



TO: Chair Rob Ecklund
Members of the House Labor, Industry, Veterans and Military Affairs Finance
and Policy Committee

FROM: Dave Wager, Minnesota Propane Association

Date: April 4, 2022

RE: Opposition to Article 2, Section 14 (HF4177, Omnibus Labor and Industry
Finance and Policy Bill)

The Minnesota Propane Association respectfully opposes language in HF4177, Article 2, Section 14, that would allow government to deny consumer choice when owners are deciding the most appropriate fuel for their buildings. This situation exists because there is no criteria or statutory directive defining or limiting the means by which the commissioner may pursue the objectives. All that is necessary is for the commissioner to say that he/she was pursuing the eight percent goal. Based on the activities that have been established in the few other states that have adopted these “stretch code” strategies, fuel bans are likely, even for clean fuels. This bill will allow the government to choose winners and losers in the free market. In addition to the unfairness and counter productiveness of these mandates, they are also unwise. If you count all the carbon emissions related to the use of propane and grid electricity, the comparison will show that propane is much cleaner. This will remain true for a long time.

Consider the following:

- Propane’s low carbon intensity is why it is an approved clean alternative fuel under the Clean Air Act.
- Propane’s carbon intensity is 80, but Minnesota's electricity is rated at 136.
- The Energy Star Program gives propane a site ratio of 1.01 compared to 2.80 for grid electricity. This means propane is almost three times more efficient than grid electricity.
- Propane produces 43% fewer greenhouse gas emissions than using an equivalent amount of electricity generated from the U.S. grid.
- Propane prevents deforestation by replacing solid fuels such as wood and coal.
- Propane is electric grid free - making it a valuable partner energy source for solar and wind when the sun doesn’t shine, and the wind doesn’t blow.
- The flexible form of propane storage makes it easy to install in any environment without disrupting sensitive habitat.
- A typical propane tank has a useful life of 40 plus years, is made from 85% recycled steel and is 100% recyclable after service. The brass fittings are made from a high percentage of recycled brass and are 100% recyclable.

- Propane fueled technologies produce fewer nitrogen oxide (NOx) and sulfur oxide (SOx) emissions than technologies fueled by electricity, gasoline, and diesel.
- Propane-fueled residential furnaces emit up to 50% NOx emissions and 82% fewer SOx emissions than electric furnaces.
- Renewable propane is in our country and available today. It is drop in ready and can be blended with traditional propane. It will lower our carbon intensity and full fuel cycle emissions even more. Renewable propane does not require us to rebuild or expand the grid, buy new appliances, or retrofit buildings to use a different energy source.
- In February 2021, based on a comparison of historical records, an estimated 4.7 million gallons of propane was sold for back-up to natural gas and electricity. That is the equivalent of heating approximately 6,300 homes in Minnesota **for a year**.

The practical direction is to adopt proven technology that delivers reduced CO2 emissions today while we increase renewable energy resources and build the grid of the future.

Electrification is often touted as the only solution to full decarbonization, overlooking how electricity is generated, stored, transmitted, and consumed. A single-energy mandate isn't sufficient or realistic and the truth is, propane and **renewable propane** can lead to immediate decarbonization of our energy sector. When you consider how electricity is generated and the total carbon footprint, propane offers a cleaner alternative than most other options.

Sources: US EPA, US EIA, Union of Concerned Scientists, MNPEPSC