

August 5, 2015 | EssayWorks

The Philadelphia energy hub: A broad vision for all forms of energy



Philadelphia Energy Solutions is the largest oil refining complex on the Eastern seaboard. (Nathaniel Hamilton/for NewsWorks)

Commentary by William R. Sasso and Andrew S. Levine

One of the most exciting developments to happen to the Philadelphia metropolitan economy has been the advent of the availability of large quantities of affordable natural gas from the Marcellus Region, parts of which are within easy driving distance of the city. Investment capital and opportunities are flowing into the region at an unprecedented rate, raising the very real prospect that Philadelphia can become the great energy hub of the northeast, providing credible long-term market competition to the Gulf States.

We have watched shuttered plants revived and shattered labor careers reinvigorated, and Philadelphia Energy Solutions stands at the helm of that revitalization effort. We have the potential for an all-in energy hub dedicated to the enhancement of opportunities related to all forms of energy. Yet some would limit the potential to a very small sector of the

energy world, one with great future promise to be sure, but one with no special connection to Philadelphia at all: wind and solar.

NewsWorks recently posted a purported analysis of the Philadelphia energy hub ("'Clean energy' hub proposal a dirty deal for Pennsylvania environment and economy"), summarily dismissing the entire natural gas world, limiting our future to a tiny fragment of the energy spectrum, and unceremoniously debasing one of the great new companies that has transformed the future of our region, Philadelphia Energy Solutions, and its CEO, Phil Rinaldi, a man who has rescued more than 1,000 jobs for the benefit of greater Philadelphia.

But what is most disturbing about the bizarre leaps of logic in that piece is the shallow analysis underlying

such a monumentally flawed conclusion. The author had no concept of what an energy hub is or should be.

Philadelphia's future is in a diverse mix of energy forms

The main point behind Philadelphia's energy future is its proximity to the Marcellus and Utica shale formations, one of the largest sources of natural gas in the world. The discovery of these formations has Pennsylvania at the center of an international geopolitical energy discussion. Philadelphia has the logistical attributes to achieve greatness in this arena. It can take the resource in its backyard, and parlay that natural asset into entirely new lines of industry and business in the region, including the development of renewable energy sources like solar and wind.

Shale gas drilling, extraction, transportation and consumption have been studied to a fare-thee-well. The [Susquehanna River Basin Commission](#), the [U.S. Environmental Protection Agency](#) and others have found it to be a safe means of deriving the massive amounts of energy required to fulfill our needs for the foreseeable future. Are there opportunities for other forms of energy? Of course, but you don't stop current developments in the hope of chasing rainbows and unicorns in the future.

The truth is — and I know it is an inconvenient truth — shale development can be done in a safe, effective and environmentally responsible manner. Solar and wind also can be developed in an environmentally responsible manner. They are not mutually exclusive by any means, but frankly there is absolutely nothing about Philadelphia and its surrounding region to single us out as having special wind or sunshine attributes, unlike the ready presence of massive quantities of natural gas. This is why the solar industry has concentrated in places like California, Colorado and Hawaii. Notwithstanding the excellence of the show, it is not always sunny in Philadelphia, nor is it an area touted for its breezes. However, the renewable energy industry can flourish in Philadelphia because of a natural gas-based energy hub.

The author goes into detail about perceived risks of natural gas extraction, somehow linking it to lingering carbon emissions from coal. What is most notable in these types of discussions is that the solar and wind lobbyists that draft these pieces carefully avoid any discussion whatsoever about risks and burdens associated with solar and wind.

'No environmental freebies'

Because of the Marcellus shale gas, we can become a hub of great activity in the solar industry in particular. With the natural gas and related liquids available

from our shale gas, we can derive the industrial gasses needed to create solar chips, power the silicon smelters needed to melt the silica required for silicon wafers, and power the heavy equipment needed to mine silica sand, which is indeed abundant in the region, especially in sand-rich New Jersey. Do the solar and wind lobbyists think the solar chips would fall from the sky, or that they would always be made at distant locations so that local solar advocates could keep their white gloves perfectly unstained? Do they think solar chips are made like potato chips?

There are no environmental freebies in the energy universe. Wind and solar, as well as natural gas, can impose significant burdens on the environment, and the [Greater Philadelphia Energy Action Team](#) is committed to the development of a responsible energy hub. The lessons of the old coal industry here, and the old gas industry in the Gulf have not been lost on us. But to summarily dismiss the entire concept as "dirty" smacks merely of a bitter refusal to face reality and opportunity, and represents a dangerous threat to the future of the Philadelphia region.

So, how about a dialog based on science, like the clear data generated by innumerable government studies demonstrating the safety of the shale gas industry or the need for a coal transition. No one on the natural gas side of the discussion is afraid to discuss the environmental controls needed. Yet those who would condemn Philadelphia to a meaningless third-world future in energy, one where we act just as an exporter to the Gulf, have no real vision of their renewable energy hub.

Philadelphia needs to be an all-in, all-inclusive energy hub. We are poised to be the center of energy development in the densely populated Northeast, and finally have a chance to re-infuse our region with jobs and opportunity, and put Philly back where it belongs, at the center of greatness. A natural gas hub will provide for advanced manufacturing, refining, chemical production, and the energy needed to power our future. It will also provide the raw materials for the development of wind and solar technologies. We need to stop talking about excluding opportunities and concocting excuses to take no action, embrace the future unfolding before us, and step up to our status as one of the world's great energy hubs.

—

William R. Sasso, Esq., is chair of [Select Greater Philadelphia](#) and chair of [Stradley Ronon](#). Andrew S. Levine, Esq., is a member of the [Greater Philadelphia Energy Action Team](#) and co-chair of [Stradley Ronon's Environmental Practice Group](#).