

**Prepared Testimony
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**before the
Pennsylvania House Committee on Environmental Resources & Energy
August 17, 2021**

Thank you, Majority Chairman Metcalfe and Committee Members. My name is John Stody and I am Vice President of Government & Public Relations for the Association of Oil Pipe Lines.

AOPL represents liquids pipeline owners and operators transporting crude oil, petroleum products like gasoline, diesel, jet fuel, home heating oil and propane and industrial products like ethane. We have over 50 member companies which deliver over 22.8 billion barrels annually over a 228,000-mile network of pipelines.

Thank you for inviting me here today to discuss the economic and environmental benefits of pipelines. If you support a healthy, vibrant economy - you should support pipelines. If you support creating and keeping good paying jobs – you should support pipelines. If you support providing affordable energy to families – you should support pipelines. If you support delivering energy in the most environmentally protective way - you should support pipelines. And, if you support reducing greenhouse gas emissions – you should support pipelines.

As state representatives of Pennsylvania, I know you are well versed in the benefits of energy production in your state. You know that revenues from Pennsylvania impact fees have generated over a billion dollars to the benefit of all 67 counties. You know that Pennsylvania energy impact fee revenues have generated hundreds of millions of dollars for statewide environmental and conservation programs.

Pennsylvania families and workers are benefitting from the state's energy production. Energy development has generated over \$10 billion in royalty payments since 2010. Pennsylvania energy development supports over 300,000 direct and indirect jobs and contributes \$45 billion to Pennsylvania's economy. Annual household energy savings average \$1,200 due to low-cost Pennsylvania energy.

Today's hearing is important because these benefits can't come to the people of Pennsylvania without pipelines. The energy produced in Pennsylvania can't be developed without pipelines to deliver it. Sure, trucks or trains can deliver some amounts of energy, but pipelines are the only way to deliver high volumes of energy long distances.

In western Pennsylvania, thousands of construction jobs and hundreds of permanent jobs from the new Pennsylvania Petrochemicals Complex in Beaver will depend on a new

natural gas liquids pipeline bringing raw material feedstock from Ohio, West Virginia and Pennsylvania to the plant.

In southeastern Pennsylvania, three natural gas liquids pipelines, including one new pipeline, are enabling \$140 million to \$210 million of ongoing annual economic impacts from the Marcus Hook Industrial Complex that will support 360 to 530 direct, indirect and induced jobs with total earnings of \$30 million to \$45 million.

But Pennsylvania energy workers delivering or supporting Pennsylvania energy production are not the only ones who benefit from pipelines. The truth is, every person in Pennsylvania benefits from and depends upon pipelines to get the energy they need.

When a Pennsylvania resident fills up the tank of her car at the gas station, that energy needed to travel at some point on a pipeline. When a Pennsylvania homeowner takes a delivery of home heating fuel, that energy needed to travel at some point on a pipeline. When a rural Pennsylvania homeowner or farmer fills their propane tank, that energy needed to travel at some point on a pipeline. And when someone wants to fly to or from Pennsylvania, jet fuel was delivered to the airport at some point on a pipeline.

An entire network of refined products pipelines fans out from southeastern Pennsylvania across the state delivering gasoline, diesel and jet fuel to terminals accessed by Pennsylvania gas stations. Large mainline pipelines in New Jersey that supply Pennsylvania actually originate in Texas. Refineries in Texas and Louisiana supplying the Northeast depend upon crude oil pipelines delivering from West Texas, New Mexico, the Great Plains, even as far away as Canada.

There are nearly 13 million people in Pennsylvania. According to the federal government, Pennsylvanians consumed 4.5 billion gallons of gasoline and 2.5 billion gallons of diesel fuel in 2019. That is why we need our national network of over 215,000 miles of pipelines. We need to deliver over 21 billion barrels of crude oil and refined products for millions of people in Pennsylvania and 330 million people across the United States.

Not only are pipelines the best way to deliver large amounts of energy, they are also the safest. According to federal government safety statistics, 99.999% of crude oil and petroleum product barrels delivered by pipeline reach their destination safely. Not only are pipelines safe, they are both safer and more protective of the environment than alternative forms of transportation such as trucks or trains.

An Obama administration review of a large crude oil pipeline project studied the environmental impacts of the pipeline versus the alternative of delivering that same amount of energy by train. Career government officials concluded the probability of an incident is 800 times greater by rail than pipeline. That government review also found transporting the same amount of product by rail instead of pipeline would result in 2.6 times more crude oil released into the environment.

The Obama administration also studied the greenhouse gas impacts and found that a pipeline emits 42% less GHGs than transporting the same amount of energy by rail. They calculated that rejecting a major pipeline and shipping the same energy by rail increases GHG emissions by 1.2 million metric tons of CO2 equivalent / year. This is largely because liquids pipelines are operated by electricity, with almost no direct GHG emissions. The indirect emissions from the power needed to operate electric pumps is still far less than diesel locomotive trains.

The federal government also looks at pipeline safety data over time. Over the last 5 years, pipeline operators have reduced the number of liquids pipeline incidents by 21 percent. Liquids pipeline incidents impacting people or the environment are down 38% since 2016. Government data also shows liquids pipeline incidents caused by corrosion, cracking or weld failures impacting people or the environment are down 58 percent over that period.

The data is clear. Not only are pipelines safe, they are getting safer. Not only do pipelines protect the environment, they result in lower greenhouse gas emissions. Not only are pipelines necessary to every Pennsylvanian, they bring huge benefits to families, counties and state programs across the Commonwealth. Thank you again for inviting me today and I look forward to answering your questions.

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