

In PA, Residential Gas Customers Pay 40% Less than 10 Years Ago, But Still More than the National Average

Philadelphia, PA—After ten years of gas production in the shale fields, a new study from the Kleinman Center for Energy Policy at the University of Pennsylvania takes a closer look—demonstrating that Pennsylvania’s residential consumers enjoy gas bills that are on average 40 percent lower (than 2007 bills) and that the electric power sector is now the nation and state’s largest gas consumer.

The study, *Pennsylvania’s Gas Decade: Insights into Consumer Pricing Impacts from Shale Gas (2007-2016)*, documents how the infusion of low-cost shale gas into regional energy markets substantially lowered gas commodity prices compared to national prices at the Henry Hub—lowering both gas and power bills for consumers.

The study also found that demand for gas to Pennsylvania’s electric power sector increased 250 percent between 2007 and 2016. Pennsylvania’s natural gas production increased by almost 2,800 percent, which now accounts for 16 percent of national annual gas production.

“In terms of cost, shale gas has been a clear win for consumers,” said Christina Simeone, author of the report and director of policy and external affairs at the Kleinman Center.

However, gas utility delivery rates continued to rise during the past decade, and in 2016, Pennsylvania’s retail residential gas prices still remained above the national average—despite the state’s gas commodity discount.

“Looking forward, an important question is how long will Pennsylvania’s gas discount last?” said Simeone. “Especially in light of the remarkable interest in building new pipeline capacity to move gas out of the state.”

The Kleinman Center study was unveiled and highlighted today at the 2nd Annual Executive Energy Seminar in Hershey, Pennsylvania. The seminar draws the region’s energy industry leaders and policymakers. Simeone shared the podium with other speakers, including Commissioner Robert Powelson, former chair of the Pennsylvania Public Utility Commission (PUC) and current commissioner at the Federal Energy Regulatory Commission and Mauricio Gutierrez, chief executive officer of NRG Energy.



Read the Report:

Get the executive summary or download a complete copy of the report at:

<http://kleinmanenergy.upenn.edu/paper/pennsylvanias-gas-decade>

About the Kleinman Center:

The Kleinman Center for Energy Policy within University of Pennsylvania's School of Design cultivates energy policy innovation and promotes its application—creating opportunities for students, researchers, and professionals to debate viewpoints, explore options, and develop agendas for decision and action.

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