

## **Mariner East Project to Generate Over \$9 Billion in Economic Impacts in Pennsylvania, as Reported in New Study by Econsult Solutions, Inc.**

### **Economic Impact More Than Double What Was Originally Projected**

**PHILADELPHIA, January 8, 2018** – A [new report](#) released today by the Philadelphia-based economic consulting firm [Econsult Solutions, Inc.](#) (ESI) finds that the Mariner East pipeline project will generate more than \$9 billion for the Pennsylvania economy during construction, support 9,500 construction jobs annually over a six-year period, and sustain up to 530 permanent jobs when complete.

This economic impact of construction is more than double what was originally estimated by ESI in 2015 for the Mariner East 1 and Mariner East 2 pipelines, due to the significant expansion of construction and operations associated with the Mariner East project, including improvements at the Marcus Hook Industrial Complex (MHIC). Commissioned by Sunoco Pipeline L.P. and its parent company, Energy Transfer Partners, L.P., the study details the economic impacts from both the construction and operations of the Mariner East pipelines and associated improvements at MHIC, including a fractionation facility associated with Energy Transfer's Revolution Project.

In 2015, ESI estimated the economic impact of Sunoco Logistics' Mariner East project based on the original project scope. However, the project's potential economic impact has substantially increased due to changes in the project scope and the introduction of an additional phase.

"The revival of MHIC via the Mariner East pipelines demonstrates the tremendous capacity for energy production in southeastern Pennsylvania," commented ESI President and Principal Stephen P. Mullin. "Through Energy Transfer Partners' ingenuity in transporting the vast supply of natural resources like propane from the Marcellus shale, Pennsylvania has become a leader in distribution of natural gas liquids (NGLs), providing a platform for increased business and job opportunities in the region."

Key findings of the new report include:

- Construction will support 57,070 direct, indirect and induced jobs between 2014 and 2019 (9,500 jobs annually) with earnings of \$2.7 billion impacting multiple industries (versus 30,100 jobs and \$1.9 billion forecast in 2015).
- The construction of the Mariner East projects is estimated to generate a potential one-time economic impact of nearly \$9.1 billion in the Commonwealth, more than double of what was projected in 2015 (\$4.2 billion).
- Construction expenditures will generate estimated one-time tax revenues of \$122 million to the Commonwealth over the length of the construction period from the direct, indirect, and induced economic activity.
- By 2020 the Mariner East projects, the fractionation facility and the associated improvements at MHIC will produce between \$140 and \$210 million of ongoing annual economic impacts in the Commonwealth, supporting between 360 and 530 direct, indirect, and induced jobs with annual earnings between \$30 and \$45 million.
- Local impacts include more than \$7 million annually in property taxes to municipalities and a school district in Delaware County. The combined property tax paid to Chichester School

District, Marcus Hook Borough and Delaware County is expected to triple once the pipeline is in operation.

“The expansion of the Mariner East project is quite remarkable as compared to the version we analyzed just three years ago,” said Andrea L. Mannino, ESI Director of the 2015 and 2018 studies. “Along with the introduction of the fractionation facility at Marcus Hook, the scale of the overall investment is creating meaningful local tax revenues and regional economic impacts.”

In addition, the report provides insights into the evolving energy landscape of Pennsylvania and the rise of natural gas liquids (NGLs), such as butane, ethane, and propane, whose production has increased and is forecasted to continue to increase in the U.S. It projects that the expansion of the Mariner East pipelines and the introduction of the Revolution Project will boost the transportation, storage, and distribution capacity of NGLs in southeastern Pennsylvania, creating a supply for home and commercial heating as well as manufacturing and industrial feedstocks. In Pennsylvania, Mariner East will provide ethane for power generation and industrial applications, propane for heating, and butane for gasoline production.

Additionally, MHIC has become the major distribution center for NGLs from the Marcellus shale, and is creating new opportunities for the U.S. economy. The report anticipates that the transition of MHIC from an oil refinery to an NGL transport and processing center will have economic effects beyond the boundaries of the Mariner East pipelines and MHIC, giving the Commonwealth the opportunity to regain some of its prominence as a manufacturing center.

To estimate the economic impacts, ESI developed a customized model using IMPLAN, an industry standard input-output modeling system. For the purposes of this report, economic impacts were measured at the Commonwealth’s economy level. The firm also created a fiscal impact model to translate total economic impacts into their commensurate tax revenue gains in the Commonwealth of Pennsylvania.

For a more extensive look at the report, visit <http://www.econsultsolutions.com/report/potential-economic-impacts-of-mariner-east-pipelines>

#### **About Econsult Solutions, Inc. (ESI)**

Econsult Solutions, Inc. (ESI). ESI is a Philadelphia-based economic consulting firm. It provides businesses and public policy makers with economic consulting services in urban economics, real estate economics, transportation, public infrastructure, economic development, public policy and finance, community and neighborhood development, and planning, as well as expert witness services in support of litigation.

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