



American Petroleum Institute

Pennsylvania

November 12,  
2025

Rep. Greg Vitali, Chair, PA House Environmental and Natural Resource Protection Committee

Rep. Jack Rader, Republican Chair, PA House Environmental and Natural Resource Protection Committee

**RE: 11/17/25 Public Hearing on HB 1946, Unconventional Well Location Setbacks**

Dear Chairman Vitali, Chairman Rader, and Members of the PA House Environmental and Natural Resource Protection Committee:

The American Petroleum Institute Pennsylvania (API Pennsylvania), a state affiliate office of the American Petroleum Institute (API), represents all segments of America's natural gas and oil industry, which supports nearly 11 million U.S. jobs and is backed by a growing grassroots movement of millions of Americans. Our approximately 600 members produce, process, and distribute the majority of the nation's energy, and participate in [API Energy Excellence®](#), which is accelerating environmental and safety progress by fostering new technologies and transparent reporting. API was formed in 1919 as a standards-setting organization and has developed more than 800 standards to enhance operational and environmental safety, efficiency, and sustainability.

API PA strongly opposes HB 1946 as the increasing well location setbacks as provided for in this legislation would essentially close the door to unconventional natural gas in Pennsylvania by restricting well locations to very limited locations. In fact, an increased setback of 2,500 feet would prohibit production from an area 25 times larger than our current protected areas. Moreover, subjectively expanding setback areas in this manner could unnecessarily inhibit the ability for Pennsylvania residents to produce their subsurface property, in effect, condemning property without just compensation.

Shale-rich Pennsylvania relies on natural gas development to sustain the economy, spur economic development and job growth and provide good jobs that are simply irreplaceable. According to a [new analysis](#) conducted by PwC, the natural gas and oil industry supported 400,000 jobs and contributed over \$77 billion toward Pennsylvania's gross domestic product (GDP), fueling every sector of our economy in 2023. Across the country, natural gas and oil generates nearly \$2.1 trillion, or 8 percent, of the U.S. GDP.

Beyond the billions of dollars injected into our state's economy, the industry supports 93,000 direct natural gas and oil jobs and more than 306,700 indirect jobs – from truck drivers to contractors and manufacturers. To put this in perspective, the total number of jobs supported by industry in Pennsylvania is about equal to four times the capacity of Penn State University's Beaver Stadium.

And, both producing and non-producing regions benefit from Pennsylvania-produced natural gas with increased access to abundant, reliable energy and revenues from the state's impact tax on natural gas wells that funds environmental programs, infrastructure upgrades, parks and trails and other community projects.

Since 2012, our Impact Tax has generated over \$2.88 billion, supporting projects in every single county in the Commonwealth as well as a variety of statewide programs and state government agencies. This is in addition to hundreds of millions in corporate and personal income taxes, royalty payments and a variety of other state revenue generators.

Consider also that between 2010 to 2020, gas-fired generating capacity in Pennsylvania and the rest of PJM Interconnection, surged as utilities and independent power producers responded to a tightening regional electricity market and leveraged abundant natural gas from the Marcellus shale basin. Today, more than half of

our electric power flows from natural gas-fired power plants and with forecasts of rapidly rising electricity demand, which is being driven by advancements in manufacturing, innovations in AI and electrification, demonstrating how Pennsylvania-made natural gas is crucial to powering our future. In fact, in the latest long-term demand outlook, PJM projects that overall power demand across its footprint will jump nearly 60 percent over the next decade. Meeting this demand with affordable and reliable energy would likely be impossible should HB 1946 become law.

Not only is Pennsylvania natural gas helping to meet the surging demand for electricity, but it is also produced under some of the strictest standards and safety protocols in the world. Through the application of proven engineering techniques, industry risk management practices and standards, and a robust state regulatory framework, operators in Pennsylvania have been able to achieve new milestones in energy efficiency, community health and safety, and environmental protection. Simply put, HB 1946 places all of this in jeopardy.

Accordingly, we strongly encourage you to oppose HB 1946.

Sincerely,



Stephanie Catarino Wissman, Executive Director



Jonathan Lutz, Associate Director

C: House Majority Leader Matt Bradford  
House Minority Leader Jesse Topper