



# KeyState: River Hill - Fertilizers, Fuels, and Chemicals

## IMPLAN Economic Impact Study

Prepared by: Carl A. Marrara, Executive Director, Pennsylvania Manufacturers' Association

Prepared for: Perry Babb, CEO, KeyState Natural Gas Synthesis, LLC

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# Project Overview



KeyState is a \$2 billion project to produce over 1 million tons per year of essential fertilizers and chemicals for the Northeast/Mid-Atlantic region. This will displace imports from Russia and the Middle East.

KeyState has a strong business case, with 60% of production already committed under 10-year agreements. The facility will have a 60+ year lifespan and synergies with nearby industries. The implications for North-Central Pennsylvania are profound.

KeyState received \$70 million from the Appalachia Hydrogen Hub and has secured more than 50% of funds needed to reach project final investment. More than \$10,000,000 of private funds and seven years of local hard work have been invested in KeyState to date.

Much of the last four years has been spent navigating federal energy and emissions policy, all which has resulted in a larger, stronger, strategically significant mega-project.

## Study Purpose

The basis of this study is to quantify the economic impact to the region and commonwealth through the construction and full-time operations of this proposed facility.

# Project Details

## Facility Overview

The facility will use 12.5 billion cubic feet (bcf)/year of natural gas from a nearby site in Clinton County to produce products such as:

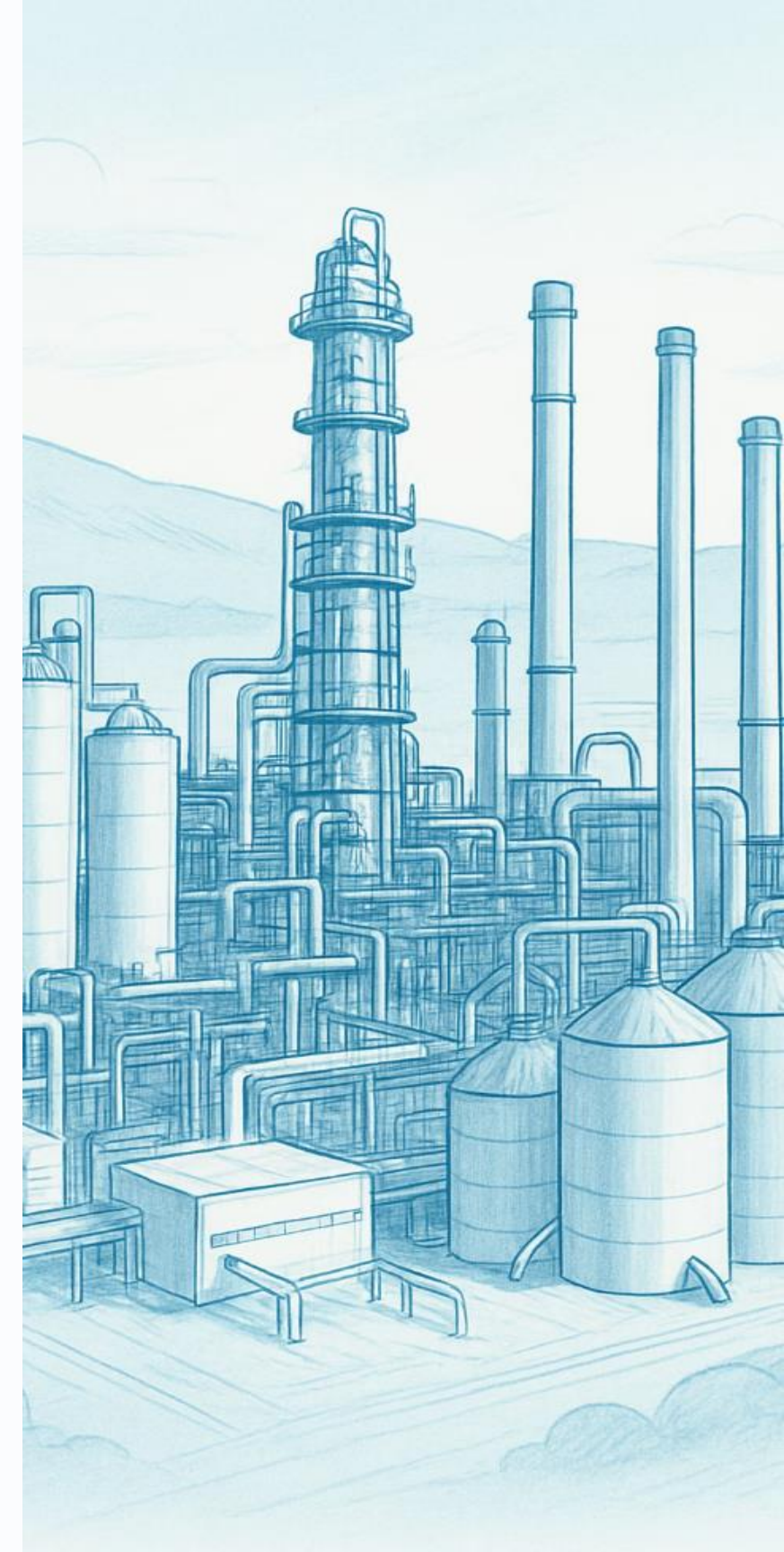
- **Ammonia for agricultural and industrial uses**
- **Dry urea fertilizer**
- **Urea ammonium nitrate (UAN) fertilizer**
- **50% & 33% Urea blend**
- **Industrial gases such as oxygen, nitrogen, argon**
- **Specialty chemicals such as ammonia and nitric acid**

## Construction Requirements

The facility construction will require 1,000+ workers over 2.5 years. The pipeline will need 20 workers for 1 year.

## Equipment and Operations

The \$500M plant will employ 200 workers for urea, UAN, ammonia, and DEF production once operational.



# Analysis Design

The economic analysis used IMPLAN, a regional input-output model, to estimate the ripple effects of the project across Clearfield, Clinton, and 65 other Pennsylvania counties. All figures are in 2025 dollars.

## Inputs:

The given variables to allow for input-output analysis are as follows and correspond to IMPLAN's industry categories based on the North American Industrial Classification System:

- **1,000 "construction of new manufacturing facility" jobs – Clearfield County**
- **\$38,250,000 industry output (annual) of "oil and gas extraction" (based on current market price of 12.5bcf of natural gas) – Clinton County**
- **10 "construction of new power structures (pipeline)" – Clinton County**
- **10 "construction of new power structures (pipeline)" – Clearfield County**
- **175 "nitrogenous fertilizer manufacturing" – Clearfield County**
- **25 "all other petroleum product manufacturing" – Clearfield County**

## Terminology

### Jobs

The analysis uses industry-specific employment figures, accounting for full-time, part-time, and seasonal jobs. It follows the same definitions as the Bureau of Labor Statistics.

### Direct effects/jobs

The initial changes to production or spending that are analyzed using the IMPLAN model. These direct effects can be positive or negative.

### Indirect effect/jobs

Economic Effects stemming from business-to-business purchases in the supply chain.

### Induced effects/jobs

Economic Effects stemming from household spending of Labor Income, after removal of taxes, savings, and commuter income.



# Facility Construction Phase Economic Impact

The project will create 1,000 construction jobs over 2.5 years in Clearfield County, PA. These jobs will generate \$53.8M in annual labor income, for a total of \$134.6M. The direct economic impact is \$195.5M. There will also be 296 indirect and 307 induced jobs, for a total economic impact of \$777.3M.

IMPACT	EMPLOYMENT	LABOR INCOME	VALUE ADDED	OUTPUT
Direct	1,000	\$53,843,330.48	\$78,181,783.74	\$181,461,455.38
Indirect	296	\$22,645,222.65	\$38,444,115.40	\$78,622,931.51
Induced	307	\$16,734,123.05	\$31,177,803.44	\$50,828,540.75
Totals	1603	\$93,222,676.18	\$147,803,702.57	\$310,912,927.64

# Top Employment Sectors During Facility Construction

## Top 10 Indirect Employment: Construction Phase

Truck Transportation	25
Wholesale – Machinery, equipment, supplies	20
Employment Services	19
Wholesale – Other durable goods	16
Ready-mix concrete manufacturing	13
Architectural, engineering, and related services	11
Couriers' services	11
Management of companies and enterprises	11
Other real estate	11
Accounting, bookkeeping, payroll services	10

## Top 10 Induced Employment: Construction Phase

Hospitals	16
Limited-service restaurants	15
Full-service restaurants	15
Religious organizations	13
Offices of physicians	11
Individual and family services	11
Retail – General merchandise stores	11
Retail – Food and beverage stores	10
Nursing and community care facilities	9
Retail – Motor vehicle and parts dealers	7

## Estimated Tax Revenue (2.5-year construction period)

Local	State	Federal	Total
\$8,879,123.55	\$18,737,665.78	\$55,584,291.05	\$83,201,080.38

# Pipeline Construction Impact

The pipeline construction will require 20 workers over 1 year to complete 9 miles of pipe connecting the natural gas source to the manufacturing facility. While the indirect and induced effects are low, the labor income and tax impacts are still significant.

IMPACT	EMPLOYMENT	LABOR INCOME	VALUE ADDED	OUTPUT
Direct	20	\$1,348,493.31	\$1,907,403.37	\$2,981,091.81
Indirect	3	\$227,681.03	\$398,834.45	\$783,216.01
Induced	6	\$298,584.09	\$575,961.42	\$938,434.99
Totals	29	\$1,874,758.43	\$2,882,199.24	\$4,702,742.80

## Estimated Tax Revenue: Pipeline Construction (1-year)

Local	State	Federal	Total
\$70,522.84	\$135,580.72	\$438,819.92	\$644,923.48



# Natural Gas Production Impact

The natural gas well in Clinton County will harvest 12.5bcf of gas worth \$38.25M. This will create 32 direct jobs with \$2.06M in labor income, and support 43 indirect and 24 induced jobs, for a total of 98 jobs and \$24.66M in economic activity.

### Top 5 Indirect Employment: Natural Gas Production

- Custom computer programming services: 8
- Management of companies and enterprises: 7
- Pipeline transportation: 3
- Computer system design services: 2
- Other real estate: 2

### Top 5 Induced Employment: Natural Gas Production

- Hospitals: 1
- Limited-service restaurants: 1
- Full-service restaurants: 1
- Individual and family services: 1
- Retail – general merchandise stores: 1

### Estimated Tax Revenue: Natural Gas Production (per year)

Local	State	Federal	Total
\$1,280,261.12	\$2,127,206.14	\$2,812,614.87	\$6,220,082.12





## Manufacturing Operations Impact

The River Hill manufacturing facility will have a major economic impact. The 200 direct jobs will support 1,036 indirect and induced jobs, with over \$118M in labor income. The facility's long-term operations will significantly increase economic output and value added in the region.

IMPACT	EMPLOYMENT	LABOR INCOME	VALUE ADDED	OUTPUT
Direct	200	\$35,778,126.34	\$181,116,250.07	\$433,978,355.27
Indirect	649	\$60,134,975.43	\$116,945,150.14	\$223,867,059.27
Induced	377	\$22,338,114.43	\$41,498,881.39	\$67,348,544.91
Totals	1,226	\$118,251,216.20	\$339,560,281.60	\$725,193,959.44

# Top Employment Sectors During Manufacturing Operations

## Top 10 Indirect Employment: Manufacturing Operations

Truck Transportation	63
Employment services	59
Warehousing and storage	50
Natural gas distribution	47
Management of companies and enterprises	43
Insurance agencies, related activities	25
Wholesale – other nondurable goods	22
Rail transportation	18
Couriers' services	17
Monetary authorities and depository credit	17

## Top 10 Induced Employment: Manufacturing Operations

Hospitals	21
Limited-service restaurants	18
Full-service restaurants	18
Religious organizations	15
Individual family services	14
Offices of physicians	14
Retail – General merchandise stores	13
Retail – Food and beverage stores	12
Nursing and community care facilities	11
Other real estate	9

## Estimated Tax Revenue: Manufacturing Operations (per year)

Local	State	Federal	Total
\$10,112,193.32	\$21,505,703.80	\$35,466,108.22	\$67,084,005.33

# Five-Year Economic Impact Snapshot

The River Hill plant will have a 60+ year lifespan. A 5-year snapshot including 2.5 years of facility construction, 1 year of pipeline work, and 2.5 years of natural gas production and manufacturing operations shows major economic impacts .

## FIVE YEAR TOTALS



# Five-Year Economic Impact Snapshot



- TOTAL OUTPUT
- Manufacturing - \$1.7B
- Construction - \$1.3B
- Natural Gas Production - \$134M
- Pipeline Construction - \$4.7M

## Tax Impacts (5-year estimate):

Project Component	Local	State	Federal	Total
Construction (2.5 years)	\$8,879,123.55	\$18,737,665.78	\$55,584,291.05	\$83,201,080.38
Pipeline Construction (1 year)	\$70,522.84	\$135,580.72	\$438,819.92	\$644,923.48
Natural Gas Production (2.5 years)	\$3,200,652.80	\$5,318,015.35	\$7,031,537.18	\$15,550,205.30
Manufacturing Operations (2.5 years)	\$25,280,483.30	\$53,764,259.50	\$88,665,270.55	\$167,710,013.33
<b>TOTAL</b>	<b>\$37,430,782.49</b>	<b>\$77,955,521.35</b>	<b>\$151,719,918.70</b>	<b>\$267,106,222.49</b>

# Regional and Statewide Benefits

Given the rural Pennsylvania setting of the River Hill site, there will be impacts beyond the greater Clearfield/Clinton County area. The following data shows the regional impact in Clearfield/Clinton County versus the remaining 65 counties within the Commonwealth of Pennsylvania.

**Clearfield/Clinton Counties Benefits**

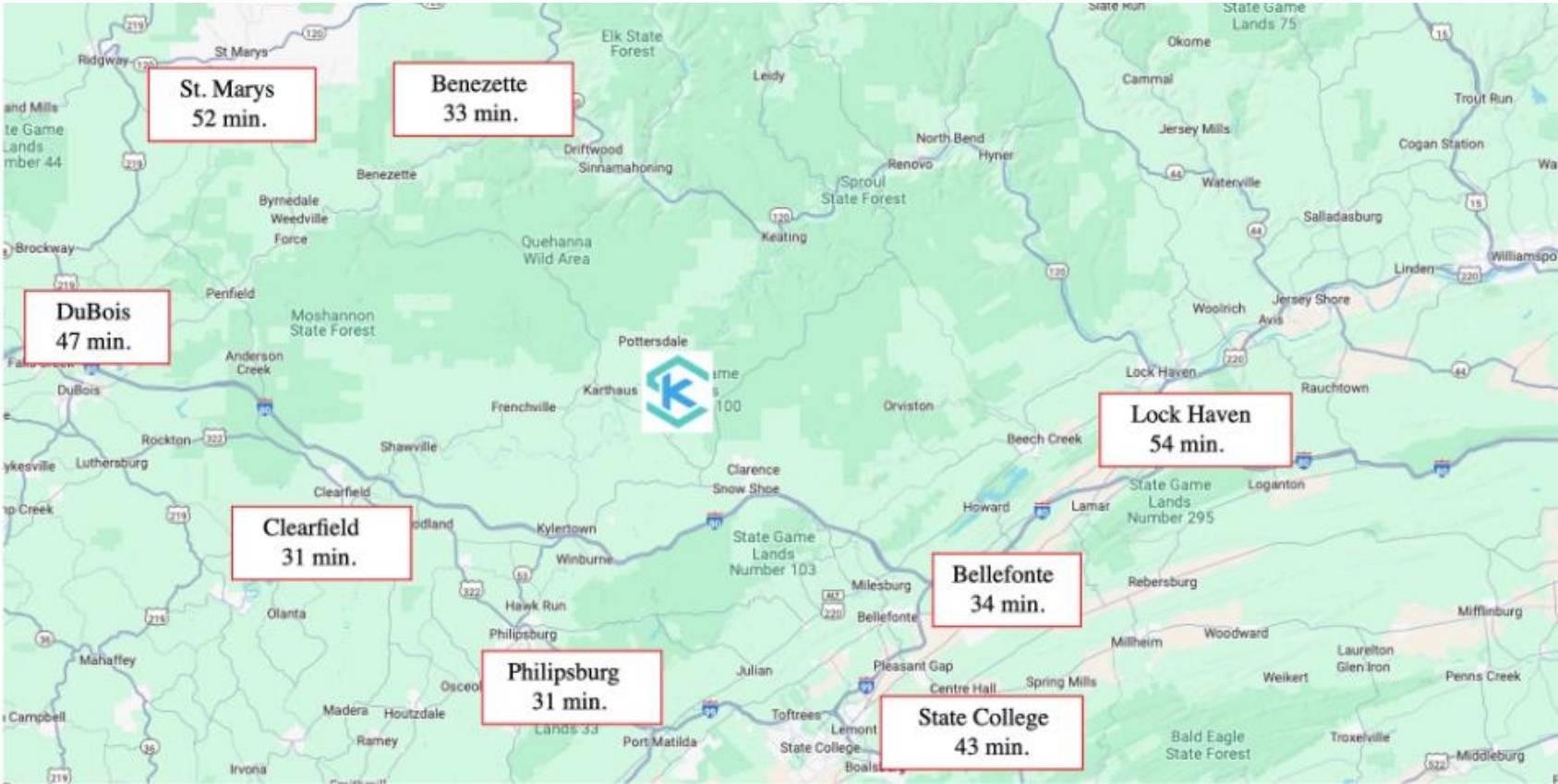
- Total Jobs:** 2,447
- Labor Income:** \$169,626,892.71
- Value Added:** \$420,263,571.29
- Output:** \$903,175,376.19

**Remainder of Pennsylvania Benefits**

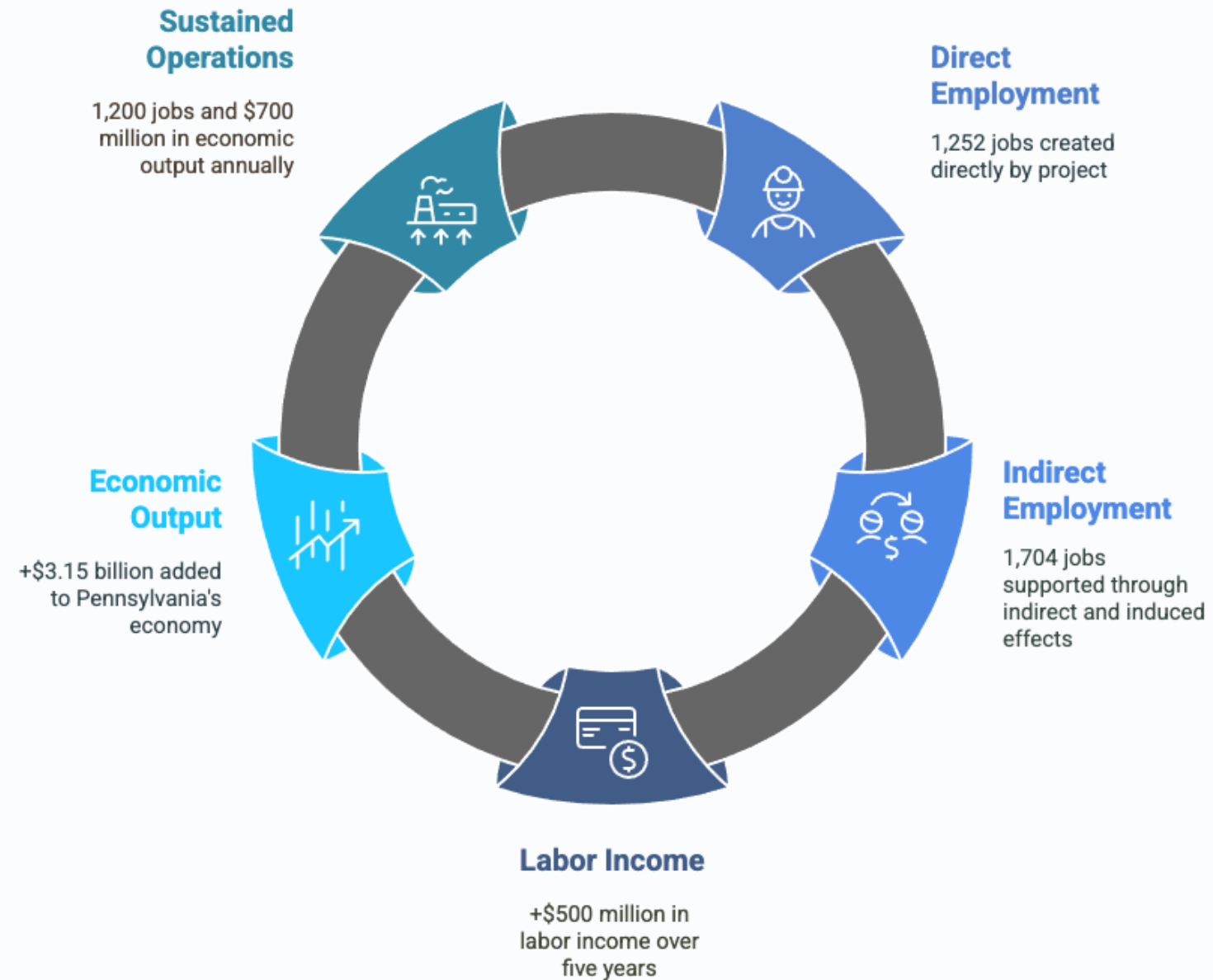
- Total Jobs:** 509
- Labor Income:** \$46,830,398.52
- Value Added:** \$90,014,193.25
- Output:** \$163,585,455.38

**Total Commonwealth Economic Benefits**

- Combined Jobs:** 2,956
- Combined Labor Income:** \$216,457,291.23
- Combined Value Added:** \$510,277,764.54
- Combined Output:** \$1,066,760,831.57



# Economic Impact of KeyState's River Hill Project



## Summary

KeyState's River Hill project will create 2,956 total jobs and generate over \$3.15 billion in economic output for Pennsylvania over 5 years. The ongoing plant operations will support over 1,200 jobs and \$700 million in annual economic output.