



February 3, 2021

House Committee on Energy and Environment

RE: PPGA Comments on HB 2165

Dear Chair Marsh and Members of the Committee:

Thank you for the opportunity to provide some feedback on HB 2165.

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.

Propane Autogas is a clean-burning alternative fuel that has 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.

The PPGA is opposed to HB 2165 as the legislation will give electric utilities an unfair advantage in the alternative fuels marketplace by allowing them to charge all retail ratepayers for infrastructure many of these ratepayers will be unlikely to utilize. This legislation will likely result in schools, businesses and municipalities that have chosen propane Autogas to pay increased electric rates to fund vehicle infrastructure they will not utilize. Additionally, our members who are also electric retail customers will have to pay higher electric rates to fund infrastructure they directly compete against.

In comparison the propane industry must work with customers who will utilize the benefits of propane Autogas to pay for the associated costs of infrastructure. We cannot, nor should we be able to, spread infrastructure costs of one retail customer to all our other retail customers. This market-based system works. For example, Oregon has the largest percentage school buses that run on clean burning propane Autogas of any state in the country.

PPGA supports the adoption of electric vehicle infrastructure and 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 HB 2165. We would welcome the opportunity to engage in policy efforts that will result in increased infrastructure for all alternative fuels.

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