

I am testifying today in regard to HF 4502.

This bill includes language regarding the Conservation Improvement Program.

If passed, this bill will allow utilities to invest in energy conservation fuel switching programs. They will be allowed to spend \$5 million dollars each and pass this expense, essentially a utility tax, directly onto their rate payers. Your constituents, all the citizens of Minnesota do not need this right now.

This bill is attempting to pick winners and losers in the energy market. The biggest loser, as mentioned, will be the rate payers.

This is not the right time to start adding an unneeded cost to Minnesota farms, businesses, and residents.

Not only is electricity more expensive than Propane at this time, Propane is cleaner and better for the environment based on all current data.

In addition to passing on expense to rate payers for the Conservation Improvement Program, electric rates per KW will rise also. In order to produce more "clean" electricity, power plants are increasing their use of natural gas.

When electricity is generated, approximately 2/3 (66%) of the initial energy is lost between power generation and final consumption. The remaining 1/3 (33%) is all that arrives in the form of usable electricity.

It makes no sense to switch from propane or natural gas to only have the same form of energy use increase to make the electricity. The best thing we can do is use clean burning, affordable gas directly on site.

I ask that you oppose this bill on behalf of all the members of the Minnesota Propane Association.

Dave Wager

Executive Director

Minnesota Propane Association