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VIA ELECTRONIC SUBMISSION

Senator Brian Feldman
Chair, Senate Education, Energy, and the Environment Committee
Maryland General Assembly
2 West Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill 804

Dear Chair Feldman:

Suburban Propane writes in regards to Senate Bill 804, which requires new buildings meet all water and space heating demands without the use of fossil fuels. Suburban Propane has been serving customers for nearly 100 years and is the nation's third-largest propane retailer with operations in 42 states. In Maryland, we currently have 135 employees at 19 locations serving more than 40,000 customers.

Suburban Propane supports Maryland's overall goal of reducing the carbon footprint of buildings. However, pushing all building construction towards electricity as the only energy source comes with significant costs and is not an effective way to achieve the State's goal. Combatting the impacts of climate change will require a technology-neutral approach that uses all available fuel sources, including: low carbon intensity (CI) traditional propane, lower-CI renewable propane, zero- or negative- CI blends of traditional propane, renewable propane, and/or renewable dimethyl ether (rDME); and renewable natural gas (RNG). Therefore, we ask that Senate Bill 804 be amended to promote a technology-neutral approach encouraging the use of all low-CI energy sources to achieve Maryland's emissions reduction target.

Senate Bill 804 clearly prioritizes electricity under the inaccurate assumption that electricity is the energy source with the lowest carbon intensity. Electricity can be a tool in reducing the carbon footprint of buildings, but rapid electrification is detrimental to decarbonization. If buildings move to all-electric too quickly, it further taxes an already overburdened electrical grid. More power must be generated, which will most likely come from increased electric generation at existing power plants using fossil fuels, negating any benefit electrification may provide, and increasing electricity costs for residents.



Meanwhile, other low-, zero, and negative-CI fuels, including those previously mentioned, are already available to consumers and can be used in existing infrastructure, allowing for immediate reductions in carbon emissions and saving residents thousands of dollars in conversion costs. For example, our subsidiary, Suburban Renewable Energy (Suburban Renewables), owns and operates RNG production facilities in Arizona, New York, and Ohio. This RNG is a drop-in replacement for natural gas and can use the existing natural gas transmission and distribution system.

Instead of relying solely on electricity, we encourage the State to adopt a technology-neutral approach in reducing carbon emissions, similar to the clean fuel standards adopted in California, New Mexico, Oregon, and Washington for transportation emissions, and permit the use of other energy sources that are low-carbon, including traditional and renewable propane. Propane is a reliable and abundant energy source that millions of households and businesses use for heating, cooking, and other purposes. Rural communities, like many of the communities in Maryland, rely on propane as they do not have access to natural gas lines.

Suburban Propane is proud to be leading the propane industry in the energy transition to a low-carbon world. Through our Suburban Renewables platform, we are also committed to investing in the next generation of even cleaner, less carbon-intensive energy sources, such as rDME, biogas, renewable natural gas, and hydrogen. However, it will take time to bring these new products to widespread commercial scale and the use of propane will be important in reducing emissions in the short term.

We urge the Senate Education, Energy, and the Environment Committee to amend Senate Bill 804 by adopting a technology-neutral approach that incentivizes buildings to use low-carbon, carbon-neutral, or carbon-negative fuels. We would appreciate the opportunity to discuss with you how propane, renewable propane, and other low-carbon fuels can play a role in lowering the carbon footprint of buildings in Maryland. Thank you for your consideration.

Sincerely,

/s/ Paul M. Rozenberg

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