MINNESOTA PROPANE ASSOCIATION

April 15, 2024

Senator Nick Frentz
3109 Minnesota Senate Building
St Paul, Minnesota 55155

Re: Senate File 4202

Dear Chairman Frentz and committee members,

On behalf of the Minnesota Propane Association (MPA), which represents propane marketers, wholesalers, suppliers, distributors, and equipment manufacturers across the state, we appreciate the opportunity to comment on SF 4202.

Our members provide clean-burning and critical energy to residential, commercial, agricultural, and industrial customers across the state. The state's propane industry provides thousands of good-paying jobs and contributes more than $1.5 billion in economic activity annually.

MPA supports efforts to reduce aggregate greenhouse gas (GHG) emissions from our building sector and improve air quality, but we cannot support SF 4202. This legislation is a misguided approach. Enforcing the International Energy Conservation Code statewide will needlessly restrict energy access and increase energy prices for consumers and businesses. Energy access and usage must be decided locally, and code encouraging less efficient and reliable energy choices will be detrimental to many rural Minnesotans.

"A new report from the North American Electric Reliability Corporation (NERC) stresses the need to improve the reliability of North America's power grid. The report assessed the amount of generation that will be available this winter compared to the projected demand for electricity and highlighted concerns about the risk of outages due to insufficient generation . . . The warning from NERC, which oversees the reliability and security of the electric grid, comes as utilities are grappling with changes throughout the industry. Traditionally the power grid faces its greatest challenges during a few peak hours each year, but that is changing as the industry transitions to new sources of energy. Now, the report details, supply challenges can arise over more circumstances in both summer and winter months."

> **QUOTE:** "This report is a serious reminder that decisions we make today will impact our power reliability tomorrow," **Darrick Moe**, CEO of the **Minnesota Rural Electric Association** said. "According to the report, a large portion of the continent, including Minnesota, is at risk in the winter months if the weather is severe. In a state like Minnesota, having reliable power during dangerously cold winter weather can mean life or death."

The Midwest Reliability Organization (MRO) reached a similar conclusion about the dire state of grid reliability when it released its 2024 Regional Risk Assessment in February. For the first time in its history, MRO identified an extreme risk: uncertain energy availability.

Following this report, a quote was released from Minnkota Power Cooperative which serves eastern North Dakota and northwestern Minnesota.

“Reliability needs to stay at the forefront of people’s minds as the policy framework is being defined.” Said Mac McLennan, Minnkota president and CEO. “It’s unacceptable for the people of our region to wake up in the morning and not know if they’re going to have dependable electric service. Our country is accelerating down a path where this could become our reality. We need to approach this transformation of America’s electric grid with caution and common sense. There’s simply too much at stake.”

Minnesota's energy needs and availability have always been and will continue to be different across the state. A one-size-fits-all approach will have devastating consequences.

If the Legislature is interested in reducing GHG emissions pragmatically and cost-effectively, MPA would be happy to work with legislators on legislation we can fully endorse. Thank you again for the opportunity to provide comments.

Respectfully submitted,

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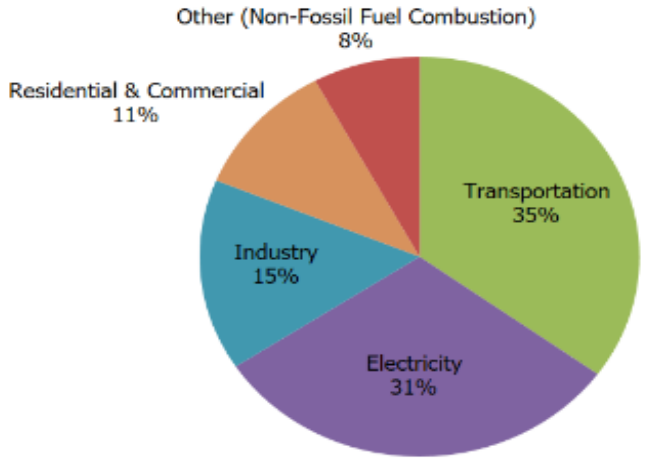
U.S. Carbon Dioxide Emissions, by Economic Sector



Note: Total Emissions in 2021 are 6,340 Million Metric Tons of CO_2 equivalent. Percentages may not add up to 100% due to independent rounding. Greenhouse gas emissions from commercial and residential buildings increase substantially when emissions from electricity end-use are included (from 11% to 30%), due to the relatively large share of electricity use (e.g., heating, ventilation, and air conditioning; lighting; and appliances) in these sectors. Also, if emissions from electricity use are allocated to the industrial end-use sector, industrial activities account for a much larger share of U.S. greenhouse gas emissions. More information is also in the electricity end-use emissions section of this web area.

Land Use, Land-Use Change, and Forestry in the United States is a net sink and offsets 12% of these greenhouse gas emissions. This net sink is not shown in the above diagram. All emission estimates from the *Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2021*.