



Joint Committee on Carbon Reduction

2/15/2019 or 2/18/19

House Bill 2020

Chair Dembrow and Members of the Joint Committee on Carbon Reduction:

For the record, I am Lana Butterfield, the Oregon lobbyist for the Pacific Propane Gas Association.

The Pacific Propane Gas Association (PPGA) is the state trade association representing the propane industry in Oregon. Our membership includes small businesses and large corporations engaged in the retail marketing of propane gas and appliances; producers and wholesalers of propane equipment; manufacturers and distributors of propane gas appliances and equipment; fabricators of propane gas cylinders and tanks; and propane transporters. The mission of the PPGA is to advance safety and to increase the use of propane through sound public policy.

PPGA agrees that there is a need to act collectively to address climate change. The PPGA supports an overall goal of reducing greenhouse gas emissions in Oregon and believes that the propane industry can and will play an important role in the future of a green, low-carbon economy.

However, PPGA is opposed to the current version of HB 2020. In a 55-page bill, there is not one mention of propane. It is not fair to benefit low income customers of electricity and natural gas, but not those who use propane.

Residential propane customers are primarily located in rural Oregon, and many are low or near low income folks on fixed budgets. Of the 88 million propane gallons sold in Oregon, the residential sector makes up approximately 69 percent of our customer base. PPGA is concerned that the proposed legislation will result in a sizeable increase on the price per gallon of propane. For example, since the adoption of cap and trade in California, the average price per gallon of propane increased by 8 to 14 cents per gallon depending on the market. In Oregon the increase may be similar. Additionally, these costs will continue to rise over time and place additional financial burden on propane customers.

PPGA asks the legislature to adopt policies that direct revenue from propane generated by HB 2020 or other carbon reduction programs to be applied in the best interests of propane customers – with a focus on bill assistance, low-income weatherization, and projects to decarbonize the energy we deliver to our customers.

PPGA has been working with the Governor's Office and is exploring solutions to adequately protect the most vulnerable propane customers from increased energy costs. We will appreciate your approval on the solution we are able to work out. Thank you for your consideration.

Lana Butterfield
Pacific Propane Gas Association
lanab@teleport.com; 503-819-5800