

SPECIAL EXEMPTION TO FMCSA

ISSUE

NPGA received feedback from the Federal Motor Carrier Safety Administration (FMCSA) raising concerns on the frequency of Emergency Declaration requests throughout the year. NPGA has significantly improved communication with FMCSA including an understanding of the infrastructure constraints to deliver propane in peak periods of consumer demand, often precipitated by natural disasters. As a result of this improved communication, NPGA was able to identify a new opportunity to develop another tool for the industry's toolbox to respond to periods of peak consumer demand. Fleshed out during Board of Directors meetings, NPGA composed a request for a Special Exemption from specific provisions of the hours of service regulations.

ACTION

NPGA submitted a Special Exemption request to FMCSA to extend specific portions of the federal hours of service regulations during periods of peak consumer demand. If granted, the special exemption would extend the daily driving maximum to 14 hours and extend the daily on-duty maximum to 17 hours for up to six consecutive days at any time throughout the year. The special exemption request defines a "period of peak consumer demand" to include railcar delays in excess of five business days, interruption of electricity or natural gas services, pipeline allocation, weather- and storm-related events, below average temperatures, and communicable diseases. A detailed summary of the requested exemption is available in the Bobtail.

OUTLOOK

NPGA will update the industry on the progress of FMCSA's consideration of the requested Special Exemption. The next step in the agency's analysis is to collect any other feedback from the hazmat community and analyze the request compared to similar special exemptions already granted. Thereafter, FMCSA will publish a final determination either granting or denying the Special Exemption. If granted, FMCSA will publish any additional recordkeeping or training requirements. NPGA has prepared a draft guidance document with common questions, which will be updated and distributed to the industry, if FMCSA grants the Special Exemption.

DOE PROPOSAL THREATENS PROPANE FURNACES

ISSUE

The Department of Energy proposed a new energy efficiency standard of 95% for newly manufactured gas furnaces. Only one segment of propane furnaces, "condensing furnaces", could meet the new standard. By effect, the new proposal would cause propane customers to either spend additional money redesigning home ventilation systems to replace non-condensing furnaces with condensing furnaces, or switch to an electric heat pump. The potential impact of fuel switching is significant for the propane industry. Among home appliances, furnaces draw a large amount of propane. Without a propane furnace, customers may consider switching other propane appliances for electric alternatives.

ACTION

NPGA engaged expert outside counsel to directly engage DOE in coordination with allied associations and manufacturers in the gas industries. NPGA has also engaged the expertise of technical experts to conduct deep dives into the analysis provided by the agency to explain its proposal. NPGA's counsel has led communication with DOE to initiate a workshop to discuss several of the technical errors in DOE's analysis, including the underrepresentation of fuel switching. Further, NPGA and our allies have met with the Department of Justice to argue the proposal would violate anticompetitive regulations by proliferating an unjust share of the appliance market to electric alternatives.

OUTLOOK

NPGA and our allies have advocated to DOE on the proposal over the course of three presidential administrations for more than ten years. NPGA will continue to fight against an unjustified efficiency standard that suffers significant miscalculations and analytical errors as well as jeopardizes propane customers in rural communities with little to no alternatives. Without revisions by DOE in response to our comments, NPGA and our allies may be forced to litigate these concerns against the agency).

CONGRESS PASSES INFLATION REDUCTION ACT OF 2022

ISSUE

After months of negotiating various versions of a climate-oriented reconciliation bill, Senate Majority Leader Chuck Schumer (D-NY) and Senator Joe Manchin (D-WV), on July 27, 2022, announced an agreement for the Inflation Reduction Act of 2022 (IRA). This bill provides \$369 billion for “energy security and climate change,” among other provisions. The House and Senate passed the IRA on party lines, and President Joe Biden signed the bill into law on August 16, 2022. This bill contains significant funding opportunities for electrification, but it also includes numerous provisions beneficial to propane, including an extension of the Alternative Fuel Tax Credit and incentives for distributed power generation and renewable propane production.

ACTION

NPGA worked for numerous years to secure these incentives for the propane industry that Congress included in the IRA. Now that the President has signed the IRA into law, NPGA will begin working with Congress and the Federal Agencies to ensure propane receives the funding opportunities outlined in the legislation

OUTLOOK

While this bill contains several provisions that heavily favor electrification, the legislation offers many opportunities for propane. NPGA secured an extension of the Alternative Fuel Tax Credit and incentives for distributed power generation and renewable propane production, among other opportunities. NPGA will work with affiliated state associations, member companies, and industry partners to secure funding for the industry.

