



February 4, 2020

HB 4066

House Committee on Energy and Environment

Dear Chair Power and Members of the Committee:

Thank you for the opportunity to provide some feedback on HB 4066, which would authorize the Public Utility Commission to allow electric companies to recover costs for electric vehicle investments from all ratepayers.

The Pacific Propane Gas Association (PPGA) is the state trade association representing Oregon's propane industry. Our membership includes small multi-generational family businesses and large corporations engaged in the retail marketing of propane gas to Oregonians. PPGA members provide propane to the residential, commercial, agricultural, transportation and industrial markets throughout Oregon.

Currently, there are many environmental and customer benefits of using propane including in the alternative fuels market. Propane is an approved clean fuel listed in the 1990 Clean Air Act. Substituting propane for other fuels such as gasoline and diesel is an economical and viable step toward cleaner air. Using propane reduces the greenhouse gas carbon dioxide and air pollutants like carbon monoxide and nitrogen oxide.

Propane Autogas is a clean-burning alternative fuel that's been used for decades to power light-, medium-and heavy-duty propane vehicles. Interest in propane as an alternative transportation fuel stems from its domestic availability, high-energy density, clean-burning qualities, and relatively low cost. Propane Autogas is the world's third most common transportation fuel, behind gasoline and diesel.

Autogas has been adopted across Oregon for many school and fleet vehicles. Currently, nearly 1000 school buses in Oregon run on propane Autogas. Oregon has the largest percentage of school bus penetration in the country and is forth in total number of school buses on the road. Additionally, numerous fleets such as the Willamette Valley Transport and Benton County Sheriff's Department have all moved to utilize propane vehicles for cheaper and cleaner fuel. Propane Autogas is a credit generator in the Oregon Clean Fuels Program.

Our concern with this legislation is that it gives electric utilities an unfair advantage in the alternative fuels marketplace by allowing utilities to charge captive ratepayers for infrastructure many of the ratepayers will be unlikely to utilize. For example, this legislation could result in the companies and municipalities that have chosen propane Autogas to now have to pay increased electric rates to fund elective vehicle infrastructure they will not utilize.

In comparison the propane industry must work with customers who will utilize the benefits of propane Autogas to pay for vehicle conversion or purchase and the associated costs of infrastructure. We cannot, nor should we be able, to charge residential or agriculture customers more for their fuel in order to install Autogas infrastructure. To help promote adoption of propane vehicles the industry provides industry funded grants to help pay for vehicle conversion or purchases.

The PPGA does not oppose adoption of electric vehicle infrastructure or any alternative fuel infrastructure but believes policies to achieve increased adoption of alternative fuel vehicles should be fair and fuel agnostic. Policies that give one energy source an unfair advantage over other energy sources inadvertently jeopardizes the economic viability of other fuel sources that have made investments to promote adoption of other clean fuels.

Thank you for allowing us to share our feedback on this legislation. We welcome the opportunity to engage in policy efforts that will result in increased infrastructure for all alternative fuels.

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