

**Rhetoric vs. Reality: Does President Obama Really Support an  
“All-of-the-Above” Energy Strategy?**

Testimony of  
Michael L. Krancer  
Secretary  
Commonwealth of Pennsylvania  
Department of Environmental Protection  
Before the United States House of Representatives  
Committee on Oversight and Government Reform  
Thursday, May 31, 2012

Members of the committee, thank you for the opportunity to provide this testimony on behalf of the Commonwealth of Pennsylvania Department of Environmental Protection.

We are blessed in Pennsylvania to have a very diverse energy generation portfolio: coal, nuclear, natural gas, wind, solar and more. Pennsylvania truly is an energy capital of the country. We have a true “all of the above” energy strategy in Pennsylvania. We are also blessed in this country to have a very diverse domestic energy production portfolio. The United States has all of the resources right here to be the energy production leader of the world.

And make no mistake about it: Energy equals jobs. Every economy needs the most affordable and plentiful energy it can have to sustain itself and to grow. Energy demand is projected to increase 50% worldwide in the next 20 years. The majority of that growth will come from the developing world. 80% of that increased demand will have to be met with hydrocarbon-based energy. This presents us with a daunting task and a tremendous opportunity because we have tremendous domestic energy resources right here in Pennsylvania and in America. You really need ask just three basic questions: (1) do we want energy; (2) do we have it here; and (3) who can develop it in a more environmentally sensitive manner than we here in America?

We have a great domestic energy resource right in Pennsylvania and other states around us—natural gas. The supply we have right here is huge, and the technology to enable us to get it in a safe and environmentally protective manner is here. This fuel is available, abundant, domestic, clean and cheap. And this fuel can provide the path to cleaner air in our urban areas where vehicles now fueled with largely imported oil are the main source of air contaminants. The department I lead oversees the safe development of natural gas.

Pennsylvania’s natural gas extraction has dramatically increased over the past few years, and we are delivering huge amounts of cheap clean fuel to Americans because of our ability to know our state and regulate and oversee the safe conduct of this activity within our state better than anyone. The Energy Information Administration reported on May 23, 2012, that natural gas production in Pennsylvania has quadrupled since 2009, averaging now nearly 3.5 billion cubic feet per day in 2011. See <http://www.eia.gov/todayinenergy/detail.cfm?id=6390>. A copy of the dramatic chart from the EIA is attached as an exhibit. This has, in turn, resulted in what PJM, the largest competitive electric power grid operator covering 13 states and the District of Columbia

from New Jersey to Illinois and over 51,000,000 consumers, has called a massive increase in future gas powered electricity generation. In fact, the PJM capacity auction of May 2012 cleared nearly 5 GW of new gas fired generation capacity. Low gas and electric utility rates for consumers is only one side of the story. The promise for the future is even brighter, as this and other domestic energy sources can unlock an economic renaissance that America can lead.

However, it is distressing to see on the federal level actions that show that there is not a similar commitment to, or even a focus on, an “all of the above” strategy toward domestic energy resources. We also see federal policies and actions which seem to be geared toward picking selected winners and losers in the energy generation market instead of policies which foster a true “all of the above” energy extraction and utilization process. We in Pennsylvania have been frustrated to see at the federal level a negative attitude, even hostility, toward development of domestic energy resources, especially certain resources like coal. We see this manifested in many respects including, but not limited to, our interactions with the federal government in the following areas:

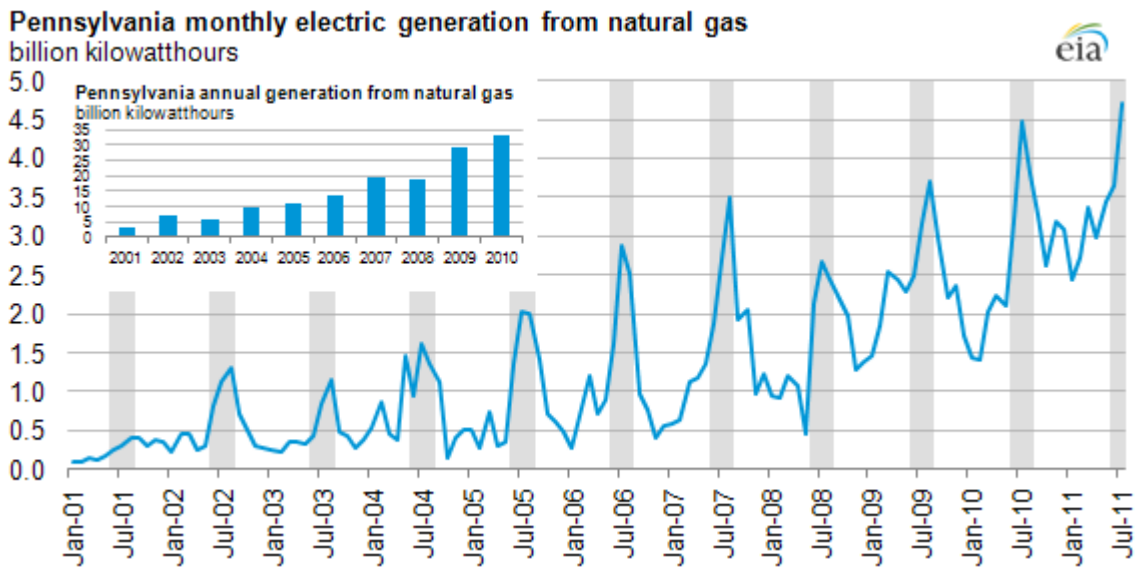
- EPA’s and other federal agency’s treatment of and intervention in hydraulic fracturing
- The Army Corps of Engineers’ increased intervention into infrastructure projects such as natural gas pipelines
- Federal air regulations, such as NAAQS, Utility MACT, the Cross-State Transport Rule and regulation of carbon dioxide
- EPA’s course for the treatment of coal residuals
- EPA’s treatment of coal mining-related water discharge permits
- The federal government’s inability or unwillingness to deal with the issue of disposal of waste from nuclear power plants

I look forward to discussing each of these items in more detail and answering your questions.

Exhibit to Accompany the Testimony of  
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Chart, *Horizontal drilling boosts Pennsylvania's natural gas production, U.S. Energy Information Administration, May 23, 2012.*

<http://www.eia.gov/todayinenergy/detail.cfm?id=6390>



Until he was nominated by Governor Tom Corbett to be Pennsylvania's Secretary of the Department of Environmental Protection (DEP), Mike Krancer was a Judge on the Pennsylvania Environmental Hearing Board (EHB). The EHB is the state-wide trial/appellate court for environmental cases which tries appeals from actions of the DEP. He was first nominated to serve as a Judge on the EHB by Pennsylvania Governor Tom Ridge in October 1999. The Senate of Pennsylvania confirmed the nomination and Mr. Krancer took the oath of office in November 1999. In February 2003, Judge Krancer was named by Pennsylvania Governor Edward G. Rendell as Chief Judge and Chairman. Before becoming a Judge, Mr. Krancer was a litigation partner at the Dilworth and Blank Rome law firms in Philadelphia. His practice involved complex commercial, white collar criminal and environmental litigation. Judge Krancer stepped down from the EHB in April 2007 to devote full time to his candidacy for Justice of the Pennsylvania Supreme Court. Secretary Krancer became an Assistant General Counsel for the Exelon Corporation in June 2008. While with Exelon he provided legal counsel in the areas of environmental, health and safety compliance and litigation. He also worked on energy policy matters and with the company's government relations team. He was asked by Governor Rendell to return to the EHB as a Judge in 2009.

Secretary Krancer serves on the Board of Directors of Inn Dwelling, a non-profit faith-based initiative corporation associated with St. Vincent de Paul Roman Catholic Church located in the Germantown section of Philadelphia, whose mission is capacity-building among disadvantaged families in the Germantown and Northeast sections of Philadelphia. Judge Krancer worked with Inn Dwelling high school students as a volunteer writing skills coach. Judge Krancer also currently serves on the Board of Trustees of Neumann University, a private, Catholic, co-educational University in the Franciscan tradition, located in Aston, Delaware County and was formerly on the Board of the Riverbend Environmental Education Center in Gladwyne. He also served as Vice President of Riverbend.

Secretary Krancer is an active member of the Montgomery Bar Association (MBA) and he has been elected to serve on the Board of Directors and the Executive Committee of the MBA commencing in 2005. He is a former Chairman of the Environmental Law Committee and is an active member of the Municipal Law and Government Relations Committees. He also served on the MBA Judiciary Committee and is a mentor in the MBA mentoring program. He is a frequent faculty lecturer for various Continuing Legal Education programs on various topics including the Pennsylvania Judges' and Attorneys' Code of Civility and lobbying law and practice.

Secretary Krancer is an avid student of Hebrew and Christian Biblical Canon and he has pursued undergraduate and graduate level coursework in theology and biblical studies and exegesis at Villanova University. He is also a student of naval history, especially naval aviation from its dawning through its heyday, the World War II Pacific Campaign. He is a member of the United States Naval Institute and the Navy League of the United States. He is also a Civil War Re-enactor. He is proud to be a Private of the 20<sup>th</sup> Maine Volunteers, Company E (Army of the Potomac, Fifth Corps, First Division, Vincent's Brigade). He has seen "action" at Gettysburg, Stanardsville and Cedar Creek among other engagements.