

Include Propane in Federal Appropriations

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

Background: Since 2019, NPGA has successfully secured access to over \$20 million in Department of Energy (DOE) research and development funding for using propane and dimethyl ether (DME) in vehicles, propane-powered combined heat and power (CHP) systems, and renewable propane. Building upon these successes, NPGA again submitted appropriations requests for FY 2024.

This year, the Association requested \$4 million in federal funding for renewable propane. Renewable propane is molecularly identical to conventional propane and can be used in existing applications without modification. However, its fuel combustion leaves a much smaller carbon footprint compared to 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 only a handful of domestic facilities produce renewable propane today, federal funding can help drastically expand production through the use of new feedstocks.

Additionally, NPGA requests the continuance of \$5 million for the research and development of propane vehicles and the use of DME. The Association has had great success with this request, as Congress included it in its FY 2020, FY 2021, FY 2022, and FY 2023 Committee report language. Propane can be used in slightly modified vehicle engines, which results in considerably reduced greenhouse gas emissions. DME can also be blended with propane and used in vehicle engines to result in even lower greenhouse gas emissions¹. 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 micro-CHP systems and microgrid technology. The Micro CHP request is a follow-on from the FY 2022 and FY 2023 requests 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 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 and Water appropriations requests for FY 2023. 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.

¹ <https://nepis.epa.gov/Exe/ZyPURL.cgi?Dockey=P100PKAA.txt>