

**Budget Testimony for**  
**Acting Secretary Jessica Shirley**  
**PA Department of Environmental Protection**

**House Appropriations Committee – Thursday, February 27, 10:00 a.m.**

Thank you, Chair Harris, Chair Struzzi, and members of the House Appropriation Committee, for inviting us here today. I'm Jessica Shirley, the Acting Secretary for the Department of Environmental Protection (DEP). Thank you for the opportunity to present Governor Shapiro's proposed Fiscal Year 2025- 2026 budget for DEP.

DEP's mission is to protect Pennsylvania's air, land, and water and provide for the health and safety of its residents and visitors consistent with the rights and duties established under the Environmental Rights Amendment (Article 1, Section 27 of the Pennsylvania Constitution). We work as partners with individuals, organizations, governments, and businesses to conserve and restore our natural resources and to address all current and future environmental challenges. I'd like to thank our team of more than 2,600 dedicated public servants who work every day to demonstrate this mission and exemplify our values like public service, environmental stewardship, and commitment to customers. We have a tremendous responsibility – overseeing more than 86,000 miles of streams and rivers, more than 217,000 oil and gas wells, 1,924 active coal mines and quarries, and nearly 8,000 drinking water facilities that provide clean, safe drinking water for more than 11.6 million Pennsylvanians.

DEP's vision is to serve as a model environmental agency that moves at the speed of business; leading the way in science, innovation, and best practices, to ensure clean air, land, and water for the health and safety of present and future generations.

This year, DEP's budget request includes \$615,000 to prioritize clean water, providing guidance and direction to reduce agricultural-related runoff and continue improving local water quality in the Chesapeake Bay Watershed. It also includes an additional state investment of \$13 million to support operations within the Oil and Gas Program. These investments further build on the success that DEP has seen in recent years – reducing permit backlogs, improving review timeframes, protecting the environment, and getting stuff done.

**Permitting and Enforcement**

We can see our vision taking shape when we look at the accomplishments achieved in 2024. Demonstrating our commitment to customers, DEP reduced its permit backlog by 83 percent since November 1, 2023 – and has eliminated the backlog of oil and gas permits. DEP reviews around 45,000 permit applications every year, and thanks to the investments made in 2024, DEP continues to modernize its permitting processes. Our goal is to provide three things to permit applicants: certainty, transparency, and efficiency.

DEP has improved permit reviews through the PAYback program, which went into effect in November 2023, and assures a moneyback guarantee for permit applicants if a decision on their application is overdue. Since going into effect, DEP has evaluated and made determinations on more than 52,000 permits without having to refund a single application fee. The PAYback program provides more certainty to permit applicants.

Additionally, DEP's recently launched permit tracker improves an applicant's user experience by allowing them to track the progress of a permit application. As an added benefit, residents can better understand the progress of permits for projects in their communities. The permit tracker provides more transparency in our processes.

There are several initiatives underway to improve efficiency. To continue to move at the speed of business, DEP launched pilot projects in partnership with the County Conservation Districts to reduce processing times for permits. For Chapter 102 Individual National Pollutant Discharge Elimination System Permits and Chapter 105 Water Obstruction and Encroachment General Permits, applicants meet with DEP and County Conservation Districts prior to applying, ensuring that applicants and reviewers are on the same page for scale and scope of a project before a permit is submitted. One Chapter 102 permit application submitted through the pilot program received an approval 73 days quicker than the average review time. Once the Department has gathered more information on the pilot program, we hope it will continue to prove successful, enabling DEP to expand it statewide.

Following the Governor's signing of the 2024-2025 budget, DEP began preparations to implement the Streamlining Permits for Economic Expansion and Economic Development (SPEED) Program. The SPEED program offers increased flexibility, allowing permit applicants to have a DEP-verified, qualified professional conduct the initial review of the application. DEP is currently soliciting bids for contractors to become qualified professionals through the public procurement process and has remained in consistent contact with SPEED legislative partners in the General Assembly to maintain the Department's commitment to a collaborative approach to improving operations.

While the Department has shortened permit reviews across the agency, we have remained committed to environmental justice. Since the implementation of the Environmental Justice (EJ) Policy, DEP received 294 permits in EJ areas, and 29 projects received public participation by the Office of Environmental Justice. No projects were delayed because of the implementation of the EJ Policy and its enhanced public participation.

DEP's responsibilities extend beyond just permits. Each of those permits also represents a facility that requires regular inspection to ensure permittees are complying with permit conditions and regulations and are not impermissibly contributing to pollution in Pennsylvania. In 2024, DEP conducted over 107,000 inspections and the Oil and Gas program conducted more than 48,000 of those inspections – 4,000 more than in 2023 and the most in program history. And for the first time in decades, our Dam Safety program inspected all 741 of Pennsylvania's high-hazard dams. With compliance as our shared goal, storage tank staff increased compliance rates for operators of underground storage tanks by 10 percent, raising compliance for underground operators to 80 percent and among the top performing states in the nation.

These inspections ensure that air emissions stay within air quality standards, drinking water remains safe, and our rivers and streams are protected from pollution. They also encourage industry to invest in technologies, training, and practices to comply with regulations and level the playing field for companies that are working in good faith to comply with state rules and promote environmental stewardship. Between January 1 and December 15, 2024, DEP conducted 107,284 inspections, identified 35,237 violations, and resolved 32,699 of them, including some from 2023.

### **Responding to Environmental Emergencies**

Overseeing the Commonwealth's environmental protection is a responsibility that extends beyond the Monday-through-Friday, 8-AM-to-5-PM workday. DEP has emergency response personnel in all six DEP regional offices, along with additional trained staff, to respond to environmental emergencies 24 hours a day, seven days a week. These emergencies can range from relatively benign traffic accidents with some leaking fuels to major incidents, like the plane crash in northern Philadelphia and flood recovery from Tropical Storm Debby.

DEP Emergency Response Team members arrive on scene to direct immediate cleanup efforts when there is a threat to the environment, such as installing absorbent pads and protective booms to contain water contamination and prevent it from reaching a larger stream or river. They remain on scene until the immediate concerns are over and guide other DEP staff on the extent of land or water affected by the emergency to help with cleanup and recovery.

Examples abound of emergencies the Department has responded to all across Pennsylvania. Emergency activities in the past few months include ongoing cleanup and investigation of an oil spill in the Allegheny River in Venango County, an explosion at a chemical factory in Crawford County, coordinating air quality monitoring near a coal seam fire in Columbia County, and a train derailment in Northampton County involving multiple locomotive engines that fell into the Lehigh River. These responses can take days and require quick thinking and decision-making throughout the response. DEP's Emergency Response Team personnel embody DEP's vision of environmental protection and commitment to the health and safety of the people of Pennsylvania, even in disastrous circumstances.

### **Investments in Infrastructure**

Many DEP programs rely on cooperation and funding from the federal government, from Safe Drinking Water to reclaiming abandoned mine lands and plugging orphaned and abandoned oil and gas wells. Federal grant programs provide assurances for communities that their water will be safe and that electricity will be reliable. The federal statutes, the Infrastructure, Investment, and Jobs Act (IIJA) and the Inflation Reduction Act (IRA), both have programs that provide funding for DEP activities. The programs funded by these laws represent hundreds of millions of dollars invested into Pennsylvania farms, businesses, and communities.

Governor Shapiro has taken action to ensure that these critical funds are available to Pennsylvania. We are continuing to execute the programs that we have been charged with, and we continue to honor the agreements Pennsylvania has entered into. We expect the federal government to honor its legal obligations to the Commonwealth.

One of the major success stories of the IJA has been the Orphan and Abandoned Well Plugging program. Prior to IJA funding, DEP was only able to plug a few wells per year – usually those that presented immediate threats to human health and the environment. However, every orphaned or abandoned well is an environmental emergency waiting to happen, and through IJA funding, DEP has begun making a dent in the more than 27,000 identified orphan wells in Pennsylvania. Between federal and state funding, DEP has plugged or is under contract to plug nearly 300 wells since the beginning of the Shapiro Administration, with the 300<sup>th</sup> well just around the corner.

In August 2024, the U.S. Department of the Interior approved Pennsylvania's Formula Grant application and awarded the Commonwealth \$76.4 million to plug abandoned wells over the next five years. Using the availability of those funds, DEP opened the Orphan Well Plugging Grant Program, a \$16.2 million grant program to reimburse qualified well pluggers for plugging up to five orphan oil and gas wells. To date, DEP conditionally approved 30 applications, representing 148 wells in total and is awaiting approval of these projects by the U.S. Department of the Interior.

DEP opened two new grant programs with \$13 million in funding under the Methane Emissions Reduction Program (MERP), part of the IRA. The two programs are the MERP "Small Operator Assistance Grant" (open to operators with 10 or fewer wells, including "home use" wells) and "General Assistance Grant" (open to operators with 11 or more wells). MERP grant awards are available on a competitive basis to plug "marginal conventional wells" – active wells that produce negligible, if any, amounts of oil or gas. Eligible applicants include operators, qualified well pluggers, or third parties. To date, 41 applications have been received, 10 in the "small operator" category and 31 in the "general" category. Because these are competitive grants, DEP is prioritizing these projects for final approval by the U.S. Department of Energy.

The IJA also provides resources for Pennsylvania to reclaim lands scarred by coal mining generations ago. Pennsylvania has the largest inventory of abandoned mines in the nation. To date, Pennsylvania has rehabilitated more than 151,000 acres abandoned mine lands, but more than 300,000 acres of abandoned coal mine lands remain across the Commonwealth. The federal funding from the IJA will allow the Commonwealth to reclaim approximately 24,000 acres of abandoned mine land and construct or maintain 16 water treatment systems that deal with toxic runoff from abandoned mines. Since the law was passed in 2022, DEP has received \$734.6 million, including nearly \$245 million in 2024. Reclaiming and restoring abandoned mine lands (AML) and treating abandoned mine discharges (AMD) helps eliminate environmental hazards, restore once-dead streams, and place reclaimed land back into productive economic use. These funds are also used to address emergency situations related to abandoned mines. DEP responds to an average of 60 AML emergencies a year, with approximately 90% of those projects involving mine subsidence.

During calendar year 2024, a total of 117 AML projects were completed totaling 85 acres. This included both emergency and non-emergency projects covering a broad range of AML problem types including dangerous highwalls, mine void stabilization to protect structures from subsidence, deep mine shafts, entries, and vertical openings into underground mines, and addressing abandoned mine drainage.

Federal grant programs are also being put to work, saving money for municipal governments and improving the lives of Pennsylvania residents. In 2024, DEP awarded more than \$15 million in grants to improve electric grid resilience and reliability. Over 57,000 Pennsylvanians in 18 mainly rural counties will experience significant improvements in electric grid resilience and reliability through the projects selected to receive the first round of awards.

DEP also helped 22 local governments identify \$2.8 million in energy savings and cut 10,000 metric tons of annual greenhouse gas emissions through the Shared Energy Manager Program. In addition, DEP has awarded almost \$2 million in grants through the Municipal Opportunities for Retrofits and Energy Efficiency (MORE) program to help local governments improve energy efficiency in their buildings and facilities. All 42 applications received through the MORE program were funded; of which, 16 communities were disadvantaged communities and PA Act 47 defined “financially distressed municipalities”. Through a partnership between the Pennsylvania Energy Development Authority and a financing partner, the MORE program is also offering \$9 million in loans for municipalities to pursue low- or no-interest financing for further upgrades and retrofits.

Infrastructure investments are also helping communities guarantee clean, safe drinking water for Pennsylvanians. Through January 2025, PENNVEST has awarded nearly \$450 million to support removal of lead service lines and \$134 million to support removal of PFAS chemicals from public drinking water systems across the Commonwealth.

### **Protecting Pennsylvanians from PFAS “Forever Chemicals”**

DEP has been at the forefront of addressing Per- and polyfluoroalkyl substance (PFAS) contamination in drinking water, ensuring the safety and health of communities across the state. In 2023, DEP instituted Maximum Contaminant Levels (MCLs) for PFOS set at 18 parts per trillion (ppt) and for PFOA at 14 ppt. These standards are in place years ahead of federal MCLs and are giving Pennsylvania Public Water Systems a leg up for compliance with federal regulations that are set to be enforced in 2029.

DEP works diligently with municipalities that experience exceedances to notify the public, address local concerns, and develop effective remediation plans. This includes providing technical support and guiding local leaders through treatment options. The DEP also plays a critical role in identifying sources of PFAS and addressing contamination through site cleanups, all while actively securing funding to bolster these efforts.

DEP’s proactive approach is delivering measurable results. In Q4 of 2024, while several public water systems had exceedances for PFOS and PFOA, the department's diligent work ensured that **99%** of public

water systems serving over 350 customers met testing requirements. The funding secured for PFAS projects across the state has already made a significant impact, with \$134 million secured since 2017. With \$111 million in grants and low interest loans given to public water systems in the last 3 years alone. This funding has gone to 21 communities since 2017 allowing the public water systems to install filtration systems to manage PFAS issues. With the expansion of testing to all public water systems in 2025, DEP continues to lead the way in safeguarding Pennsylvania's water resources. These efforts underscore the Department's commitment to public health and environmental stewardship, making significant strides toward reducing PFAS contamination and ensuring cleaner, safer drinking water for all Pennsylvanians.

### **Chesapeake Bay Watershed Restoration**

This year, the Upper Chesapeake Bay, fed by the Susquehanna River from Pennsylvania, was awarded its highest grade since reporting began, showing substantial improvement from the prior year. This progress is the result of successful agency collaborations, strong partnerships, and sustained investments throughout the Susquehanna River watershed and beyond. The \$615,000 requested in this year's budget will build on that success, by bringing on additional staff capacity to help farmers and landowners reduce runoff pollution and improve local water quality.

Pennsylvania made notable strides in improving water quality, with significant reductions in nitrogen and phosphorus levels. These efforts are critical to improving the overall health of the Bay's ecosystem. The DEP has also made substantial progress in working with agricultural stakeholders to implement best management practices, such as cover crops, riparian buffers, and nutrient management plans, which are key to reducing nutrient pollution.

Through DEP's leadership, we provide coordination and support in collaboration with other state agencies, local governments, and stakeholders, while we continue to work toward meeting the Bay's water quality goals. Despite challenges like climate change, we are steadily improving in areas that directly impact the Bay's overall health. The DEP is also using the report card to hold stakeholders accountable and ensure progress in nutrient reduction as part of Pennsylvania's commitment to the Chesapeake Bay Program.

### **RISE PA**

DEP will soon launch the Reducing Industrial Sector Emissions in Pennsylvania (RISE PA) program - an initiative that will reduce air pollution from industrial facilities while lowering operating costs and creating jobs installing new energy efficient equipment. Additionally, this program will encourage jobs for the people that live in nearby communities, growing local economies while improving air quality.

RISE PA is an innovative \$396 million statewide industrial decarbonization grant program funded through the U.S. Environmental Protection Agency's (EPA) Climate Pollution Reduction Grants under the IRA. The

purpose of this program is to offer grants for small-, medium-, and large-scale decarbonization projects at industrial facilities across the Commonwealth to reduce greenhouse gas (GHG) and co-pollutant emissions. DEP is still working to set up the program and anticipates opening the application window in Q1 of 2025.

As a flagship, first-in-the-country endeavor, RISE PA will deliver real economic and environmental benefits to Pennsylvania residents and position the Commonwealth as a national climate leader. RISE PA is focused on reducing emissions from Pennsylvania's industrial sector - the highest-emitting sector statewide, accounting for just over 30% of Pennsylvania's total GHG emissions. By funding innovative industrial projects, RISE PA has the potential to eliminate millions of tons of GHG emissions, create thousands of good-paying jobs, and increase Pennsylvania's manufacturing competitiveness while reducing operating expenses.

The Lightning Plan and RISE PA address all three major sources of greenhouse gases in Pennsylvania – industry, electricity generation, and transportation. The reinvention of the Alternative Energy Portfolio Standard proposed in the Lightning Plan will encourage more development in Pennsylvania, and the RESET Board will ensure development leads to steel in the ground and projects actually getting built, creating good-paying jobs and reducing air pollution. Implementing these programs would mean more energy, more reliability for that energy, and less pollution.

Additionally, the department is dedicated to ensuring that these initiatives are carried out in a way that balances growth with environmental protection. The creation of new clean energy jobs and the potential cost savings for consumers offer a unique opportunity to drive economic development while maintaining a commitment to sustainability. We look forward to working in collaboration with state agencies, local governments, and industry stakeholders to ensure that the goals set forth in the energy plan are met responsibly, with thoughtful consideration of both environmental impacts and the needs of Pennsylvania's communities.

### **Energy in Pennsylvania**

Pennsylvania has a long legacy as a national energy leader. Throughout history, the Commonwealth has been one of the nation's top energy producers, embracing innovation to create jobs, lower costs, and drive progress. However, energy consumption is rising in Pennsylvania and around the world; we are facing more extreme weather events, testing the limits of the energy grid; and utility costs are rising as a result of global instability and foreign wars.

We need to take action, and Governor Shapiro's "Lightning Plan" represents a critical step toward achieving Pennsylvania's energy goals. The Governor's plan is focused on building more energy projects here in Pennsylvania, increasing rebates for energy efficient appliances that will help lower household energy costs, and allowing communities to come together and collectively reduce utility bills with shared energy resources through Community Energy. The Governor's plan also calls for updating our outdated energy portfolio standards and allowing Pennsylvania to determine its own energy future with a PA-

specific cap and invest program, with the proceeds going towards reducing Pennsylvanians' energy bills. If passed, the Lightning Plan will create energy jobs, lower costs for consumers, and protect Pennsylvania from global instability by building next generation power. DEP looks forward to working with the General Assembly to ensure that Pennsylvania's energy statutes and regulations are aligned with 21<sup>st</sup> century energy sources and needs.

### **Closing**

At DEP, we value public service, environmental stewardship, commitment to customers, excellence and continuous improvement, communication, and accountability. We are continuing to deliver for the people and businesses of Pennsylvania – through timely permit decisions that keep the economy running and inspections and enforcement actions that guarantee that we all have the safe, clean environment that we deserve. These accomplishments would not be possible without the dedication of our whole agency, and we will continue to push the boundaries of what we can achieve together as we work to fulfill our mission to protect Pennsylvania's air, land, and water and provide for the health and safety of its residents and visitors.