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February 11, 2022

VIA ELECTRONIC SUBMISSION

Senator Paul Pinsky
Chair, Senate Education, Health, and Environmental Affairs Committee
Maryland General Assembly
2 West
Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill 528

Dear Chairman Pinsky:

Suburban Propane Partners, L.P. (“Suburban Propane”) writes in regards to Senate Bill 528, which directs the State to achieve net-zero emissions by 2045. The bill proceeds to enact several methods to achieve this goal, two of which are concerning: 1) requiring the state Department of Labor to adopt building standards mandating new buildings meet all water and space heating demand without the use of fossil fuels and are electric-ready; and 2) requiring that all passenger cars and light-duty vehicles in the State vehicle fleet be zero-emission starting FY 2027 and FY 2033 respectively. Suburban Propane has been serving customers for 94 years and is the nation’s third-largest propane retailer with operations in 42 states. In Maryland, Suburban Propane distributes propane to more than 55,000 customers, and we employ 158 people at 18 locations.

Suburban Propane supports the legislation’s goal of achieving net-zero greenhouse gas emissions. However, requiring electricity over all other available energy sources does not achieve these goals. In fact, requiring electricity over traditional propane, renewable propane, and renewable dimethyl ether (“rDME”) will lead to an increase in greenhouse gas emissions in the State because electricity is not the energy source with the lowest carbon intensity. Therefore, we ask the Committee to amend the bill to promote a technology-neutral approach encouraging the adoption of the lowest carbon intensity energy source to achieve the State’s goal of reducing greenhouse gas emissions.



As currently drafted, Senate Bill 528 prioritizes electricity under the inaccurate assumption that electricity is the energy source with the lowest carbon intensity. Mandating that all new buildings and State vehicles use only electricity ignores readily available lower-carbon and carbon-negative energy sources that can accelerate Maryland’s path towards net-zero emissions. Using data from the U.S. Energy Information Administration and the procedure employed by the California Air Resources Board (“CARB”) to calculate emissions from electricity generation, the carbon intensity (“CI”) score of Maryland’s electric grid is 112.9.¹ Meanwhile, CARB has calculated the CI score of traditional propane to be 83.19, and renewable propane has a range of CI scores from 43.5 and 20.5, making both fuels substantially less carbon intensive than grid electricity.² The carbon intensity of rDME has not yet been established, but our analysis indicates that the CI score could be negative. Requiring only electric energy will not achieve the State’s goal of reaching net-zero emissions because it requires the use of an energy source that has a higher carbon intensity than other readily available energy sources.

We encourage the Committee to focus on driving down greenhouse gas emissions by taking a technology-neutral approach that requires low carbon and carbon negative energy sources. The General Assembly should develop and enact legislation to establish a clean fuel standard for building emissions, similar to low carbon fuel programs for transportation in California, Oregon, and Washington. The regulatory framework and technical details of establishing a CI score are well tested and have led to a 10.9 percent reduction in transportation sector emissions from 2006 in California alone.³

We urge the Committee to amend Senate Bill 528 by adopting a technology-neutral approach that requires that new buildings and vehicles use low-carbon, carbon-neutral, or carbon-negative energy sources. We would appreciate the opportunity to discuss with you how such energy sources can play a role in lowering Maryland’s carbon footprint. Thank you for your consideration.

Sincerely,

/s/ M. Douglas Dagan

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Vice President, Strategic Initiatives –
Renewable Energy
Suburban Propane Partners, L.P.

¹ See <https://propane.com/research-development/emissions/decarbonization-of-md-hd-vehicles-with-propane/> (accessed February 10, 2022)

² See <https://ww2.arb.ca.gov/resources/documents/lcfs-pathway-certified-carbon-intensities> (accessed February 10, 2022)

³ See <https://ww2.arb.ca.gov/applications/greenhouse-gas-emission-inventory-0> (accessed February 10, 2022)