

# Minnesota Propane Association

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*Promoting smart energy*

# Propane is versatile energy on our path to a lower carbon future

- Propane heats homes and water
- Propane dries crops
- Propane heats livestock buildings
- Propane powers school busses and other vehicles
- Propane powers generators
- Propane powers irrigators
- Propane is a listed ozone friendly refrigerant

# Zero is a BIG number

- Getting close to zero emissions starts with using a broad mix of clean, low carbon energy sources
- You might be surprised to know that propane provides a lot of energy for many purposes and for millions of people today
- Propane does this with virtually
  - Zero particulate matter
  - Zero impact on the ozone
  - Zero toxicity
  - Zero potential for storage related contamination
- On top of that it is also low NOx and low CO2

# Propane is Resilient

- Propane is independent of the grid. When the grid goes down, propane will still function
- Propane is on-site stored energy. Most consumer storage tanks provide many weeks of energy without replenishment
- Propane is domestically produced. We are not at the mercy of other countries for stocks to produce propane
- Propane has multiple transportation options. Truck, rail and pipeline are used to distribute propane throughout our state and country

# Propane is Reliable

- During winter storm Uri in February 2021, enough propane was delivered to assist the natural gas and electric grid to heat 6,000 homes in Minnesota for one year
- 246 deaths in Texas were related to this storm and the CDC indicates that twice as many people die annually in the US from cold vs heat
- Propane is the emergency fuel of choice for heating and power generation
- If propane demand is taken away either through incentives or mandates, it will lose transportation space on trucks, rail and pipelines. Marketers will reduce assets and personnel. A day will come when propane will not have the ability to assist other energy sources

# Covid emergency tents Twin Falls Idaho



North tent at St. Luke's hospital, Twin Falls, Idaho, fueled by Suburban Propane.

# Houston Texas during winter storm URI



# Propane powered EV portable charging





# Propane does not compete for resources

- Minnesota's electrical carbon intensity score is going down, but so is production of electricity in Minnesota in our opinion
- Minnesota imports approximately 30% of its electricity according to the US Energy Information Administration and that percent has been rising
- The Sherco Coal plant in Becker, 2500 megawatts, is scheduled to be partially replaced by a 460-megawatt solar project
- The solar project will remove 3,200 acres of prime farmland from production to house solar panels for approximately 1/5 of the energy previously produced
- Our estimates are that the Midcontinent Independent System Operator (MISO), which supplies Minnesota, has a carbon intensity of approximately 209

# Propane is a low carbon, efficient energy source

- Propane's carbon intensity is rated at 80.3 in Minnesota compared to the electric grid, including wind and solar, at 136.4
- Electricity is only a carrier of energy, not an energy source. When electricity is produced, only 1/3 of the energy arrives as usable electricity
- The Environmental Protection Agency's Energy Star Program gives propane a source site ratio of 1.01, compared to 2.80 for grid electricity.
- Propane is almost 3 times more efficient than electricity when measured "full fuel cycle"

# Propane is Equitable

- Rural Minnesotans need energy choice as electricity is approximately 68% more expensive per million BTUs than propane
- Rural Minnesotans should have access to clean energy, like propane, along with other energy sources of their choosing
- Infrastructure and energy storage is already in place for propane and more can be added at minimal cost
- Propane systems can be re-used and recycled thus not subjecting anyone to unnecessary end of life disposal
- Rural Minnesotans can choose their propane provider instead of being solely dependent on one utility

# Renewable Propane

- Renewable Propane builds upon the many benefits of conventional propane
- Renewable Propane is sourced from used oils, plant and vegetable oils, cover crops and animal fats
- Renewable Propane is drop-in compatible with conventional propane and does not need any equipment replacement, modifications or expensive infrastructure investments
- Renewable Propane, like other renewable energy sources, has a much lower Carbon Intensity

# Propane supports Energy Choice

- We agree that the electric grid needs to improve in several ways
  - Lower emissions
  - Lower cost
  - Higher reliability
- Recently it was stated that IRA funding is intended for projects that will help the US reach a goal of reducing greenhouse gas emissions by 40% by 2030
- Propane is already lower than the projected 2030 level today. It is 43% cleaner than electricity and a low carbon, low cost, and reliable energy source for Rural Minnesota

# Propane

The Right Energy, Right Now