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PRESS RELEASE

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Philadelphia Gas Commissioners Approve \$213 Million Capital Budget for PGW Next Year

Total funding includes \$5 million to conduct engineering and environmental studies on the Port Richmond Liquefier that Provides Liquefied Natural Gas

PHILADELPHIA – The Philadelphia Gas Commissioners today voted unanimously to approve \$213 million for PGW’s capital budget, recommending that City Council authorize the amount for the upcoming fiscal year.

The amount is almost \$180 million less than what PGW requested due to several outstanding questions surrounding the existing Port Richmond Liquid Natural Gas (LNG) liquefier. The funding allocation for replacing the liquefier was removed from the approved budget.

According to City Controller Christy Brady, Chair, and Councilmember Mike Driscoll, Vice-Chair of the Philadelphia Gas Commission, the commission does not have sufficient information about the liquefier to allow the Commissioners to approve PGW’s funding request.

“We need a fuller picture of the proposed LNG liquefier replacement before moving forward with the approval of PGW’s \$182 million cost estimate,” said Brady. “It hasn’t been shown that the replacement project was ready and lacked important details such as design plans and the total costs to ratepayers.”

“While the staff recommendation recognized that the Richmond liquefier is approaching the later stages of its operational lifespan, we have a responsibility to ratepayers and residents to make decisions based on complete and transparent information,” said Driscoll. “We will carry out the necessary due diligence and studies to ensure we have all the information needed to make an informed decision moving forward.”

The recommended Fiscal Year 2027 Capital Budget includes \$5 million to conduct engineering and environmental studies on the Port Richmond Liquefier. The studies will evaluate the liquefier’s current condition, structural integrity, operational efficiency, and remaining useful life along with emissions and air quality effects.

In addition, PGW indicated it has engaged in negotiations with an undisclosed private entity on a potential public-private partnership regarding an independent project which could result in little to no cost to PGW for the place of the LNG liquefier.

“The uncertain status of PGW’s discussions with a private entity raises more questions that must be answered before we can responsibly approve a project of this scale,” said Brady.

While there is more information sought by the Commissioners, the Gas Commission staff agreed with PGW that there is a need for a larger liquefier and was provided with an explanation for how the calculation was determined.

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