

## Issue Brief

### S. 1075, The Appalachian Ethane Storage Hub Study Act of 2017

#### **Background**

The Greater Pittsburgh Chamber of Commerce (GPCC) was encouraged by the bipartisan progress towards comprehensive energy modernization policy in the last session of congress. One of the key policy provisions we were supportive of in last session's modernization bills was a key Ethane Storage Study provision. This would have directed the Secretary of Energy and the Secretary of Commerce to conduct a study on the feasibility of establishing an ethane storage and distribution hub in the United States. GPCC is supporting standalone bills that align with the 2016 energy package, including the Appalachian Ethane Storage Hub Study Act of 2017 (S. 1075 or H.R. 2568), which is a bipartisan, tri-state supported bill. In the Senate, the bill is sponsored by Senators Shelley Capito (R-WV), Joe Manchin (D-WV), and Rob Portman (R-OH). In the House, the bill is sponsored by Congressmen David McKinley (R-WV 1), Evan Jenkins (R-WV 3), Bill Johnson (R-OH 6), Alex Mooney (R-WV 2), and Tim Murphy (R-PA 18).

S. 1075 directs the Secretary of Energy and the Secretary of Commerce, in consultation with other relevant federal agencies, to conduct a feasibility study of establishing a subterranean ethane storage and distribution hub in Marcellus, Utica and Rogersville shale plays. The study would include an analysis of potential locations based on favorable geology, economic feasibility and benefits, infrastructure and proximity to production sites and potential industrial consumers.

Since 2011, the Allegheny Conference and affiliates have been leading the push to utilize ethane and other byproducts from the Marcellus Shale to help spur growth of our regional downstream manufacturing sector. In June of 2016, after more than five years working on this strategy, our region welcomed the announcement of Shell Chemical's multibillion dollar investment in Beaver County, Pennsylvania. While Shell's decision is a major milestone in growing our downstream manufacturing base, we must continue to invest in our infrastructure to help create the synergy needed to spur additional growth in this sector.

Earlier this year, Pennsylvania Governor Tom Wolf, Team Pennsylvania Foundation, and the Pennsylvania Department of Community and Economic Development (PA DCED) commissioned a report from IHS Markit, "Prospects to Enhance Pennsylvania's Opportunities in Petrochemical Manufacturing". The report forecasts \$2.7 to \$3.7 billion in investments of natural gas liquid (NGL) assets and a potential for more downstream manufacturing.

#### **Conclusion**

- GPCC supports passage of S. 1075, The Appalachian Ethane Storage Hub Study Act of 2017 and encourages the SWPA delegation to consider co-sponsoring the legislation.

- We also are supportive of tri-state efforts to foster cross state collaboration to bring downstream manufacturing to our region.
- We support the recently released WVU study released ethane storage study.