



January 25th, 2021

To Members of the House Climate and Energy Committee,

I am Dave Wager and I represent the Minnesota Propane Association. I am testifying to express our vehement opposition to HF 164. The proposal would create the “Energy Conservation and Optimization Act of 2021.

This proposal would modify the State’s energy savings policy goal (Minn. Stat. 216B.2401;216B.241) **primarily by utilizing fuel switching from propane and other fuels**, in order to increase the annual energy savings “equivalent” to at least 2.5% of annual retail energy sales of electricity and natural gas... This is an anti-propane marketplace disruptor – designed to prefer one industry over another.

In addition to the fact that the State should not be interfering with commerce and picking winners, Minnesota Propane Association strongly opposes fuel switching from propane to electricity. If this were to pass:

- It would increase the use of fossil fuels and greenhouse gas emissions because approximately 75% of Minnesota electricity is produced from non-renewables according to the Environmental Protection Agency (EPA)
- The EPA gives electricity a source site ratio of 2.80 and propane a ratio of 1.01. This means that propane is almost 3 times more efficient than electricity.
- It would increase electrical load on the grid greater than the amount of electricity being produced by renewables.
- It would increase the cost of energy for rural Minnesotans in your district through rate payer increases.
- Rural Minnesota has a great need for energy choice and diversity to ensure reliable and affordable energy. Propane provides this and also reduces energy consumption and emissions.
- According to Mark Mills at the Manhattan Institute, a single electric car battery weighs 1,000 pounds and manufacturing it requires mining and over 50,000 pounds of raw materials.

- According to the United Nations Conference on Trade and Development, reserves of the raw materials for batteries are highly concentrated in a few countries. Nearly 50% of cobalt reserves are in the Dominican Republic of the Congo (DRC), 58% of lithium reserves are in Chile, 80% of natural graphite reserves are in China, Brazil and Turkey, while 75% of manganese reserves are in Australia, South Africa and Ukraine.
- According to Unicef, up to 40,000 children work in mines in the DRC in extremely dangerous conditions. In Chile, lithium mines in the Salar de Atmaca region, use 65% of the water in the region being mined, already one of the driest desert areas in the world. Groundwater depletion and pollution, environmental degradation, landscape damage and soil contamination are all caused by mining needed materials.

This legislation lacks clear goals and definitions and would drastically favor an increased-consumption program for electric utilities. Each electric utility, based on their size, would be allowed to charge their customers up to \$6 million for this activity (if the PUC agrees), disproportionately harming low-income consumers and harming Minnesota's rural economy.

On behalf of all the members of the Minnesota Propane Association, I ask that you please opposed HF 164.

Thank you for your consideration,

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