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**March 16, 2023**

**TESTIMONY OF LESLIE ANDERSON**

President and CEO of the Propane Gas Association of New England

**BEFORE THE MAINE COMMITTEE ON STATE AND LOCAL GOVERNMENT**

**In Support of LD 894 An Act to Preserve Heating and Energy Choice by Prohibiting a Municipality from Prohibiting a Particular Energy System or Energy Distributor**

The Propane Gas Association of New England (PGANE) is pleased to have the opportunity to offer its comments regarding LD 894.

The Propane Gas Association of New England is a regional alternative energy trade association representing members of the propane industry in the six New England States. We exist to serve the propane industry by promoting safety, education, and public awareness of the uses of propane. Our membership includes propane companies and suppliers, including numerous small companies who are often family owned and operated, many for several generations.

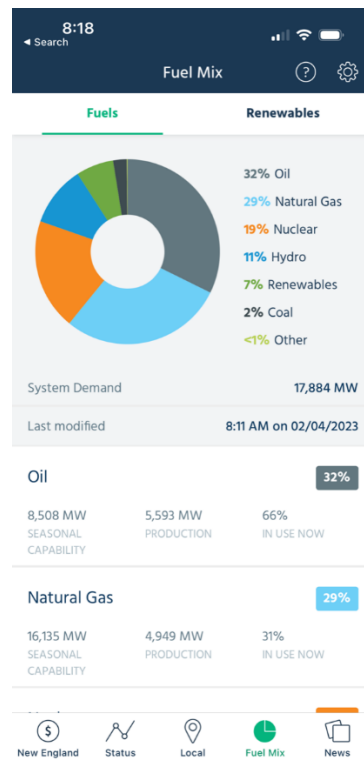
We strongly support LD 894 and urge the committee to vote unanimously Ought to Pass on this bill. We all want a cleaner environment and consumers also want the right to choose what energy source works best for their homes and businesses. More than 315,000 homes and businesses use clean propane in our state and this bill protects the right of our citizens to decide which energy is right for them.

Our association promotes propane because it is clean, although it is often misunderstood by local officials and frequently is prejudiced as a “fossil fuels” rather than a beneficial by-product. Using propane furthers the fundamental environmental goal to Reduce, Reuse, and Recycle as promoted by EPA and DEP. Most people do not realize that propane is a biproduct of natural gas processing. About 5% of natural gas processing produces propane. If propane is not captured and beneficially used to offset another energy source, it is simply burned off. Propane is a partner with renewable energy as it is the perfect backup for solar installations and wind turbines. It is a recognized clean alternative fuel by EPA under the 1990 Clean Air Act, and it is an essential backup for our ever-increasing use of the electric grid. Renewable propane is also a viable innovation and under development from renewable sources. We believe propane is the perfect partner for solar and wind and we want Maine citizens to be able to pick propane as their energy source.

Besides being clean, one of the many wonderful things about propane heat is that it is warm. Our industry has replaced heat pumps with warm hot air propane units in numerous retirement homes, where elderly customers wanted hot air rather than cold heat pump air blowing on them in the winter. Without this bill, these elderly customers may lose the ability to make this choice.

The State of Maine has incentivized heat pumps and encouraged citizens to use these systems, but the state has been very smart and has not required that people remove their existing propane or other energy furnaces and boilers when they install heat pumps. This is forward thinking, because when temperatures drop down below freezing, heat pumps are not efficient and switch to resistant backup strip electric heating to operate. Mainers know that another fuel source is more efficient and less expensive during the coldest periods of winter. This bill ensures that Mainers will have the right to make these smart choices.

Heat pumps need the most energy from the grid during the times when the grid is most stressed. When the grid is stressed, the electricity plants switch from using natural gas to diesel or heating oil to generate electricity. Most recently, on February 4, 2023, 32% percent of the grid was running on oil and 2% was running on coal (see graphic from ISONE app). This is why we need alternative energy sources to heat our homes during the extreme harsh winter weeks, especially when these alternative energy sources do not put stress on our fragile electric grid.



Another reason that Maine homes need additional energy sources is due to the age of our housing stock. Heat pumps do not work well in all homes, and from an environmental justice perspective, it is less expensive to continue with existing heating sources rather than retrofit to an all-electric home. This bill will preserve our citizens freedom of choice to pick the energy that is right for their situation.

**Energy diversity is critical for energy security.** Propane is the unsung energy hero of extreme weather events, and if climate change is going to increase the likelihood of these events as many predict, then we need to make sure that Maine has a healthy vibrant propane industry to step in and provide energy security during these emergencies. For the most recent reminder that propane is the portable energy needed during times of crisis, consider COVID – 19. During the pandemic, propane was the primary energy used to heat outdoor testing sites. Propane was also used for handwashing stations and hot showers for the homeless, as well as a source of outdoor heating for businesses, restaurants, and testing sites throughout the state. For propane companies to be able to supply all the propane generators that continue to grow in number each year in our state, we need a strong robust industry.

Propane is nontoxic, does not contaminate groundwater or surface water, is portable, and is already present across our state supporting local businesses and employees by providing green jobs. In Maine we have numerous small businesses and family-owned businesses that make up our industry. Most of our members are local Maine companies employing Maine citizens and contributing to their local communities. Utilizing propane contributes to Maine's economy and promotes green alternative energy usage here in our State.

I thank you for the opportunity to comment before the committee and ask you to vote Ought to Pass on LD 894 the freedom of choice energy bill.