



February 11, 2020

House Committee on Energy and Environment

RE: PPGA Comments on **HB 4105**

Chair Power and Members of the Committee:

Thank you for the opportunity to provide some feedback on HB 4105, which would make certain changes to the transportation of oil and gas by rail in Oregon.

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.

PPGA is concerned about the potential implications this legislation will have on the normal business operations of the propane industry in Oregon. Oregon has no propane production, which means all propane must be imported by rail or truck into the state. Due to the larger tank capacity rail is the ideal mode of propane transportation as opposed to over the road trucking.

The legislation states, a facility that unloads oil or gas from a railcar shall provide advance notice to the Department of Transportation at least 14 days prior to the arrival of oil or gas by rail at the facility. As written, we are concerned that this requirement will capture and place an extreme hardship on normal propane operations. When our members receive propane at their facilities, they often are not given a 14-day notice from the rail shipper. Additionally, our members may not always be able to anticipate demand 14 or more days in advance. If demand exceeds expectations our members may need an additional rail shipment to meet demands for homes, businesses and farms. If they are not able to make and take an immediate shipment of propane, we risk not being able to provide propane for home heat back-up power for schools or hospitals or farmers trying to keep crops warm during cold nights.

Transporting and offloading propane by rail is extremely safe and occurs every day in Oregon. Members of the industry are trained in the safe handling of propane and specifically trained to safely offload propane from rail cars. Our facilities are routinely checked by the Oregon State Fire Marshall and the federal Department of Transportation. Over burdensome regulations will not improve propane safety by rail or at the facilities which are serviced by rail.

Jeopardizing this mode of transporting propane would ultimately lead to large increase of over the road trucks delivering propane. More trucks on the road equals more danger for Oregon motorists. Additionally, more trucks would have negative environmental impact on greenhouse

gas emissions. More trucks will result in more diesel emissions. Rail is a much cleaner and safer way for our industry to deliver a fuel many Oregonians depend on.

As written, this legislation could potentially have catastrophic consequences for the propane industry. It would jeopardize our ability to provide fuel to our customers. We ask you to not move this legislation forward until these issues are addressed.

Thank you for allowing us to share our feedback on this legislation.

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