

DEPARTMENT OF ENVIRONMENTAL PROTECTION & DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES BUDGET HEARING WRAP Monday, March 2, 2026



General Overview:

Pennsylvania Department of Environmental Protection (DEP) Acting Secretary Jessica Shirley, Department of Conservation and Natural Resources (DCNR) Secretary Cindy Dunn, and senior staff from both departments testified before the House Appropriations Committee today. House Republicans again were disappointed that DEP and DCNR were consolidated into one hearing, given both departments' significant impact on Pennsylvania's economy and the energy industry. Keeping energy costs low is important in ensuring affordability for Pennsylvanians. House Republicans pressed DEP on the need to increase baseload energy production from coal, natural gas, and nuclear power to decrease energy costs. House Republicans asked DEP about the implementation of permitting reform included in the FY 2025-26 budget, how we can create certainty in the permitting process moving forward, and shared concerns about grid reliability. With DCNR, House Republicans inquired about the proposal to shift operating costs from the Oil and Gas Lease Fund to the General Fund. Members shared that they believe natural gas development can be done safely and sustainably under state lands to provide needed revenue.

Key Takeaways (DEP):

- The Governor is proposing total General Fund spending of \$291.0 million, an overall increase of \$44.4 million, or 18.0%, for DEP.
- House Republicans believe affordability begins with energy costs. Committee members pressed DEP on the need to embrace coal, natural gas, and nuclear base load power generation.
- House Republicans noted the success they have seen with the expansion of the Streamlining Permits for Economic Expansion and Development (SPEED) program.
 - The committee was informed that DEP is working closely with the Governor's Office of Transformation and Opportunity (OTO) to implement legislatively required reforms and tracking.
- Members inquired if the \$100 million "Federal Response Fund" would be used for DEP. Secretary Shirley indicated this fund would be discretionary, and could not confirm with certainty that the funding would be directed to DEP.
- Data center development presents Pennsylvania with tremendous economic opportunities. These opportunities also present some challenges that must be addressed.
 - Members shared that they want to see permitting reform continue to move in a positive direction and not unduly delay projects.
 - Anticipated development also means that the Commonwealth will need to increase the supply of baseload power by supporting ALL forms of energy generation.

Key Takeaways (DCNR):

- The Governor is proposing total General Fund spending of \$182.8 million, which is an overall increase of \$56.1 million, or 44.3%, for DCNR.
 - Part of this increase is due in part to shifting some operational funding from the Oil and Gas Lease Fund back to the General Fund.
- House Republicans expressed concerns that DCNR is not working effectively with the energy industry to ensure the Oil and Gas Lease Fund remains a viable funding stream for the department.
 - DCNR claims the moratorium on new oil and gas leases on state lands is not hindering the fund's growth; however, House Republicans believe DCNR should explore additional drilling options.

Notable Q&A:



Chairman Struzzi wraps up the hearing by discussing natural gas development with DCNR and asks DEP for an update on permitting reform outside of the SPEED Program.

Rep. Jamie Barton asks why funding support for DCNR is being shifted to the General Fund after being funded from the Oil and Gas Lease Fund.



State Rep. Josh Kail pressed DEP to work toward a comprehensive energy plan that includes coal, natural gas, and nuclear baseload energy production to avoid the very real issue of blackouts and brownouts.

Rep. Thomas Kutz asks DEP leaders for an update on the SPEED permitting program.



Rep. Jeff Olsommer requests an update from DEP on its 2025 commitment to help daycare centers with permitting issues.

Rep. Eric Davanzo asks DCNR how many oil and gas leases are present on state lands.



Rep. Jim Rigby asks DEP leaders for an update on biosolids permitting.