



MINNESOTA PETROLEUM MARKETERS ASSOCIATION

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Tim Gross

August 15, 2019

Minnesota Department of Commerce
Anthony Fryer
Conservation Improvement Program Coordinator

RE: Stakeholder Comments – CIP Fuel Switching

Dear Mr. Fryer,

My name is Tim Gross and I am the Executive Director for the Minnesota Petroleum Marketers Association. Our Association represents the 450 licensed petroleum distributors found across our State. This group is made up of multi-generational small, family businesses and farm COOP's that provide the fuel for businesses, family farm operations, and residential heating needs.

There are several points that need to be addressed within the discussion of the CIP fuel switching proposal:

- 1) Petroleum fuel in our State has become a renewable, cleaner fuel with the 20% biodiesel mandate and the increases of ethanol gasolines blends allowing E-15 along with E-85. Also, this move to renewable, cleaner fuels directly supports Minnesota's corn and soybean farmers. Any fuel switch incentive may harm Minnesota's farm families.
- 2) Allowing the utilities or others to incentivize or pay people to switch fuels will lead to a loss of fuel oil customers. Thus, petroleum distributors will be forced to reduce or eliminate drivers and delivery trucks. This loss of delivery infrastructure will negatively impact the distribution system jeopardizing deliveries and increase costs to the remaining rural Minnesota residential fuel oil customers who have no options for natural gas or electric. The same concerns may ripple down to family farms and rural businesses with potential unfulfilled deliveries and increased costs.
- 3) We have concerns on the measurement of the net energy savings related to fuel switching and optimization of energy use. All aspects of "savings" should be measured related to a fuel-neutral basis such as total customer costs, infrastructure affects, accurate BTU calculations, and costs associated with increases to peak load demands.
- 4) There is a danger for unintended outcomes without effective criteria. A good holistic energy policy does not limit energy choices for Minnesota's consumers. The interference of fuel switching in the energy marketplace will create unintended winners and losers.

Thank you for allowing our interests to be heard during this public comment period. I would be happy to answer any questions on the points discussed above.

Sincerely

Timothy Gross
Executive Director