



November 21, 2024

Secretary Jennifer M. Granholm
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Re: Local Energy Needs of Families and Businesses Must Be a Priority in Review of Proposed Gas Export Facilities

Dear Secretary Granholm:

The Pennsylvania Utility Law Project,ⁱ together with the Consumer Advocate of Pennsylvania,ⁱⁱ Community Legal Services,ⁱⁱⁱ Housing Alliance of Pennsylvania,^{iv} Community Action Association of Pennsylvania,^v and the National Consumer Law Center,^{vi} write to you today with great urgency and concern for the energy affordability and security of Pennsylvania families and businesses.

As the Department completes its work to amend the public interest standard for licensing new liquefied natural gas (LNG) export facilities, it must prioritize consideration of energy affordability and security at the local level – ensuring families and small businesses in Pennsylvania, and across our nation, are able to access and afford safe, stable energy services to power their homes and businesses. Failure to do so would have a further destabilizing impact on local communities across our state.

LNG exports, while good for producers, increases the price that Pennsylvania consumers pay for gas – as well as for electricity generated from gas – by tying that price to more volatile and costly global gas markets. Increased gas exports overseas can have a direct and substantial negative impact on energy affordability for retail consumers at home – especially low and moderate income families, affordable housing providers, and small businesses who already struggle to keep up with the rapidly rising cost of energy. This harm is preventable.

In winter 2022-2023, gas prices increased significantly as a result of global instability, and record levels of gas exports to Europe and China. In the aftermath of this severe price increase, Pennsylvania experienced a 40% increase in the rate of involuntary, payment-related gas terminations over the prior year.^{vii} Low income Pennsylvanians bore the brunt of the impact, with involuntary termination rates increasing 60% year over year for households with income below 150% of the federal poverty level.^{viii} In total, well over 100,000 Pennsylvania households went without essential gas services in 2023, and hundreds of thousands more went without electricity as high gas prices drove high electricity prices in our state.^{ix}

The inability to afford basic energy services can and does have deep and lasting negative impacts, including eviction, condemnation, and long-term housing instability; short and long-term health consequences; family separation; and other costly consequences to the health and wellbeing of household members, neighbors, and communities.

While the Energy Information Administration is predicting relative stability in gas prices for winter 2024-2025, it has explicitly recognized that increased LNG exports will continue to drive increased costs^x - underscoring the ongoing threat that increased exports pose to energy security here at home. If the Department fails to revise the standard of review for new export facilities, future impacts on local energy security may be even more severe, as export capacity is anticipated to double when projects already under construction come online – and would quadruple if pending proposed projects are ultimately approved.^{xi}

As the second-largest gas-producing state, Pennsylvanians are uniquely impacted by increasing gas exports.^{xii} With the promise of ample supply and low prices, hundreds of thousands of families and businesses across the state have switched to gas for heating, cooking, and hot water. Today, nearly 3 million Pennsylvania households – alongside thousands of businesses large and small – are reliant on gas to power their lives and their businesses.^{xiii} However, as explained, increased exports are driving increased instability in gas prices and threatening energy affordability here at home.

Pennsylvania's reliance on gas for electricity production has also increased dramatically over the last decade, as gas is now responsible for producing close to half of all electricity produced in the state – surpassing every other form of generation.^{xiv} Our reliance on gas for electricity production is likely to grow even more pronounced in the short term, as data centers and electrification trends drive increased demand.^{xv}

Despite increasing reliance on gas for home heating and electricity production in our state, there is no mandate that gas remain available to serve Pennsylvania's energy needs – nor any guarantee that it will be able to compete with the world market to ensure enough affordable gas remains available for in-state consumption. We are deeply concerned that approval of new gas export facilities will increase energy insecurity here at home – forcing an increasing number of low and moderate income families to go without essential home energy services.

It is critical for the Department to prioritize the local energy needs of families and businesses. Thus, we urge the Department to revise its public interest standard to include a distributional analysis of retail-level energy prices and energy burdens for residential and commercial customers when determining whether to approve new LNG export facilities. This analysis must be subject to ongoing oversight and periodic review to ensure our evolving home energy needs are met before gas is exported overseas.

We are grateful for the Department's thoughtful consideration of our concerns and our recommendations. We stand ready to assist the Department with its review and urge the Department to establish a strong public interest standard that prioritize energy security for Pennsylvania and other states across the nation.

Sincerely,



Elizabeth R. Marx, Esq.
Executive Director
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101



Patrick M. Cicero, Esq.
Consumer Advocate of Pennsylvania
Pennsylvania Office of Consumer Advocate
555 Walnut Street
Harrisburg, PA 17101



Vikram Patel, Esq.
Managing Attorney, Energy Unit
Community Legal Services of Philadelphia
1424 Chestnut Street
Philadelphia, PA 19102



Phyllis Chamberlain
Executive Director
Housing Alliance of Pennsylvania
1501 Cherry Street
Philadelphia, PA 19102



Beck Moore, MSHR
Chief Executive Officer
Community Action Association of PA
222 Pine Street
Harrisburg, PA 17101



Jenifer Bosco, Esq.
Senior Attorney
Managing Attorney, Energy Unit
National Consumer Law Center
7 Winthrop Square, 4th Floor
Boston, MA 02110

CC: David Turk, Deputy Secretary of Energy

Brad Crabtree, Assistant Secretary for Fossil Energy and Carbon Management

ⁱ The [Pennsylvania Utility Law Project](#) (PULP) is a statewide specialty legal services project of Regional Housing Legal Services. Our mission is to secure just and equitable access to safe and affordable utility services for Pennsylvanians experiencing poverty. We work to achieve this mission by empowering individuals and communities through representation, advocacy, education, and support.

ⁱⁱ The [Pennsylvania Office of Consumer Advocate](#) was established by the Pennsylvania General Assembly in 1976 to represent the consumers of Pennsylvania in matters involving their utility service.

ⁱⁱⁱ [Community Legal Services](#) (CLS) is the largest provider of free civil legal assistance in Philadelphia. Since its founding in 1966, CLS has been providing free legal assistance to more than one million low-income Philadelphians. Through direct legal representation and policy advocacy, the Energy Unit at CLS works to ensure that people have access to affordable water, heat, and electricity in their homes.

^{iv} The [Housing Alliance of Pennsylvania](#) is a statewide coalition working to provide leadership and a common voice for policies, practices, and resources that ensure all Pennsylvanians, especially those with low incomes, have access to safe, decent and affordable homes.

^v [Community Action Association of Pennsylvania](#) empowers and advocates for a statewide network of Community Action Agencies to combat poverty. These agencies, spanning all 67 counties, address Social Determinants of Health through tailored programs guided by Community Needs Assessments to support the most vulnerable populations.

^{vi} Since 1969, the nonprofit [National Consumer Law Center® \(NCLC®\)](#) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people in the United States. NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitative practices, help financially stressed families build and retain wealth, and advance economic fairness.

^{vii} Pa. PUC, Bureau of Consumer Services, Universal Service Programs & Collections Performance: 2023 Report (Sept. 2024), <https://www.puc.pa.gov/media/3195/2023-universal-service-report-final.pdf>.

^{viii} [Id.](#)

^{ix} [Id.](#)

^x EIA, Short-Term Energy Outlook (released Oct. 8, 2024), <https://www.eia.gov/outlooks/steo/?os=app>.

^{xi} FERC, US LNG Export Terminals – Existing, Approved Not Yet Built, and Proposed (Nov. 2024), <https://cms.ferc.gov/media/us-lng-export-terminals-existing-approved-not-yet-built-and-proposed>.

^{xii} EIA, Pennsylvania State Profile and Energy Estimates (December 2023), available at: <https://www.eia.gov/state/?sid=PA>.

^{xiii} Pa. PUC, Bureau of Consumer Services, Universal Service Programs & Collections Performance: 2023 Report (Sept. 2024), <https://www.puc.pa.gov/media/3195/2023-universal-service-report-final.pdf>.

^{xiv} EIA, Pennsylvania State Profile and Energy Estimates (last updated December 21, 2023), <https://www.eia.gov/state/?sid=PA>.

^{xv} See Robert Walton, AI, Data Center Load Could Drive ‘Extraordinary’ Rise in US Electricity Bills, Utility Dive, <https://www.utilitydive.com/news/data-center-load-growth-us-electricity-bills-bain/730691/>.