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United States Steel Corporation

Jerry R. Whitaker
Eaton Corporation

Richard Lunak
Innovation Works

Dennis Yablonsky
*Allegheny Conference on
Community Development*

Contact: Philip Cynar
Allegheny Conference on Community Development
412-281-4783, ext. 4573, pcynar@alleghenyconference.org

Energy Sector: Key Driver of Greater Pittsburgh Economy Through Recession and Beyond, New Analysis Confirms

Energy Alliance of Greater Pittsburgh Launches “Energy to the Power of Pittsburgh” to Spread Word on Job Opportunities

(PITTSBURGH – October 5, 2011) – Energy is an important and growing economic driver for the greater Pittsburgh region, according to an analysis released today by the [Energy Alliance of Greater Pittsburgh](#), a consortium of nearly 100 companies, universities, government agencies and non-profits dedicated to enhancing the greater Pittsburgh region’s position in American energy leadership in this century. The information is based on research completed by the [Pennsylvania Economy League of Southwestern Pennsylvania, LLC](#) of energy-related economic activity in the 10-county Pittsburgh region, the core of the 32-county greater Pittsburgh region.

Now representing 16 percent of the Pittsburgh region’s economic activity, the energy sector, according to the new analysis:

- Comprises **750 companies** and supports, directly or indirectly, **more than 150,000 jobs**.
- Generates **\$19 billion in gross regional product**, or 16 percent of the regional economy.

The greater Pittsburgh region is the only place in the U.S. that’s both a leading employer across seven energy-related industries (coal, natural gas, nuclear, solar, wind, distribution and green building) and rich in natural resources – coal, natural gas and water. These industries are involved in energy production, distribution and conservation.

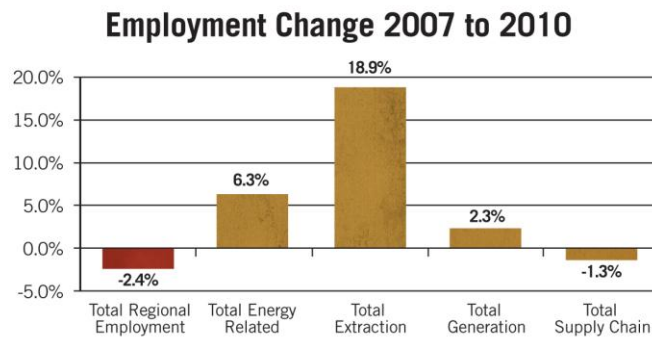
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Energy Sector Diversity Brings Opportunities Across Industries to All 10 Counties

The regional energy sector – and its growth – is broad and diverse. Since 2006, energy-related expansion announcements, involving 204 locations across a spectrum of industries, have occurred in all 10 Pittsburgh region counties. While natural resources – natural gas and coal – dominate, accounting for 88 of these announced expansions, the energy sector is also responsible for 64 announced expansions at manufacturing companies. Energy has also had a positive impact on business services (financial, legal) and transportation and distribution-related businesses.

“The growth of these industries has been a key reason why the Pittsburgh region has not been as severely impacted by the recent recession and its aftermath as many places,” said Dennis Yablonsky, chief executive officer of the [Allegheny Conference on Community Development](#). “According to the Bureau of Labor Statistics, employment in extraction, generation and supply chain increased by 6.3 percent between 2007 and 2010, while overall employment in the region fell by 2.4 percent. This employment increase was driven by an 18.9 percent rise in extraction-related employment such as mining, drilling and support activities.”

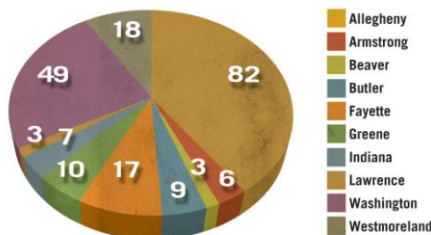


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Energy is Fueling Company Growth; Marcellus Shale is a Catalyst

Considering the sector broadly, energy accounts for an increasing amount of company growth in the region. Since 2006, energy-related companies have announced expansion plans at 204 locations in the Pittsburgh region. In 2010, energy-related expansions accounted for more than one quarter of all announced company expansions, with much of this growth driven by Marcellus Shale activities. In 2006, there was one Marcellus Shale-related expansion; in 2011, through the end of August, there were 40.

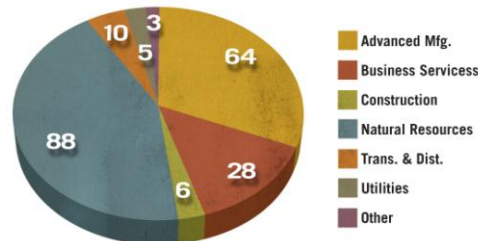
Number of energy-related expansion announcements, by county, over the past five years.



Over the past five years, 204 locations have been affected by energy-related expansion announcements. These have occurred in all 10 counties and across a spectrum of industries.

Source: Pennsylvania Economy League of Southwestern Pennsylvania, LLC.

Number of energy-related expansion announcements, by industry sector, over the past five years.



Over the past five years, 204 locations have been affected by energy-related expansion announcements. These have occurred in all 10 counties and across a spectrum of industries.

Source: Pennsylvania Economy League of Southwestern Pennsylvania, LLC.

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Energy Drives Innovation

Corporate, university and government research are driving innovation in the region. Anchored by two federal research laboratories – the [National Energy Technology Laboratory](#) and [Bettis Atomic Power Laboratory](#) – along with the largest privately owned coal R&D development center in the country – the region sees \$1 billion in energy-related R&D flowing through it annually.

“In the same way that R&D spending in the energy sector drives innovation, innovation drives new company formation and economic growth,” said Rich Lunak, president & CEO of [Innovation Works](#), a partner in the Energy Alliance and the region’s most active investor in startup technology companies. “For example, since launching the Energy Alliance, Innovation Works has engaged with 140 local energy start-ups with applications ranging from energy efficiency and storage to smart grid technologies and low-cost energy production. These companies are helping to spur growth in our economy by bringing new products to market, attracting tens of millions in outside capital to our region and adding high-paying jobs.”

Energy Demands Skilled Workers at All Levels

The demand for innovation and the growth of energy-related industries in the region is increasing the demand for workers at all skills levels, from certificate to graduate level. The nearly 100 members of the Energy Alliance of Greater Pittsburgh alone have current postings of more than 2,000 job openings.

“It’s going to take mind, muscle and imagination to fully realize our region’s future as a global energy leader,” said Yablonsky. “We need more engineers and scientists, roustabouts, technicians and truck drivers, along with entrepreneurs and financiers who can take innovative ideas and bring them to market. And we need them today.”

New Public Awareness Campaign – “Energy to the Power of Pittsburgh” – to Spread the Word on Job Opportunities

To help meet the growing demand for skilled workers, the EAGP has launched a new regional public awareness campaign, “Energy to the Power of Pittsburgh.”

Pivotal to the campaign is a new web site, [PowerofPittsburgh.com](#), which connects users to all open energy-related jobs in the region in one searchable database and to regional training programs. In addition, the website offers ways for everyone to get involved in making the Pittsburgh region even more “energy smart,” such as participation in the [Green Workplace Challenge](#) organized by [Sustainable Pittsburgh](#).

Energy to the Power of Pittsburgh is being promoted across the 32-county greater Pittsburgh region through television, print and online advertising thanks to the support of: CONSOL Energy Inc., Peoples Natural Gas, The PNC Financial Services Group, Inc., Allegheny Energy, Allegheny Technologies Incorporated, Bayer Corporation, Eaton Corporation, University of Pittsburgh, Westinghouse Electric Company, Columbia Gas of Pennsylvania, Carnegie Mellon University, Duquesne Light Company, Duquesne University, PPG Industries, Inc., United States Steel Corporation, EQT Corporation, Alpha Natural Resources, Chester Engineers, Inc., NOVA Chemicals Corporation, Range Resources, Jones Day, BPL Global, Ltd., Concurrent Technologies Corporation, Henderson Brothers, Inc., GatesmanMarmion+Dave, and Ditto Document Solutions, Inc.

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The Allegheny Conference on Community Development and Affiliates – the Greater Pittsburgh Chamber of Commerce, the Pennsylvania Economy League of Southwestern Pennsylvania and the Pittsburgh Regional Alliance – work in collaboration with public and private sector partners to stimulate economic growth and improve the quality of life in southwestern Pennsylvania. For more information, visit

www.alleghenyconference.org.

Innovation Works is the Ben Franklin Technology Partner (BFTP) of Southwestern PA – As one of the nation's most active investors in seed-stage technology companies, Innovation Works provides regional startups in all technology sectors with the risk capital and business mentoring they need to grow and succeed. As part of the BFTP network, Innovation Works was recently awarded \$10 million over the next five years to grow regional energy-related start-ups as part of the Commonwealth's Energy Independence Strategy. Learn more at

www.innovationworks.org.

The Energy Alliance of Greater Pittsburgh is a strategic partnership of nearly 100 members, guided by a CEO Leadership Group and jointly staffed by the Allegheny Conference and Innovation Works (IW). Members include traditional and alternative energy companies, global leaders in material science and intelligent building technologies, academic, corporate and government researchers and supply chain providers. For more information, visit www.energyalliancegreaterpittsburgh.org.