Presentation to DEQ Greenhouse Gas Reporting Advisory Committee
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About Propane as a Fuel:

- Propane (or liquefied petroleum gas, "LPG") is a widely available, clean-burning alternative fuel.
- Propane is one of the lightest, simplest hydrocarbons in existence, and, as a result, is one of the cleanest burning of all alternative fuels. It is listed in the 1990 Clean Air Act as well as the National Energy Policy Act of 1992.
- Ninety percent of propane is produced domestically and so reduces our dependence on foreign oil. It comes from natural gas or crude oil as a byproduct of the refining process.
- Propane is often the fuel of choice used "off the natural gas grid" in rural areas of the country. Often that can mean propane serves those with lower incomes.
- Propane is versatile and portable. Nearly 80% of farms in the US use propane for a variety of purposes, including irrigation pumps, grain dryers, power generation and other farm equipment. Thermal agriculture assists production in by controlling weeds, insects, and microbes using propane rather than introducing toxic chemicals into our land and groundwater. Propane is an essential fuel for crop drying, flame cultivation, fruit ripening, and space and water heating. In Oregon, the USDA is encouraging the transition from dirty diesel smudge pots to clean-burning propane heater systems for orchard frost protection.
- Household uses include, furnaces, water heaters, air conditioners, outdoor grills, fire places, dryers and range tops. Propane is used in forklifts and on-road vehicles, as well as commercial and industrial applications.

About Propane as a Greenhouse Gas:

- With its low greenhouse gas emissions, short lifespan in the atmosphere, and low carbon content, propane has less of an impact on the environment than many other comparable fuels.
- For on-site emissions alone, propane has lower carbon content than gasoline, diesel, heavy fuel oil and ethanol. Unlike natural gas, when released into the atmosphere, LPG is unstable and has a relatively short lifetime.
- The greenhouse gas footprint of LPG is relatively small compared to other fuels in terms of total emissions and emissions per unit of energy consumed. LPG's share of total U.S. fossil fuel combustion represents about 1.05% of total emissions.
- "Propane Reduces Greenhouse Gas Emissions: A Comparative Analysis" is found at: http://www.energetics.com/pdfs/environmental/Propane_Reduces_GHG_Emissions.pdf

About the Propane Industry:

- Propane dealers are not utilities; rather, propane marketers are private businesses, most of them classified by the SBA as small businesses.
- The distribution chain is complex: refineries, transporters, wholesalers, national multi-state and regional propane companies, independent dealers, dispensers, cylinder exchange locations, and other distribution points.

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- The best source of U.S. propane industry sales and use statistics is the annual *Sales of Natural Gas Liquids and Liquefied Refinery Gases* publication created and distributed by the American Petroleum Institute (API). This report is the only source of national and state-by-state sales data on odorized propane markets. It is published annually and is used by propane marketers, investors, common carriers, and others with an interest in our industry.
- In recent years there has been a reduction in propane consumption in Oregon, largely due to efficiencies and conservation.
- Propane is a very small part of the total energy consumption in Oregon, often serving as a secondary fuel.

Propane Issues Concerning Greenhouse Gas Reporting:

- At the federal level, discussion centers on reporting by the refinery at the point of fractionation.
- The marketplace is very competitive. Confidentiality and disclosure of individual dealers' sales volume is a big concern for dealers, who consider it proprietary information.
- Multi-state propane companies are concerned about double reporting.
- Independent dealers often do not have sufficient staff and expertise to handle burdensome reporting duties.
- SB 38 Section 2 contains the following amendments sought by NWPGA:

(5) …For the purpose of determining greenhouse gas emissions related to liquefied petroleum gas, the commission shall allow reporting using publications or submission of data by the American Petroleum Institute but may require reporting of such other information necessary to achieve the purposes of the rules adopted by the commission under this section."

(6) To an extent that is consistent with the purposes of the rules adopted by the commission under this section, the commission shall minimize the burden of the reporting required under this section by: …(e) Requiring reporting by the fewest number of persons in a fuel distribution system that will allow the commission to acquire the information needed by the commission…"

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