



Restore Pennsylvania: Downstream Manufacturing, Business Development, and Energy Infrastructure

Pennsylvania has always been an energy powerhouse. Our coal fueled the industrial revolution and our power plants keep lights on throughout the northeast. Over the past decade, Pennsylvania has emerged as a leading state in the production of clean-burning natural gas, and we now outproduce every state but Texas.

Moving forward, we need to make sure we capture the benefits of this prolific resource in Pennsylvania to spur manufacturing and drive job creation in downstream industries.

Royal Dutch Shell is undertaking the largest development project that this commonwealth has ever seen in Beaver County northwest of Pittsburgh. This is the first major project of its kind in the United States built away from the Gulf Coast region in a generation. When the ethane cracker plant opens in the early 2020s, it will produce millions of pounds of plastic pellets, the building blocks for everything from water bottles to airplane parts. To realize the full potential of this massive investment, Pennsylvania needs to seize the opportunity to jump start advanced manufacturing facilities that will take the building blocks and turn them into high value products, employing Pennsylvanians with well paid, family supporting jobs.

To assist existing manufacturers and businesses in Pennsylvania in taking advantage of locally produced natural gas to lower costs, reduce emissions, and power an advanced industrial revolution, Restore Pennsylvania will provide funding for infrastructure to build manufacturing facilities and other downstream businesses that will use our natural gas while helping businesses and individuals use more of our natural gas in their homes, creating jobs, lowering costs, and improving energy efficiency. Restore Pennsylvania also creates a Pipeline Preparedness and Response Fund to fund emergency response training, planning, coordination, communication and implementation, and equipment acquisition.

Infrastructure Challenge being Addressed

When businesses are looking to relocate or expand, they need move-in ready sites. Pad development can be prohibitively expensive, especially for larger manufacturers and company headquarters. Pennsylvania is a prime location for businesses, and we can make it easier for businesses to move and grow in the commonwealth.

While encouraging business growth and downstream manufacturing, we also need to make sure that these facilities can become more energy efficient and competitive by tapping into Pennsylvania's natural gas resources. Manufacturing and industrial businesses that convert to natural gas from other energy sources can save 50% or more on their energy costs. As these costs are frequently one of the largest for energy intensive manufacturers and industrial companies, upgrading from traditional energy sources to high efficiency combined heat and power systems can significantly improve companies' bottom lines, giving Pennsylvania companies an advantage. When combined with micro-grids, these systems can help manufacturers be resilient and self-sufficient.

Description of Proposed Funding Usage

Restore Pennsylvania allocates funding to the Commonwealth Financing Authority for business development and site selection, and for energy efficiency projects.

1. Business in Our Sites Program

Restore Pennsylvania will expand the extremely successful *Business in Our Sites Program* which empowers communities and economic development partners to attract expanding businesses by building an inventory of ready sites. The Program provides grants and loans for the acquisition and development of key sites for future use by businesses, private developers, and others. Eligible applicants include municipalities, redevelopment authorities, municipal authorities, industrial development agencies, and private developers.

Grants and loan funds under Business in Our Sites can be used for projects and activities such as:

- The construction or rehabilitation of storm water drainage systems, sanitary sewer systems, water supply facilities, etc.
- Environmental site assessment and remediation
- Related engineering, design, and inspection cost

Approved projects can use the funding for any site development activities required to make the site shovel-ready. Sites can be previously used property or undeveloped property that is planned and zoned for development including former or underused industrial, commercial, military, mining, railroad, or institutional sites or buildings.

2. Energy Efficiency

- a) Restore Pennsylvania will expand the existing *Alternative and Clean Energy Program*, which provides financial assistance in the form of grants and loans to eligible applicants for the use, development and construction of alternative and clean energy projects in the commonwealth. Businesses, economic development organizations, or municipalities, counties or school districts are eligible to apply.

Funds under the Alternative and Clean Energy Program can be used for clean energy project costs, such as:

- Costs associated with the construction or renovation of a high-performance building
- Installation of equipment to facilitate or improve energy conservation or energy efficiency (including heating, lighting, and cooling equipment)
- Installation of an alternative energy system that produces energy from sources such as biomass, wind energy, and geothermal technologies

Funds can also be used for the construction or development of an alternative energy projection project, such as:

- A facility that produces or distributes energy from sources such as biomass, wind energy, and geothermal technologies
- A facility used for the research and development of technology to provide alternative energy sources or alternative fuels

- b) Restore Pennsylvania will provide funding to the *Natural Gas Infrastructure Development Fund*, which assists in constructing the last few miles of natural gas utility lines to serve business parks, existing manufacturing and industrial enterprises. The goal is to spur the creation of new jobs in the commonwealth while providing access to utility service for residents and businesses. Eligible

applicants include businesses, economic development organizations, hospitals, municipalities, and school districts.

Restore Pennsylvania also creates a *Pipeline Preparedness and Response Fund*, to be established by the Pennsylvania Emergency Management Agency. The fund will be used for the following purposes:

- Funding state-administered emergency response training, planning and coordination for county or municipal employees, volunteer firefighters or volunteer emergency medical technicians.
- Providing grants to counties, municipalities and school districts in which a natural gas or hazardous liquid pipeline is in a high consequence area, as defined by PEMA. The grants shall be for emergency planning, coordination, communication and implementation, training and equipment acquisition.
- Reimbursing the costs incurred by a county or municipality during a response to an emergency relating to pipelines within the county or municipality. The costs may include police and fire protection costs for the county or municipality during the response.