



# JERRY PETROWSKI

WISCONSIN STATE SENATOR

## Senate Bill 699

January 10, 2022

Mr. Chairman and committee members, thank you for taking time to hear Senate Bill 699 allowing the Wisconsin Propane Education and Research Council (Council) to levy an assessment on propane gas sold by participating licensed distributors in Wisconsin.

This bill is substantially similar to the current “check off” funding models being used by other commodity groups, such as the Milk Marketing Board, Cranberry Growers Association, Corn Growers Association, the Soybean Marketing Board, Beef and Pork Councils, and others. Wisconsin is one of the few states in the Midwest that does not have a state propane assessment program.

The program will work similarly to the current National Propane Gas Association’s Propane Education and Research Council (NPGA/PERC) assessment program. Money raised would allow the Council to fund educational, training and safety programs, fund public service announcements, emergency response programs, offer appliance rebates, and hold district meetings. Moreover, the bill explicitly prohibits the use of any funds raised by this assessment from going towards lobbying efforts, paying a lobbyist, or any type of political messaging.

The bill will address the referenda process, assessment, and compliance with the Propane Gas Safety and Training Assessment Program. Under the bill, the Wisconsin Propane Gas Association will have 120 days to hold a referendum of their propane retail members for the Council’s authority to levy the assessment. Any increases of the assessment exceeding one-twentieth of one cent per gallon would need to be approved by a referendum among the participating retail members of the Wisconsin Propane Gas Association and approved by the Council’s Board of Directors. Licensed propane retail marketers can opt out of the assessment at any time; and the bill requires that the Council must notify each propane retailer annually of the assessment rate and inform them of the process for opting out of the program.

Currently, natural gas utilities use rate-payer assessments to pay for their safety and training, educational and consumer awareness, and the Focus on Energy program which provides rebates for energy efficient gas and electric appliances, but not for propane appliances or meter rebates. This legislation would remedy that disparity.

This bill passed the Assembly last session and received a unanimous vote out of the Senate committee, but did not get to the floor before the Senate shut down due to COVID. Thank you again for the hearing and I would be happy to answer any questions.

29TH SENATE DISTRICT

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# JOHN SPIROS

State Representative • 86th Assembly District

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## **Testimony on Senate Bill 699 Senate Committee on Natural Resources and Energy Monday, January 10, 2022**

Chairman Cowles and members of the Senate Committee on Natural Resources and Energy thank you for allowing me to submit testimony on Senate Bill 699, allowing the Wisconsin Propane Education and Research Council (WiPERC) to levy an assessment.

We are bringing this bill back this session after it passed the Assembly, but ran out of time to get to the floor of the Senate last session.

SB 699 will allow the non-profit WiPERC to establish an industry assessment program under which propane retailers will be assessed at a rate of 2/10<sup>th</sup> of 1 cent per gallon of odorized propane. A referenda process will be put in place giving the Wisconsin Propane Gas Association 120 days to hold a referendum of their propane retail members to give the Council authority to levy the assessment. Any future increases in this assessment rate would also need to go to referendum of the propane retail members and be approved by the Council's Board of Directors. Should a licensed propane retail marketer not want to participate in this program, they can request a refund at any time.

The program will be managed entirely by the industry and has no cost to the state. It will work similarly to the current National Propane Gas Association's Propane Education and Research Council (NPGA/PERC) assessment program. Money raised will allow the funding of educational, training and safety programs, public service announcements, and emergency response programs. Funds will also be used to offer appliance rebates and for holding district meetings. Additionally, none of the funds raised are allowed to go towards lobbying efforts or political messaging. Our neighboring states of Minnesota, Iowa, Michigan, and Illinois all have a state program and are better able to help train their businesses and consumers because of it. We would like to see Wisconsin be able to do the same.

Thank you again for allowing me the opportunity to share testimony in support of this bill.



## PUBLIC HEARING: SB-699 PROPANE ASSESSMENT

### *Talking Points for Chad Kroening*

- **My name is Chad Kroening....**Information on your business, how many people you employ, business history, what you provide/sell.
- **I am here on behalf of** the Wisconsin Propane Gas Association (WPGA) & Wisconsin Propane Education & Research Council (WiPERC).
- **I want to thank the Committee for this opportunity to testify in SUPPORT of SB-699**
- Wisconsin's propane marketers want to establish an industry assessment program so that we can improve and grow our businesses.
- This bill allows the Wisconsin Propane Education & Research Council (WiPERC) to assess propane marketers at a rate of 2/10ths of 1 cent per gallon of odorized propane.
- This is not a tax and there is no government involvement. The program is funded solely by the industry, not our customers.
- The funds raised by the assessment would be used to expand on the programs that WiPERC offers, including industry training, safety programs, rebates for consumers, and volunteer fire department training, – just to name a few.
- These programs are not only beneficial for the propane industry, they are beneficial for our customers as well.
- For example, Focus on Energy, funded through ratepayer dollars from the investor owned utilities, provide rebates for gas and electric appliances including ovens, water heaters, washer and dryers and more. Propane powered appliances do not qualify for these rebates, making it hard to compete. This bill will allow us to offer similar rebates to customers who use propane.
- In addition, propane powered vehicles, also known as autogas, is a rapidly growing market in Wisconsin, especially amongst school districts and police departments. Wisconsin has over 550 propane powered school buses, ranking us 5<sup>th</sup> in the nation. This bill will allow more school districts and law enforcement agencies to take advantage of the benefits of autogas by offering financial incentives and training. This is especially important for businesses like mine as the residential market continues to plateau.
- One of the more popular programs is WiPERC's Emergency Response program which provides training to volunteer fire departments at no-cost. Due to limited funding through the national assessment and the programs high-demand, there is a growing waitlist. At this rate, it will take nearly 7 years to train all of the departments in the state. This bill will allow us the opportunity to train more departments.
- Thank you again for allowing me to testify today, I am happy to answer any questions you may have.



## PUBLIC HEARING: SB699– PROPANE ASSESSMENT

### *Talking Points for Chris Tews*

- **Good morning. Thank you for the opportunity to testify in SUPPORT of SB-699**
- My name is Chris Tews.... statement about your business, location, # employees.
- I'm a long-time member of the WPGA and have served on the board of directors for both organizations, including five years as the President of the WPGA.
- I currently serve as a district director on the WPGA board and chair the Government Affairs Committee.
- **I'm here today on behalf of the Wisconsin Propane Association, Wisconsin Propane Education & Research Council and propane retailers across Wisconsin.**
- As Mr. Kroening mentioned, WI's propane retailers want to establish an industry funded assessment program so that we can provide more safety and training programs to our employees, our customers and our communities.
- I would like to share more about what the funds will be used for and why these programs valuable.
- Safety is our industry's top priority!
- WiPERC was established to promote the safe use of propane in through educational programing and resources including:
  - Propane employee training and certification
  - Driver training and certification
  - Appliance installation training
  - Free emergency responder training
  - Consumer safety awareness radio messaging
  - Regulator rebates for outdated propane regulators
- These programs are beneficial to the industry, our customers, and the general public.
- Currently 100% of WiPERC's funding comes from the national assessment and most of it is used to fund our employee training program, therefore, limiting the other safety and training programs that are so critical to our state.

- The additional 2/10ths of a cent per gallon would generate an average of \$350 - \$400,000 per year to expand on the programs I mentioned.
- We could train more fire departments and educate more consumers.
- Many other states offer additional programs that WI can't because we don't have a state assessment program, this puts our employees, businesses and customers at a huge disadvantage.
- Examples of these programs include furnace rebates, storage rebates for farmers, refueling infrastructure rebates, grill cylinder disposal programs, state inspector training and more.
- Again, this is something that our industry needs and supports, and I hope that we can count on you to support SB-699.
- Thank you again for allowing me to testify today, I am happy to answer any questions you may have.



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January 10, 2022

The Honorable Robert Cowles  
State Senator, District 2  
Room 118 South  
Wisconsin State Capitol  
Madison, WI 53707

Dear Senator Cowles,

As constituents, propane marketers with my business in your district, and members of the Wisconsin Propane Gas Association (WPGA), we are asking for your support and vote on a very important propane bill that the Natural Resources and Energy Committee will be reviewing today, Monday, January 10<sup>th</sup>.

Propane retailers have been working for years to educate the legislature on the tools and resources they need to help their businesses become safer for their employees and customers, and how to be on the cutting edge of new technology and training, in this highly competitive business. For the past two years propane marketers, as essential businesses and essential employees have worked hard to stay up to date with health and safety issues relating to Covid so that the industry could continue to serve your district and our customers.

The Propane Assessment Program SB-699 will allow the Wisconsin Propane Education and Research Council (WiPERC), a 501(c)(3) organization, to establish a voluntary industry funded assessment program to greatly expand the number of safety, training, and consumer programs being offered to propane companies and consumers in Wisconsin.

The program is funded through a two-tenths of one cent per gallon voluntary assessment, much like Wisconsin's commodity programs previously approved by the legislature. It's important to note that this is not a tax or a government program. It's not subsidized by the state or ratepayers as are the safety and training programs for coal and natural gas utilities paid for by their rate payers per the PSC. The propane program is "significantly unique" among all the commodity programs in that it is a voluntary program, - if a marketer doesn't want to participate in the program, they can opt out with a simple letter to the Wisconsin Propane Education and Research Council.

Wisconsin is the only state in the Midwest and one of the few in the country without a state assessment program. The difference between what Wisconsin and those states offer is very significant.

Propane businesses want and need this program!! The funds generated through the program would allow WiPERC to increase propane safety in Wisconsin through expanded safety programs including the following:

- **Winter Preparation Outreach** – print and digital outreach to homeowners about preparing their tanks and homes for the winter heating season.
- **Public Safety Announcements** – propane safety radio messaging on a variety of topics including regulator inspections, grill tank safety, winter safety, appliance rebates and leak inspections.
- **Emergency Response Training** – propane specific training for emergency responders and volunteer fire fighters so they are prepared for an emergency such as a rail accident, delivery truck accident, and residential tank fires.



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- **Research and Planning** –informational databases on customer owned tanks and natural gas interruption customers to improve communication and planning for future supply needs.
- **Propane Industry Training** – increased training for propane employees as there is no other entity or organization that provides the nationally recognized propane curriculum.

If you have any questions, please contact the Wisconsin Propane Gas Association's Executive Director, Emma Corning at (608) 210-3307.

Thank you for your consideration.

Sincerely,

Pat Brosseau  
CHS Larsen Coop  
New London, WI

Jeff Duch  
Wolf River Propane  
New London, WI

Larry Dobson  
Lakes Gas  
Kaukauna, WI

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