



May 18, 2016

Secretary Kimberly Bose
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Docket: PennEast Pipeline, FERC Docket CP15-558-000

Dear Secretary Bose:

On behalf of the Marcellus Shale Coalition (MSC), we offer our full support for the proposed PennEast Pipeline Project. The MSC was formed in 2008 and is comprised of approximately 220 natural gas producer, midstream and supply chain members who are fully committed to working with local, state and federal government officials, local communities and other stakeholders to facilitate the development of the natural gas resources in the Marcellus, Utica and related geological formations. Our members represent many of the largest and most active companies in natural gas production, gathering and transmission in the country, as well as the consultants, suppliers and contractors who work with the industry.

The PennEast Pipeline Project is a critical infrastructure project that will deliver vital supplies of clean burning and affordable natural gas to residents, manufacturers and businesses in New Jersey and Pennsylvania. The project will not only fuel business growth, power generators and manufacturers, but will also lead to the creation of good paying jobs accelerating the region to yield about \$1.6 billion of economic impacts.

Without exception, The PennEast Pipeline is essential to meeting the energy needs of citizens and businesses throughout the region. As documented in a recent filing in the PennEast's FERC docket, and despite inaccurate assessments by those opposed to new infrastructure, pipeline capacity in the region is constrained. According to the Energy Information Administration (EIA), "In the Marcellus and Utica plays, production has grown rapidly over the past several years, and infrastructure growth has not kept pace. This is partly because pipeline projects are costly and may take several years to bring online. As a result, there is a large backlog of wells that have been drilled but won't produce until there is available infrastructure or until the price of natural gas increases."

As discussed by Concentric Energy Advisors, natural gas delivery constraints were evident on numerous days during the 2013/2014 and 2014/2015 winters; making energy consumers in Pennsylvania and New Jersey susceptible to natural gas price spikes. These cost differentials between the producing areas and market areas (which PennEast will serve) would not happen if excess capacity truly existed.

Additionally, reinforcing the region's natural gas delivery system with PennEast's capacity will foster economic growth for years to come.

IHS Global Insight (a leading international energy economic research firm) determined that U.S. household incomes have increased by an average of \$1,200 due to the energy savings generated from shale gas development. Locally, Pennsylvania and New Jersey families could see additional savings thanks to PennEast. Analysis shows that in the 2013/2014 winter alone, PennEast's one billion cubic feet per day (Bcfd) capacity could have saved energy consumers more than \$890 million.

Further, national and regional demand is increasing for low-cost natural gas - this is especially true in the power sector. IHS predicts gas demand for power generation in the continental U.S. to increase by 73 percent (16.3 Bcfd) between 2014 and 2025.

Greater natural gas use, and in particular its increased share of the power sector, is also resulting in environmental benefits.

Earlier this month the EIA found that U.S. energy-related carbon dioxide emissions in 2015 are 12 percent below their 2005 levels. EIA writes, "Many of the changes in energy-related carbon dioxide emissions in recent history have occurred in the electric power sector because of the decreased use of coal and the increased use of natural gas for electricity generation."

Families and businesses across Pennsylvania and the region have a once-in-a-lifetime opportunity to leverage the abundant natural gas reserves beneath their feet. However, the opportunity won't be realized without sufficient pipeline infrastructure. For the aforementioned economic and environmental benefits, along with the clear need, I ask for the Commission's support for the PennEast Pipeline.



David Spigelmyer
President
Marcellus Shale Coalition