questions.