

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 140869)

RESOLUTION

Authorizing City Council's Committee of the Whole to hold hearings to fully explore opportunities to further establish the Philadelphia region as an energy hub.

WHEREAS, In July 2010 the Nutter Administration began pursuit of an effort to privatize the Philadelphia Gas Works (PGW) with no public hearings and no input of the City Council of Philadelphia; and

WHEREAS, In February 2012 the Nutter Administration released a commissioned study by Lazard Frères & Co. LLC on strategic options for PGW, including but not limited to sale to a private entity; and

WHEREAS, In August 2012 the Administration retained investment banking firms, law firms, public relations firms, and lobbying firms as part of a decision to pursue privatization of PGW that was made outside of public view and without the input of City Council; and

WHEREAS, In March 2014 the Administration announced an agreement to sell PGW to Connecticut-based UIL Holdings Corp., a private shareholder-owned corporation, which had been entered into outside of public view and without the input of City Council; and

WHEREAS, In mid April 2014 the Administration began to make available on a confidential basis some documents and materials related to the bidding process and Asset Purchase Agreement (APA) between the Administration and UIL; and

WHEREAS, The APA, which was entered into outside of the view of the public and of City Council, contains numerous complex provisions agreed to by the Administration with no opportunity for the public or City Council to have input into the terms of the APA; and

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WHEREAS, Following exhaustive review, City Council determined the Administration's agreement to sell PGW excluded the possibility for the City to utilize PGW to capture the upside benefits of the growth in energy economy opportunities and was insufficiently beneficial to the City of Philadelphia and its residents; and

WHEREAS, Over the last five years, the energy industry in Pennsylvania has experienced substantial growth due to the significant development of the Marcellus Shale; and

WHEREAS, The Philadelphia region is in close proximity to the Marcellus Shale and also strategically located in the Northeast section of the United States, as it sits at the center of one of the most integrated transportation system in the country, including sea ports, three Class 1 railroads, and a vast network of major interstate highways providing direct access to the country's interior. This location allows the region to effortlessly transport raw and processed products domestically and internationally; and

WHEREAS, As a result of the development of technology that allows for the extraction of Shale gas and natural gas liquids (NGL) and the significant production of natural gas from the Marcellus Shale formation, the greater Philadelphia region is poised to become a national leader in energy production, resources, and innovation, and to be a significant center of energy production, thereby attracting businesses, advancing manufacturing activity, reducing consumer costs, and promoting sustainable economic growth due to lower energy costs; and

WHEREAS, The associated safety, environmental protection, and zoning issues are critically important to the consideration of the future of PGW and to the energy economy, particularly in the densely populated Philadelphia region, and must also be responsibly addressed in efforts to establish it as an energy hub; and

WHEREAS, Through responsible energy expansion in the Philadelphia region, manufacturing, professional services, higher education, and technology sectors all stand to benefit from the demand that will be created to foster this emerging industry; and

WHEREAS, As the owner of PGW, the City is well positioned to participate in and promote the development of the Philadelphia region into an energy hub. PGW would do this by repositioning itself to use existing and new resources to attract new customers and support the new energy markets. This would include opportunities to diversify its gas supply portfolio with natural gas sourced from the Marcellus Shale; expand the liquefaction, storage and sale of natural gas using its existing and expanded Liquefied Natural Gas (LNG) facilities; facilitate the development of Natural Gas Vehicle (NGV) markets by serving as a provider of uncompressed and liquefied natural gas; collaborate with energy industry workforce training programs; and promote energy efficiency measures for commercial and industrial customers; and

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WHEREAS, If allowed to realize its full potential, PGW, as a municipal asset, could generate substantial returns that would enhance its stable financial condition and benefit customers through lower costs while serving as an anchor for energy development in the Philadelphia region; and

WHEREAS, All stakeholders in the Philadelphia region should join in optimizing the benefits of its unique geographic, logistical, human, and manufacturing resources, including exploring how public-private partnerships might enable us to take full advantage of the burgeoning opportunities presented by the natural gas industry; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That City Council's Committee of the Whole is authorized to hold hearings to fully explore opportunities to further establish the City of Philadelphia and the region as an energy hub.

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CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the thirtieth day of October, 2014.

Darrell L. Clarke
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Jones for Council President Clarke

Sponsored by: Councilmembers Jones, Tasco, Oh, Reynolds Brown, Greenlee, Jones, O'Neill, Johnson and Quiñones Sánchez