

## Include Propane in Federal Appropriations

**The Issue:** Propane is an abundant clean domestic fuel that is used in many applications to help the U.S. significantly reduce greenhouse gasses and carbon emissions from transportation, home heating, power generation, and other sectors of the economy.

**Background:** Since 2019, NPGA successfully secured access to over \$20 million in Department of Energy (DOE) research and development funding for propane-powered combined heat and power (CHP) systems as well as vehicle energy technology (VET) development. Building upon these successes, NPGA submitted FY23 additional requests for both VET and CHP as well as for microgrids and renewable propane.

This year, the Association requested \$4 million in federal funding for renewable propane, or liquified petroleum gas (LPG). Renewable LPG has the same molecular structure as propane and can be used for existing applications. However, the combustion of the fuel leaves a much smaller carbon footprint than traditional energy sources. According to the California Air Resource Board, renewable propane produced from fats, oils, and grease residues, received a carbon intensity score of 20.5. While there is only one domestic facility producing renewable propane, federal funding can help expand this technology around the country.

Additionally, NPGA requests the continuance of \$5 million for the research and development of propane vehicles. The Association has had great success with this request, as Congress included it in their FY 2020, FY 2021, and FY 2022 Committee report language. NPGA modified this request to add dimethyl ether (DME) as an eligible fuel for this program. DME can be used in slightly modified diesel engines, which results in considerably reduced GHG emissions. DME can also be blended with propane and used in vehicle engines without modification to result in even lower GHG emissions. DOE funding will help in the development of commercially viable propane engines, as well as DME fueling infrastructure and vehicle development

The third and fourth requests are for federal appropriations dollars to increase the resilience of the nation's energy distribution systems through the use of micro-CHP systems and microgrid technology. The Micro request is a follow-on from the FY 2022 request and expands the research area for CHP using propane to include power generation and integration with renewables. The Microgrid request would fund the development of propane-fueled microgrids and CHP, which can be used to help address inefficiencies in the nation's grid infrastructure and bolster ongoing modernization efforts.

NPGA strongly believes that investment in new and improved propane technologies can help the nation address many of the challenges presented by emission reduction efforts across many sectors of the U.S. economy.

**The Ask:** Please support NPGA's four Energy & Water appropriations requests. As a clean and abundant domestic fuel source, investment in propane technologies plays a vital role in an all-of-the-above approach to future emissions reductions.