



The mission of the Michigan Propane Gas Association (MPGA) is to promote the proper handling and use of propane, to work for favorable environment for propane distribution and marketing, and to increase its application by demonstrating propane's value as a clean energy resource.



- **Propane is an American fuel.** Nearly all – if not all – of the propane used in Michigan comes from North America.
- **Michigan is the biggest propane user of odorized propane in the United States.**
- **Every county of Michigan has propane** delivered to it by over 150 propane companies – most of which are family owned businesses.

Michigan is Propane Country

#1 in the U.S.

Residential Use
@ **367,162,000 gallons**

#2 in the U.S.

Propane Consumption
@ **489,236,000 gallons**

#3 in the U.S.

Propane Fueled Vehicles (known as Autogas)
@ **30,415,000 gallons**

Economic Impact:

\$1.5 Billion
Contributed to Michigan's GDP

Employment
 **1,500 Jobs**

Agriculture
 **26,112,000 Gallons**

Farms
 **9,775 Total Farms**

Residential
 **632,000 Homes Served**

Schools
 **354 School Buses**

Total Use of Propane (in gallons without refining)

1. California	492,189,000
2. MICHIGAN	489,236,000
3. Minnesota	444,033,000
4. New York	355,284,000
5. Iowa	352,862,000

Agricultural Use (in gallons)

1. Iowa	162,194,000
2. Minnesota	102,015,000
3. North Carolina	63,894,000
4. California	53,443,000
12. MICHIGAN	26,112,000

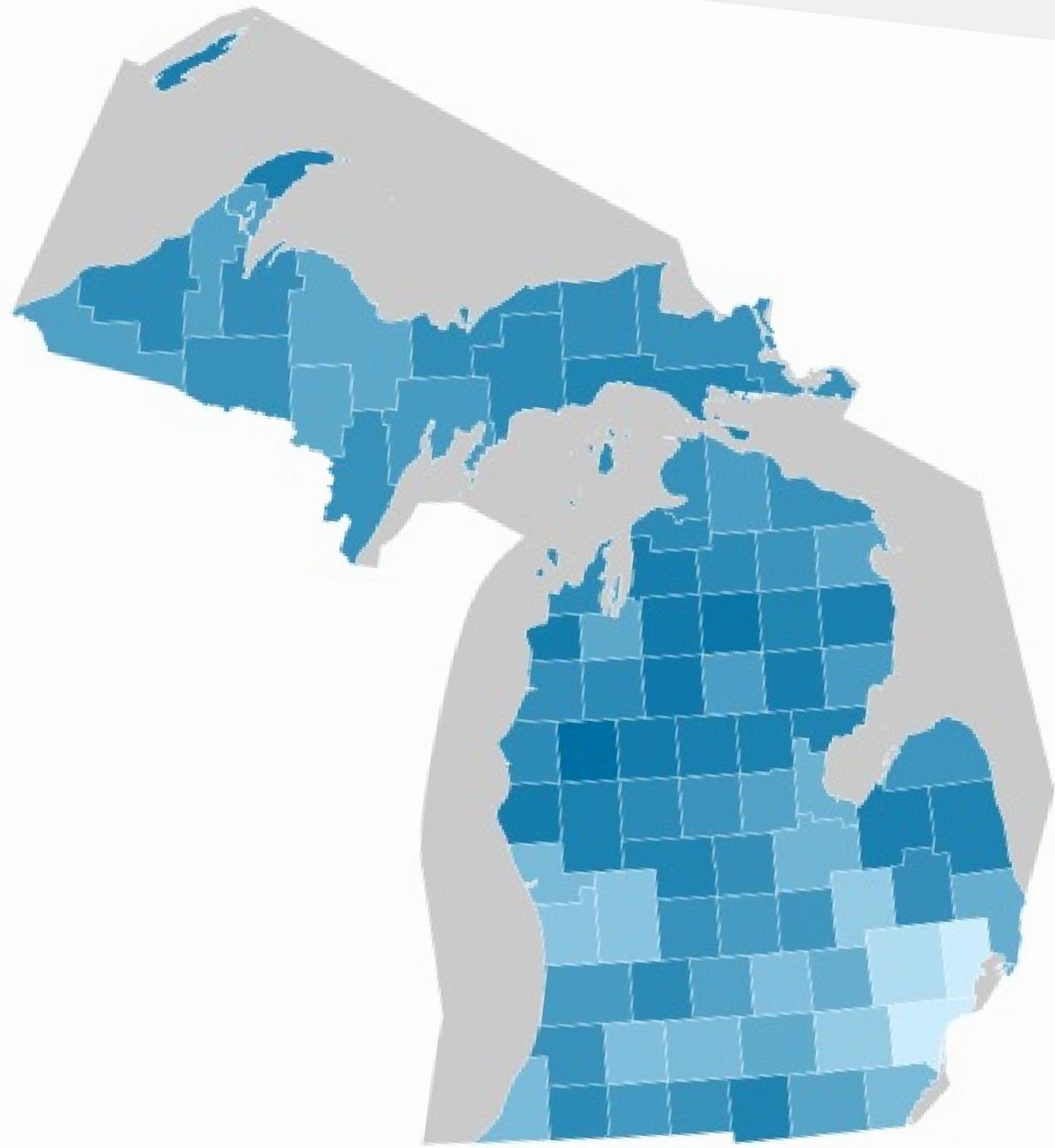
Residential Use (in gallons)

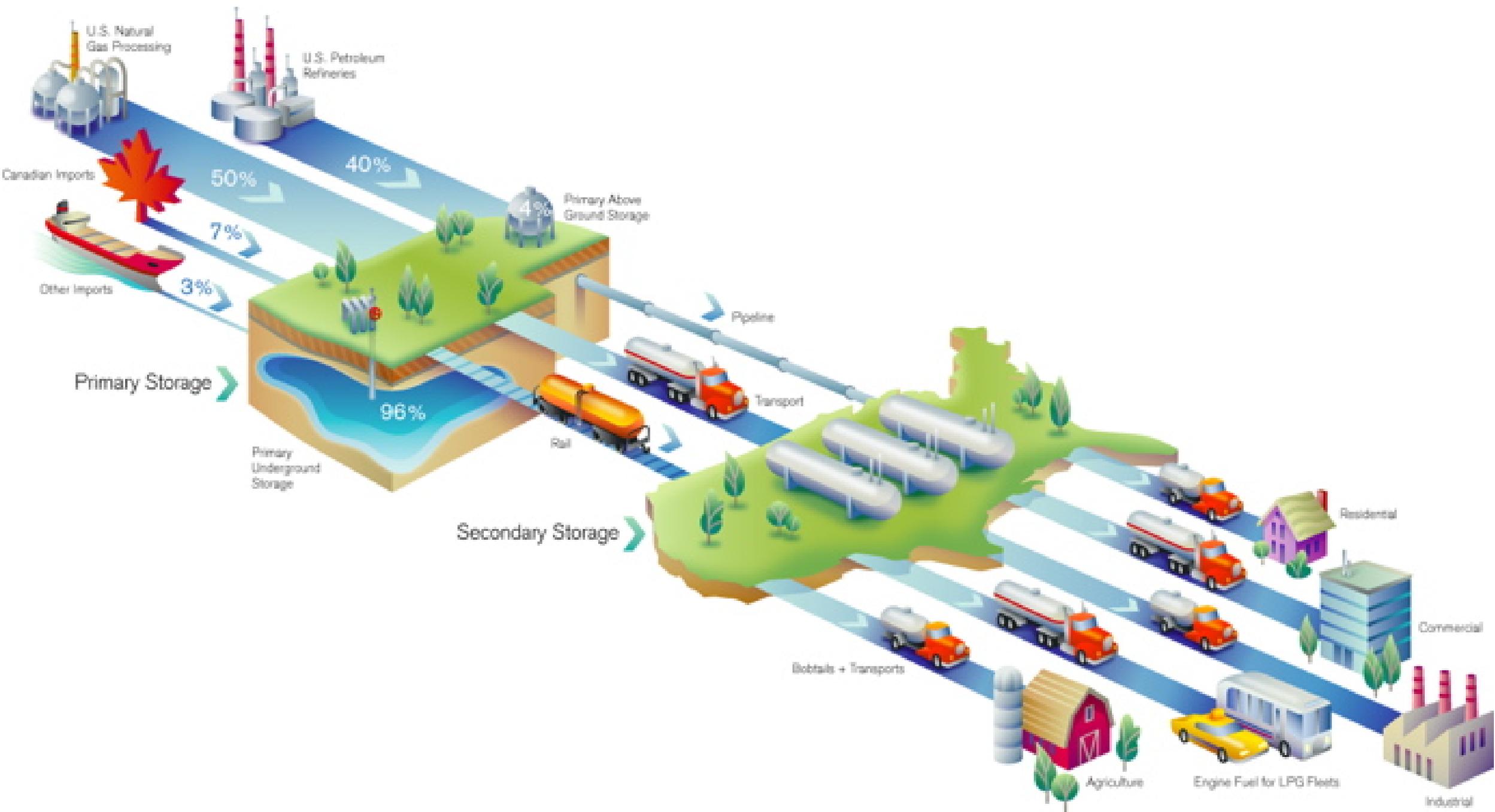
1. MICHIGAN	367,162,000
2. Minnesota	254,519,000
3. Wisconsin	238,753,000
4. New York	224,905,000
5. California	202,545,000

Autogas Use (in gallons)

1. California	52,009,000
2. Texas	50,266,000
3. MICHIGAN	30,415,000
4. Illinois	29,374,000
5. Florida	23,188,000

Based upon 2017 Retail Propane Sales Report





50%

7%

3%

40%

4%

96%

Secondary Storage

Transport

Rail

Bortails + Transports

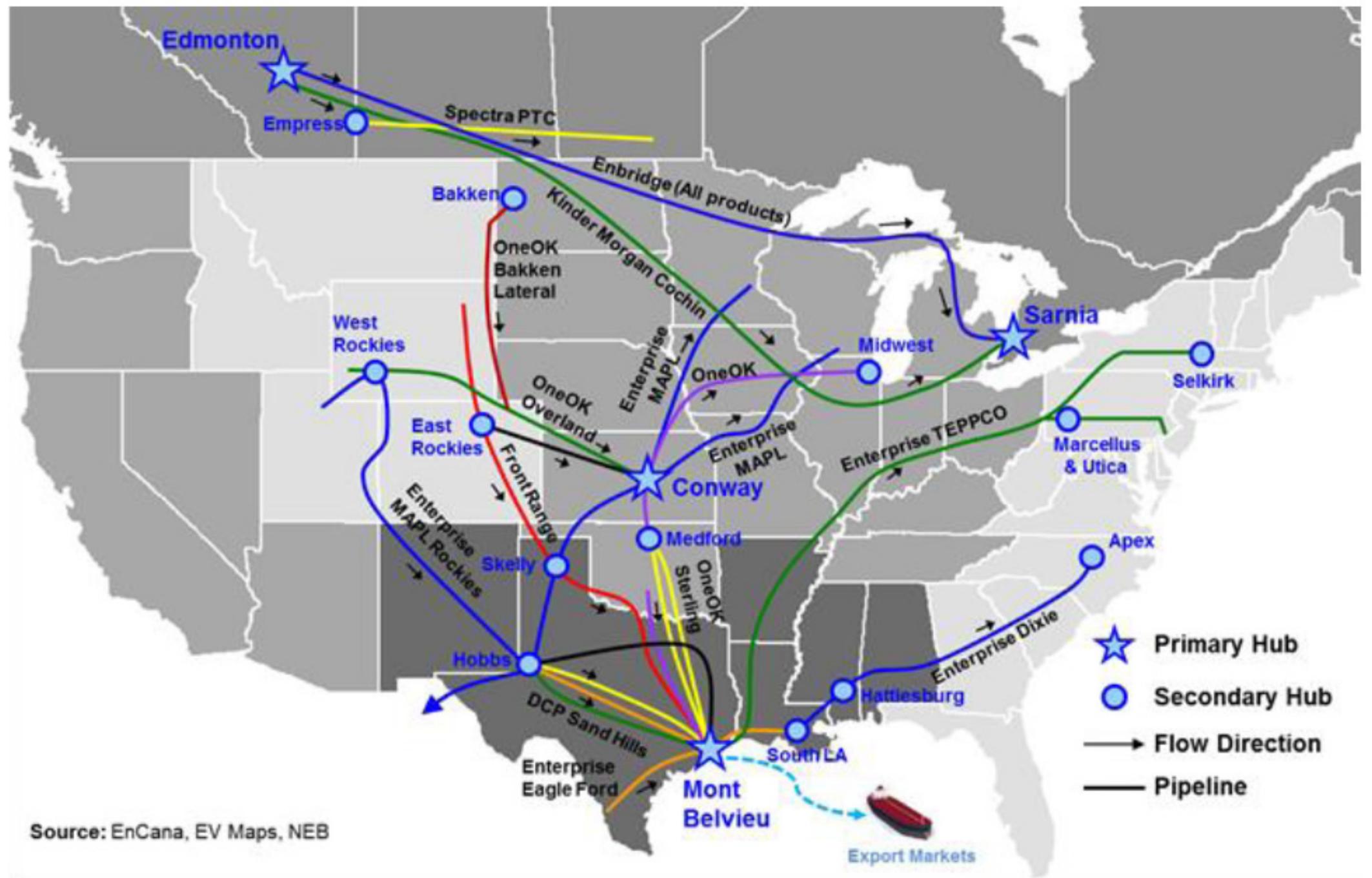
Residential

Commercial

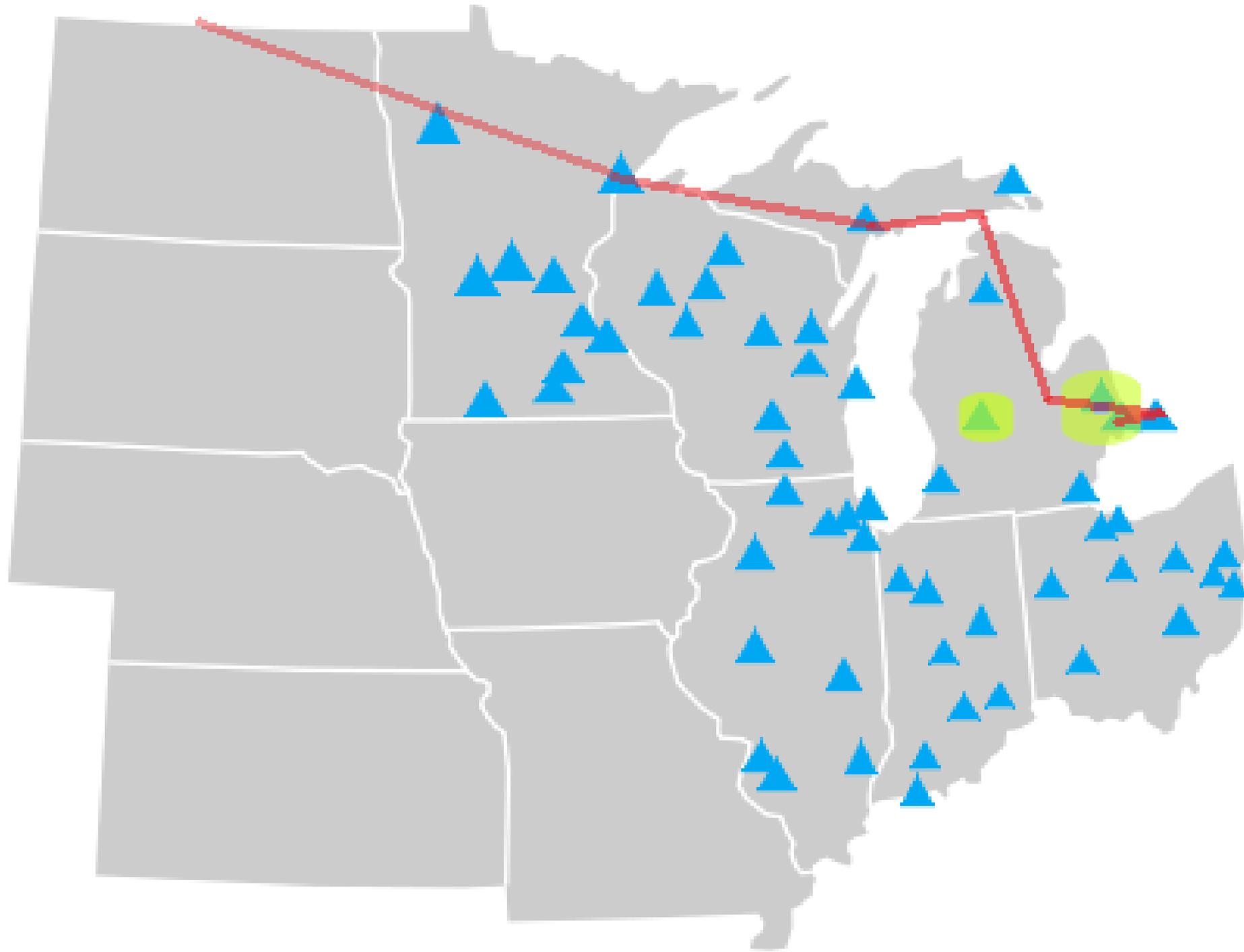
Industrial

Agriculture

Engine Fuel for LPG Fleets



Source: EnCana, EV Maps, NEB





Committed to a Safe, Clean Michigan

Line 5 is Vital Infrastructure

- MPGA does not condone leaking pipelines *of any kind*
- Line 5 is essential for both the Upper Peninsula *and* Lower Peninsula
- Eliminating Line 5 would seriously jeopardize propane delivery infrastructure
- MPGA believes maintaining a safe and operational Line 5 is essential

What a Loss of Line 5 Means to the Propane Industry

- Over half of all Michigan propane comes from Line 5 sources
- 45,000 more trucks or 15,000 more rail cars per year would be needed to replace Line 5 propane shipments (123 more trucks or 41 more rails cars every day)
- Estimated 10-14 cents per gallon increase likely for Michigan propane consumers
- Most of Ontario, Canada and other Great Lakes states also rely on Line 5



Committed to a Safe, Clean Michigan

Line 5 is Vital Infrastructure

Line 5 Data and the Propane Industry

- Propane is about 17% of the overall product going through Line 5
- Line 5 transports approximately:
 - 800,000,000 gallons of propane goes through Line 5 in total
 - 500,000,000 gallons used/stored in Ontario and then shipped elsewhere
 - 300,000,000 gallons used/stored in Lower Peninsula
 - 30,000,000 gallons used at Rapid River, MI Terminal
- 632,147 Michigan total households rely on propane (primary and secondary homes)
- 321,620 Michigan primary residences rely on propane as (20,690 households in UP and 300,930 households in Lower Peninsula)
- Average home in UP uses 800-1000 gallons of propane per year
- Average home in Lower Peninsula uses 700-800 gallons of propane per year



Committed to a Safe, Clean Michigan

Line 5 is Vital Infrastructure

What a Loss of Line 5 Means to the Michigan Propane Industry

- Nearly 2/3 of the propane used in the UP comes from Line 5 sources
- Over half of all Michigan propane comes from Line 5 sources
- 45,000 more trucks or 15,000 more rail cars per year would be needed to replace Line 5 propane shipments (123 more trucks or 41 more rails cars every day)
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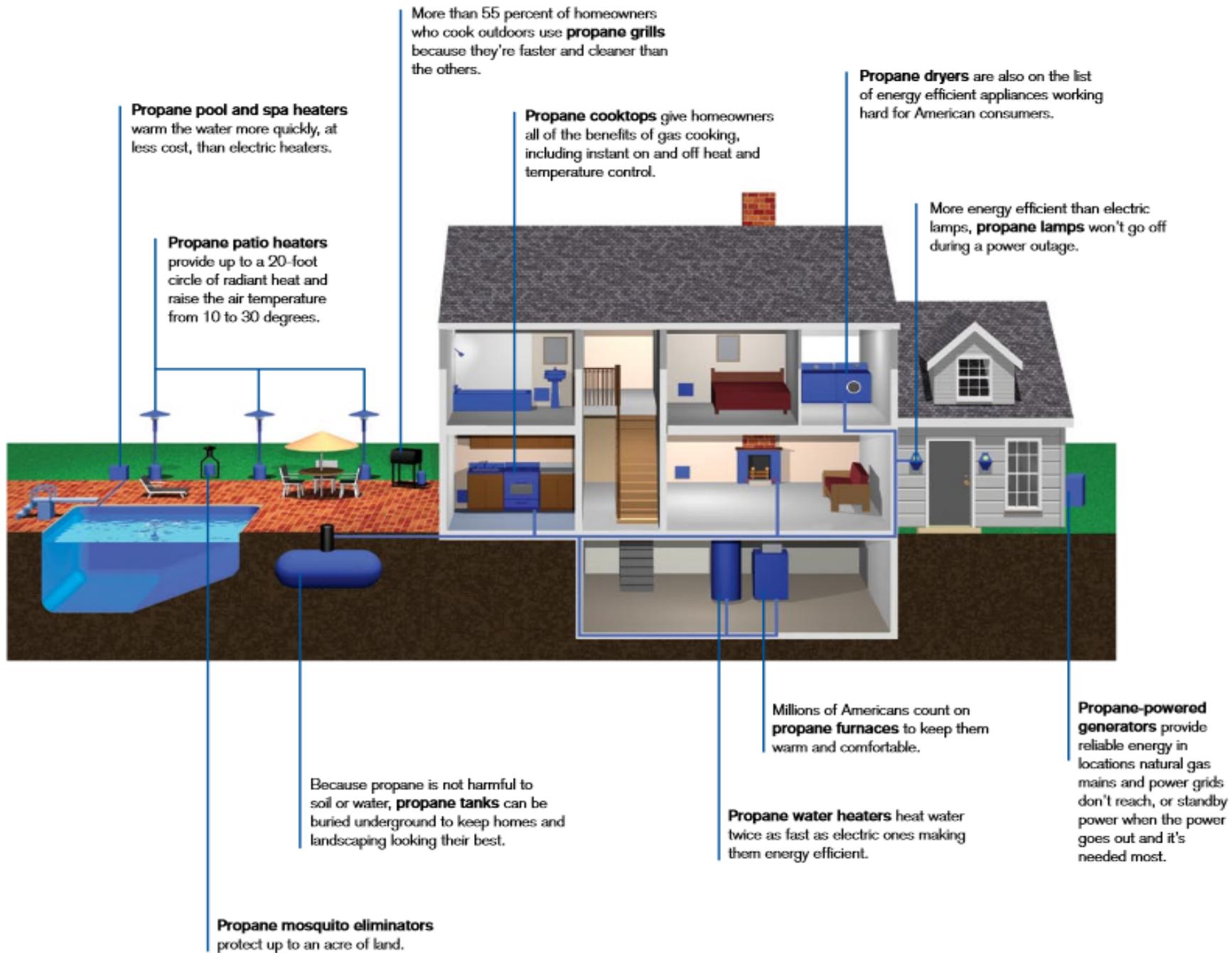
2013-14 Winter Vortex Response





Committed to Strong Relationships with Regulators

- USDOT – Hours of service
- Department of Agriculture – Weights and measures
- LARA Bureau of Fire Services – NFPA58 regulations
- Department of Treasury – Alternative fuel vehicle licensing
- MDOT & Michigan State Police – Vehicle deliveries
- EGLE – Pipelines, Emergency Services, Propane Consumer Price Surveys, VW Mitigation
- DHHS – Low income customer funding
- DTMB – School bus and State of Michigan fleets
- County Road Enforcement – Vehicle deliveries
- Local Fire Chiefs – Flaring and safety





HOMEOWNERS

Would you like to give your family a more comfortable home and enjoy greater energy savings too? By adding propane appliances throughout your home, you give your family the warmth and comfort they want, efficiency you need, and you can even lower your carbon footprint.

PROPANE CAN DO THAT



www.usemichiganpropane.com



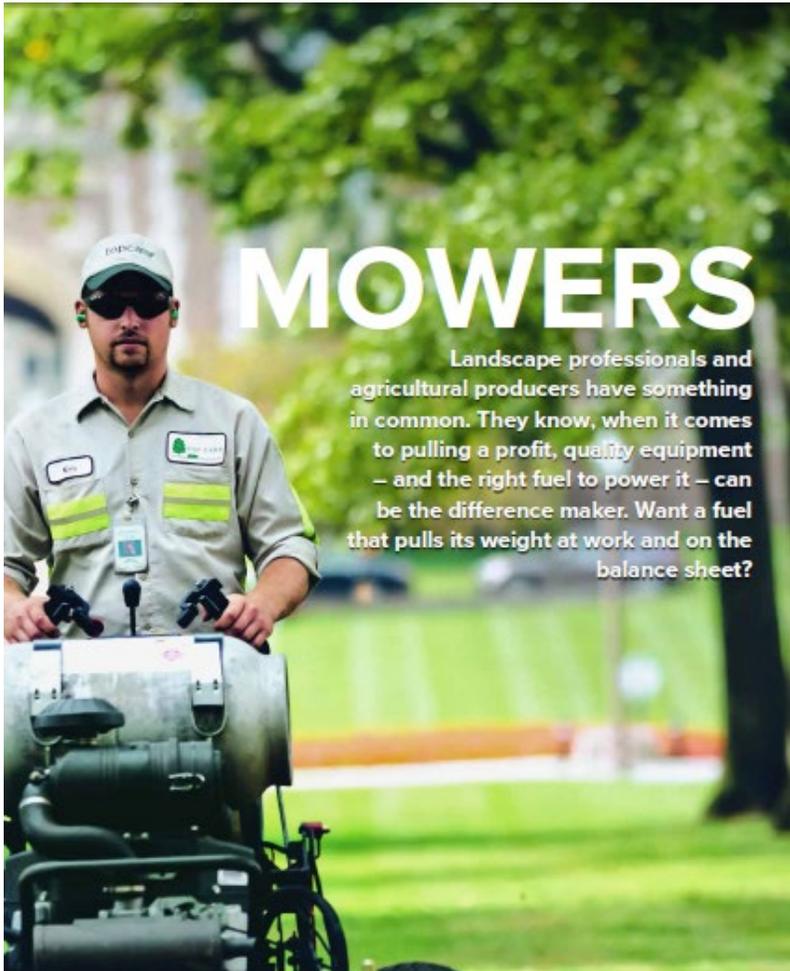
BUILDERS

You build the house. Propane pretty much does the rest. Space heating, water heating, cooking, clothes drying, fireplaces, grills, backup generators.

PROPANE CAN DO THAT



www.usemichiganpropane.com



MOWERS

Landscape professionals and agricultural producers have something in common. They know, when it comes to pulling a profit, quality equipment – and the right fuel to power it – can be the difference maker. Want a fuel that pulls its weight at work and on the balance sheet?

PROPANE CAN DO THAT



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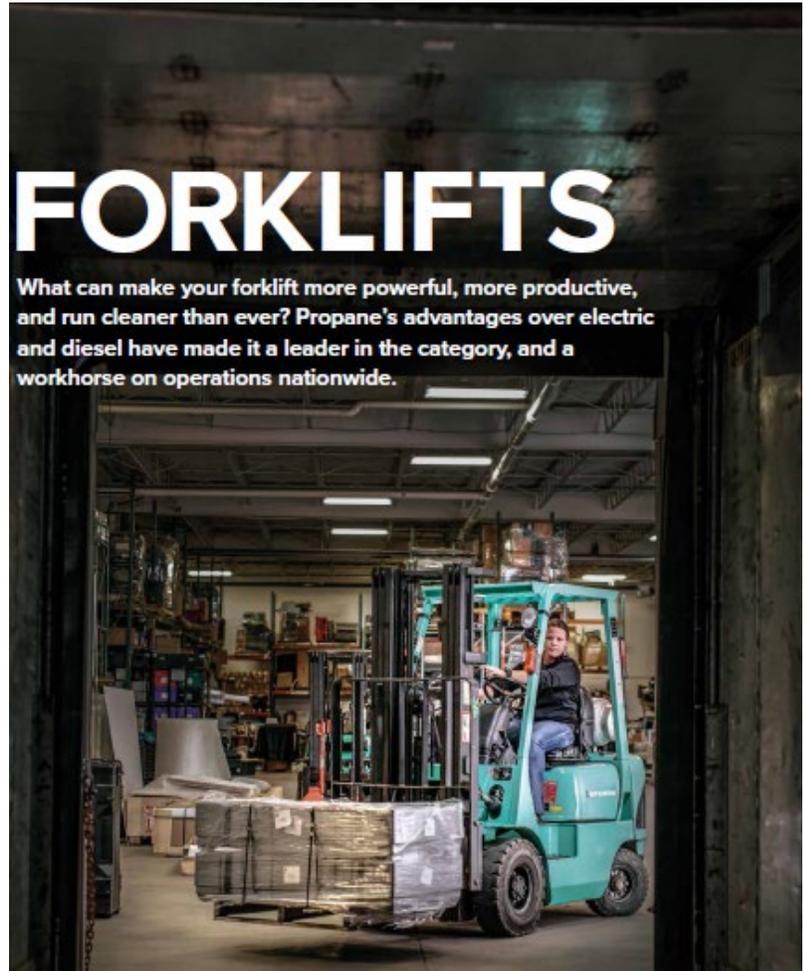
FARMS

How do the hardest working people in the world – Michigan's farmers – get the job done? With clean, American propane. It's powerful. It's efficient. And innovative propane technology is being put to work in fields across Michigan every day.

PROPANE CAN DO THAT



www.usemichiganpropane.com



FORKLIFTS

What can make your forklift more powerful, more productive, and run cleaner than ever? Propane's advantages over electric and diesel have made it a leader in the category, and a workhorse on operations nationwide.

PROPANE CAN DO THAT



www.usemichiganpropane.com

FLEETS

Powerful, clean, and economical. Propane autogas is a driving force on the road for companies, fleets, and on farms nationwide. An alternative fuel for your fleet's operations that can lower your cost of ownership and lower emissions?



PROPANE AUTOGAS CAN DO THAT



www.usemichiganpropane.com



www.miautogas.com

BUSES

Propane autogas is proven to be budget friendly and the best value for mass transit. But propane autogas also provides a safer, cleaner and quieter ride for passengers?



PROPANE AUTOGAS CAN DO THAT



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www.miautogas.com



Committed to Industry Advocacy

Creation of Industry Check Off Program

- 13 other states already have propane check off programs enacted
- Assessment on propane companies – not a fee for propane consumers
- MPGA goal is to work with MDARD
- MPGA vision is for the check off program to create rebate incentives for consumers and builders to add/replace propane appliances safely in homes and businesses
- Future uses could include autogas, first responder training, or other safety programs





Committed to Industry Safety, Training & Education

Safe Handling of Propane (SHOP)

- Created HeatingMyHome.org
- Low Income Customer Participation with Coalition to Keep Michigan Warm
- Consumer education programs
- Safe grilling campaign
- Winterization education
- Realtor education on foreclosed homes



Ready For Winter?

HEATING MYHOME ORG

Michigan

home payment help home heating safety safety laws propane benefits

"In the summer, Propane dealers offer a variety of pricing agreements and delivery options. Get to know your propane supplier and their products and services."

— David Long, President of MPGA

Propane Plans Include:

Pre-pay Plan

- Offered during the summer and allow you to pre-purchase propane at a fixed price.
- Allows you to know your expense ahead of time and avoid price spikes.

Budget Plan

- Spread your projected annual propane cost over several months, in equal payments.
- Can lessen the financial burden associated with the onset of winter.

Price-cap and fixed-price Plan

- Provides a guaranteed per-gallon price for propane used during the heating season.
- Your price will not exceed your established price-cap price per gallon, but can go down if the current market price drops.
- Some plans require an initial fee.
- Price cap options typically have a higher per-gallon price than fixed price plans.

More Info Energy Tips

PLAN TODAY for your WINTER HEATING

Summer Pre-Buys

HEATING MYHOME ORG



Committed to Industry Safety, Training & Education

Propane Emergency Training

- Created a state-certified training course
- Annually host dozens of training throughout the state at no cost to local fire departments or fire fighters
- Trained over 9000 fire fighters from over 1600 fire departments





Committed to Industry Safety, Training & Education

Propane Emergency Response Network (PERN)

- Additional resources for fire fighters at no cost to fire departments
- Worked with Governor Snyder's Emergency Management team, fire fighters and local police during 2014 floods
- PERN will help minimize traffic delays, community inconveniences and evacuations when possible
- Provide contacts for local first responders
- Provide on-site, talented experts to assist local first responders
- Provide on-site equipment to help remedy the propane emergencies





Committed to Industry Safety, Training & Education

Propane Autogas Education & Incentives

- MPGA offering \$4000 rebates for new autogas vehicles
- www.MIautogas.com

Propane vs Competitors

Green and Clean

Autogas is green, clean-burning alternative fuel



Safer

Autogas is intrinsically safer than many other fuels

Cheaper

Autogas is less expensive than gasoline or diesel



Reliable

Autogas is reliable and implementation costs are lower

Great MPG's

Autogas vehicles have an MPG closer to gasoline than other alternative fuels.



High supply

Current propane supplies far exceed demand, and infrastructure already exists to meet even greater demand

FLEETS

Powerful, clean, and economical. Propane autogas is a driving force on the road for companies, fleets, and on farms nationwide. An alternative fuel for your fleet's operations that can lower your cost of ownership and lower emissions?

PROPANE AUTOGAS CAN DO THAT

Michigan
PROPANE
CLEAN AMERICAN ENERGY

www.usemichiganpropane.com www.miautogas.com

Autogas is on average 30-40% cheaper than a gallon of gasoline



98% of all autogas is made in North America

26 million vehicles around the globe use Autogas



Michigan Autogas has **CLEAN** origins

68%

is **RECOVERED** from the extraction of natural gas

it is expected to increase in the future

Autogas can be transported almost anywhere by:



RAIL



SEA



ROAD



22%
LOWER CO₂
than Petrol



96% & **68%**
LESS NO_x* than Diesel
& LESS NO_x than Petrol



120
Times
LESS small
particle emissions
than Diesel vehicles

*Nitrogen Dioxide



Committed to Cleaner Air Communities

VW Settlement is a Tremendous Opportunity

- \$60.3 million to Michigan for diesel conversions and replacements
- Propane is top alternative fuel for school buses
- 37 school districts already using over 350 propane school buses
- MPGA supports a plan that does not pick winners and losers
- MPGA believes propane is the best option to replace diesel school buses
- MPGA already offering \$4000 rebates for new vehicles

BUSES

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