

PA Senate Environmental Resources and Energy

Testimony – Robert Dewechter – May 1, 2023

Good Morning Chairman Yaw, Chairwoman Committa and Committee Members, Thank you for the opportunity to speak with you today about the importance of natural gas to Pennsylvania's power grid.

My name is Robert Dewechter, I work for Cogentrix Energy where I am the Regional Vice President for our power plant facilities in the PJM region. This includes two power plants in Pennsylvania – the Liberty plant in Towanda, Bradford County and the Patriot plant in Montgomery, Lycoming County.

I have been in the energy industry for over 35 years, holding various engineering, operations and executive management positions, covering a broad range of power generating facilities from natural gas and oil fired plants, to nuclear plants, district energy systems, hydroelectric, wind and solar energy.

Today, I would like to focus on the operation of our Liberty and Patriot plants, also known as the Hamilton portfolio. These are natural gas-fired facilities and each of these two plants contains two identical generating trains that together produce nearly 900 MW of output from each plant, combined that's enough electricity to power over 1 million homes. These plants use advanced Gas Turbines and generating equipment designed by Siemens Corporation that produces power with high efficiency and top tier reliability to serve the PJM electric grid.

[Last month, the Patriot plant was featured in Power Engineering magazine for a gas turbine upgrade project that was completed in 2021 that added another 30 MW of output from one of the units at the Patriot plant. The upgrade will also be implemented at the other three units at the plants in 2025 and 2026.] – I will have copy of magazine for reference.

In addition to generating large amounts of electricity for the PJM region and its customers, our plants are also integral parts of the local community and very much drive the local economy. Our Hamilton plants provide high-skilled, well-paying jobs for 27 full-time positions at each plant and employ up to 100 additional contractor employees during maintenance outages. The plants spend over \$25 million per year in operating expenses. Also, since taking ownership in June 2020, we have invested over \$43 million in major maintenance, plant upgrades and improvements at the facilities. The plants are a major source of property tax revenue for their local townships and counties, with the plants paying a total of almost \$900,000 per year in property taxes. Numerous local charities and service organizations also benefit from generous donations and sponsorships provided by the plants each year.

As we all know, the PJM grid experienced a cold weather event on December 23rd and 24th of last year, known as Winter Storm Elliott. The storm brought with it a significant, rapid drop in temperature that created issues throughout PJM. Grid system operations were impacted, gas supply pipelines were impacted, and generating plants were impacted.

One aspect reinforced during Winter Storm Elliott is the critical role that natural gas plays in the reliability of the PJM grid, and how important it is to properly coordinate gas supply with power generation. Generators evaluate market conditions on a daily basis, and each morning we nominate (buy) gas from our gas suppliers, and submit power sales offers to PJM, for the next day. This is known as

“Day Ahead” offers. If selected or “picked up” by PJM, the plant is notified that afternoon with a schedule of when the plant is to run the next day.

In the case of our Hamilton plants, due to the high efficiency and reliability of the plants, coupled with strong gas supply economics in the PA Marcellus gas region, our Liberty and Patriot plants run pretty much every day of the year. So think about the power output from these two “baseloaded” plants – outside of a Spring and Fall maintenance outage that is conducted each year, these plants send a combined 14.4 million MWh of electricity to the PJM grid and its customers every year.

And all of this is only possible through the supply of natural gas to these facilities. So back to Winter Storm Elliott – both plants operated continuously throughout the event. Our gas supply remained intact and deliverable, and the plants did not experience any equipment issues or freeze-ups. We are very fortunate to have this large natural gas supply here in Pennsylvania that has a positive impact on the state and the region. Other states are not as fortunate.

Natural gas will continue to play a key role as more and more renewable energy and other zero-carbon power generation technologies get added to the grid. Plants like Liberty and Patriot are needed to ensure that these new resources can be integrated reliably, because these thermal plants can accommodate the intermittent nature of wind and solar resources. We can quickly and reliably provide power when the wind isn’t blowing and the sun isn’t shining. In closing, plants like Liberty and Patriot form a critical link to a secure energy future for Pennsylvania and PJM as a whole.

Thank you for your time this morning.