



HB 2020-A

June 5, 2019

Joint Subcommittee on Natural Resources

Co-Chairs and Members of the Committee:

The Pacific Propane Gas Association (PPGA) is the state trade association representing the Oregon propane industry. 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 PPGA appreciates the opportunity to comment on HB 2020-A. The PPGA supports a residential home heating assistance program as part of Oregon's Cap and Trade proposal. Based on experiences in California, propane prices increased 8-15 cents per gallon as a result of Cap and Trade. Efforts should be made to mitigate the increased fuel prices for Oregon's most vulnerable residents. Section 129 attempts to help our low-income customers.

The PPGA does have some concerns regarding the current section 129. PPGA suggests applying section 129 to all sources of home heating fuel other than natural gas or electricity and not just propane or fuel oil. This will allow low income residents of all fuels such as wood or pellet to benefit from this program through bill assistance and weatherization efforts. Additionally, the PPGA supports striking the reference to the program supporting conversions to home heating systems "powered by less greenhouse gas intensive power sources." The PPGA believes this language is undefined and is a back-door effort to unfairly target the propane industry by encouraging conversion to electricity. According Oregon Department of Energy coal still makes up nearly 32% of electricity mix in Oregon. Under the Oregon Clean Fuels Program, the carbon intensity for Oregon's statewide electricity mix is 109.56. Traditional propane on the other hand as a carbon intensity of 83.05 and renewable propane has a carbon intensity of 39.26. By including this conversion language Oregon risks increasing the greenhouse gas impact under section 129. The PPGA believes section 129 will be much more meaningful by focusing on weatherization efforts and bill assistance.

The PPGA strongly opposes inclusion of Section 130. The language established a taxpayer subsidized program to assist private businesses with state loans or other financial programs. Oregon taxpayers should not be forced to subsidize conversions for private businesses. This section is that much more insulting to Oregon's small propane businesses who will have to pay to put themselves out of business by losing customers. Additionally, this language is a blatant attempt to push electricity usage to natural gas and propane users. Again, as stated above, Oregon's current electricity mix has a higher carbon score than both traditional and renewable propane. This language does nothing to limit greenhouse gases and will ultimately increase the carbon footprint of these industrial and commercial users. The legislature cannot simply ignore the fact that ODOE itself shows electricity is more carbon intensive than all forms of propane. This language should be removed completely from HB 2020-A.

Thank you sincerely for your consideration.

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