

January 16, 2020

Senate Interim Committee on Environment and Natural Resources

RE: LC 19

Senator Dembrow and Members of the Committee:

The Pacific Propane Gas Association (PPGA) has been concerned that in LC 19, no provision was made for lower income propane residential customers. We propose that on page 91 of the LC 19 draft, Section 102 (3) (b) (B) be deleted:

**(B) Recommendations for addressing greenhouse gas emissions from the use of propane in this state.**

Instead, Section 129 regarding low income propane customers from HB 2020 (2019 session) would be included in LC 19, with some changes.

Unfortunately, PPGA opposed HB 2020 based on that section. But we believe a few simple tweaks would make it more acceptable to us.

**Tweak 1: Insert “low to moderate income” in HB 2020 language.**

Note that LC 19, Section 48 (2) (c) (A) contains this language **in relation to natural gas**:

(A) Implementing programs, activities or technologies designed to reduce greenhouse gas emissions from sales customers, including programs for **low and moderate income** residential sales customers; (*emphasis added*).

Propane for residential heating commands the strongest market share in the eastern half of Oregon, and in the more rural and highly forested portions of the state. Many of these households are low to moderate income without access to natural gas infrastructure.

**All counties in which propane constitutes over four percent of the home heating market share are below Oregon’s median household income level.**

- Currently, the Oregon Housing and Community Services Department already offers energy assistance programs for a household when their income is at or below 60 percent of Oregon’s median household income.
- **PPGA is concerned about the next level of propane customer who is ineligible for low income heating assistance programs and will be adversely impacted by the price increases as a result of cap and trade.** These families tend to be working-class families who often live paycheck to paycheck and will be greatly impacted by an increase in their home heating costs.

**Tweak 2: Tie weatherization replacement to carbon intensity factors.**

The original language in HB 2020 would lead to unnecessary fuel switching in our estimation and needs to be more scientifically based on a common scale like the Oregon Clean Fuels Program matrix.

**So, here is the language we are proposing:**

**HB 2020-B (2019 session) Section to be inserted into LC 19 (2020)**

SECTION 129. Residential home heating assistance program proposal.

(1) The Housing and Community Services Department, in consultation with the Climate Policy Office, the Oregon Housing Stability Council and interested stakeholders, shall develop a proposal for assisting

households that for residential home heating use [*propane, fuel oil or other fossil*] fuels that are not natural gas. The proposal shall give priority to assisting low **and moderate** income households or impacted communities through:

- (a) Bill assistance; and
  - (b) Weatherization, including options for upgrading to more efficient home heating equipment or to home heating systems powered by less greenhouse gas emissions-intensive power sources.
- (2) The department shall develop the proposal in a manner intended to achieve the following goals:
- (a) Reducing greenhouse gas emissions;
  - (b) Saving energy;
  - (c) Reducing the energy burden experienced by households; and
  - (d) Reducing residential home heating service disparities in historically underserved populations.
- (3) The proposal required by this section may be for any combination of:
- (a) The development of a single new program;
  - (b) The development of multiple new programs or activities to achieve different goals as outlined in subsection (2) of this section; or
  - (c) Utilization of existing programs or partnerships to deliver assistance to households.
- (4) **(a) The proposal shall utilize a fuel's carbon intensity score as defined in Oregon's Clean Fuels Program when considering replacing an existing home heating system with a home heating system powered by a different fuel source.**
- (b) A fuel source without a carbon intensity score as defined in Oregon's Clean Fuels Program shall be assigned a score based on an appropriate methodology.**
- [4] (5) On or before September 15, 2020, and in the manner provided by ORS 192.245, the Housing and Community Services Department shall provide a report detailing the proposal, and steps, which may include recommendations for legislation, necessary to implement the proposal, to the **Board** [*Joint Committee on Climate Action*].

Delete Section 102 (3) (b) (B) on page 91 of LC 19 (2020).

Thanks for your consideration,

Lana Butterfield  
Pacific Propane Gas Association (PPGA)  
503/819-5800  
[lanab@teleport.com](mailto:lanab@teleport.com)