April 4, 2022

Honorable Liane Randolph, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

SUBMITTED VIA EMAIL

RE: 2022 Scoping Plan Update - Building Decarbonization Workshop – Renewable Propane

Dear Chair Randolph:

Thank you for the opportunity to comment on the California Air Resources Board's 2022 Scoping Plan workshop related to building decarbonization. The Western Propane Gas Association (WPGA) greatly appreciate the leadership of CARB towards improving air quality and seeks to be a valuable contributor in both the development of the plan and related policies and procedures that may emerge as a result of these discussions.

PRESENTED PLANS ARE VAGUE; FAIL TO ADDRESS EQUITY AND ACCESS CONCERNS OF PROPANE COMMUNITIES.

Conservative estimates show over a million people in California rely on propane every year for affordable, uninterrupted energy for residential use. These communities are often in rural parts of California, snow impacted areas, rugged geographic terrain, and/or are residents living on a fixed income. The unique attributes of propane as a portable, affordable fuel allows propane to provide an energy solution where many other energy sources are not viable. The elimination of propane will cause an undue hardship for these communities, many of whom find it unfathomable that a state agency would consider eliminating their access to a highly efficient, resilient form of energy for their essential needs.

CARB's scoping plan so far does not appear to reflect how significant the difference is in energy needs between the state's various climate zones. Rural areas in California tend to be in colder climates where electric heating performs relatively poorly compared to warmer regions, and at much higher cost than combustion-based heating options. These difficult to electrify places show how disparate an impact a one-size-fits-all approach to decarbonization will have. Californians in cold climates could see their utility bills increase by hundreds of dollars.

It should also be clearly articulated that propane is a non-methane gas, with unique attributes that differ from other gaseous fuels. It is estimated based on information shared from the CEC that residential propane use accounts for 0.06% of the state's total GHG emissions. CARB's approach should weigh the economic impact of proposed policies compared to the true emission reductions for Californians.

PROPANE USAGE WILL HELP ADDRESS SHORTAGE OF GRID ELECTRICITY.

Electrification as a sole solution is expensive and inequitable, and it also harms the ability of rural Californians to survive severe storms, and cope with grid instability. Turing on a propane stove or water heater has no impact on the electric grid. Using propane equipment puts no added strain on the state's ability to deliver power. Instead, a home relying on propane does not have to worry about grid deenergizing events, allowing the resident to cook or heat their home. Allowing existing customers to remain on propane will curtail a ramp-up in electricity demand and help address the forecasted shortage of grid electricity. Additionally, for those propane homes that are connected to the grid for some portion of energy needs, we see new technologies including micro-CHP units that will enable propane or renewable propane generated electricity to net back to the grid to help buffer supply.

PROPANE IS PART OF THE GHG SOLUTION – TRANSITIONING TO RENEWABLE PROPANE.

In 2020, WPGA announced our sustainability plan to achieve 100% renewable propane by 2030. Renewable propane is a viable option and available in small volumes today. As more of the fuel comes to market, renewable propane can help CARB achieve its emission goals by 2035. WPGA has already identified enough potential renewable propane supply to satisfy the residential building market in California. Failure to include renewable propane is a disservice to over 1 million Californians who deserve access to clean energy and should not be ignored.

Rather than seeking to eliminate a reliable and affordable energy source we encourage CARB to think holistically on how emerging renewable propane can work alongside other renewable energy sources. Many rural customers utilize solar and propane to provide resilient clean energy for their homes. Rather than creating clean energy silos, where only wealthy communities can afford carbon neutral solutions, we encourage CARB to explore how advances in renewable propane, innovative appliance and generator technology can expedite the timeline to achieve carbon neutrality.

Renewable propane, derived from sustainable sources such as used cooking oil, beef tallow, or methane capture, provides an affordable path to energy sustainability, with an immediate path for emission reductions. Deployment of renewable propane is more cost-effective than other renewable sources because renewable propane is completely fungible with conventional propane equipment. While there is a marginal increase on the cost of the fuel versus conventional propane, customers will avoid costly infrastructure investments or the need for appliance upgrades. Homeowners using either renewable or conventional propane are relieved of a financial burden to upgrade their homes.

If California's building sector transitioned to 100% renewable propane, the state would benefit from 2.26 million tons of avoided CO2 emissions, which is the equivalent of taking roughly 537,000 cars off the road annually. A home fueled by renewable propane will have substantially lower emissions than an all-electric one because an all-electric home continues to rely on an electric grid predominantly fueled by natural gas. Because of this, a home fueled by renewable propane in the central valley (climate zone 12) would have less than ¼ of the emissions of an all-electric home. In colder climates like Truckee this difference only grows, where a home fueled by renewable propane would avoid more than 1 ton of CO2 emissions per year. [1]

[1] Source ConSol. Results from an analysis performed using CBECC-RES 2019 and the standard prototype home. CZ 12 showed 249 kg CO2 for a renewable propane fueled home and 1179 kg for an all-electric one. CZ 16 showed 439 kg CO2 for the renewable propane home, and 1876 kg for an all-electric one.

Climate change and decarbonization is a complex challenge that requires the deployment of all clean energy sources. Wind, solar, and other renewable fuels – like renewable propane – all have to factor in the equation of how to combat one of the most critical issues of our time.

WPGA strongly encourages the California Air Resources Board to consider a more holistic and comprehensive approach to decarbonization as opposed to a costly one-size-fits-all solution. CARB must work diligently to ensure that it's decarbonization goals and planning do not run contrary to the ability of Californians to afford to heat their homes. To that end, CARB should focus on the inclusion of renewable propane as part of a portfolio of solutions for the market to find the most efficient means to achieve decarbonization.

Respectfully,

Western Propane Gas Association