

Fracking activity in Pennsylvania surges as power demand increases

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FILE - The Pennsylvania State Capitol is reflected on the ground June 30, 2025, in Harrisburg, Pa. (AP Photo/Aimee Dilger, File)

The number of wells fracked in Pennsylvania has started to increase as a spike in demand for power has translated into higher natural gas prices.

Through Monday, fracking companies had started drilling 428 wells thus far in 2025 — a 50% increase over the same period in 2024, data from the Department of Environmental Protections shows.

Most of the uptick came in the second and third quarters as demand for power surged. In the first quarter of the year, natural gas drillers started 94 horizontal wells, six

fewer than they had in the same period in 2024, according to the state Independent Fiscal Office.

Since then, fracking activity has accelerated and outpaced 2024.

The third quarter of 2025 was the busiest for new wells fracked since the first quarter of 2023, according to an analysis by the Independent Fiscal Office.

Fracking companies started 105 wells in the second quarter and 116 wells in the third quarter. Through Monday, fracking companies had started 113 wells in the fourth quarter of the year.

Each of those quarters exceeded the comparable period of the prior year and the fourth quarter total was almost double the 60 wells started in the fourth quarter, with three weeks to go.

The number of wells started in 2025, so far, also exceeds the fracking activity for all of 2023, when drillers started 422 unconventional gas wells, and 2024 when they started 309 horizontal wells.

In 2022, frackers started 575 unconventional wells.

“Preliminary data for October and November show that new wells increased by 58% from the same period in CY 2024. The increase in drilling is likely related to strong year-to-date spot prices,” the IFO reported.

The average Pennsylvania spot hub price for natural gas was \$2.18 in the third quarter, a 51% increase over the \$1.44 price in the third quarter of 2024.

The drop in activity in 2023 and 2024 translated into a substantial drop in the impact fee revenue collected by the state based on the number of wells fracked. The state collected \$279 million in impact fee revenue in 2022, but just \$164.5 million last year.

Due to the increased activity this year, the IFO is projecting that the impact revenue will increase by \$75 million in 2025, compared to 2024.

The fracking activity comes as the state grapples with the challenge of generating enough power to cope with the increased demand from data centers needed to power artificial intelligence.

The regional grid operator serving Pennsylvania and neighboring states, PJM, opened its capacity auction last week for June 2027 through May 2028. The results will be announced Dec. 17.

But Gov. Josh Shapiro and five other governors have already raised questions about

whether the auction results will lead to further sticker shock. After the last PJM auction, residential electric bills went up 10%-20% and business electric bills went up 29%.

“We are greatly concerned that that we will shortly end up with the least desirable outcome: forthcoming auctions that yield extraordinarily high prices, but neither guarantee reliability or lead to a corresponding increase in generation, and provide no clear regional rules for LLA (large load addition) regulation,” the governors wrote in a letter to PJM’s Board of Managers.

They referred to a vote by PJM members last month rejecting 12 proposals dealing with connecting data centers to the grid.

They asked PJM to extend the price cap to cover another capacity auction in July.

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