



Testimony SB 2242

House Energy and Natural Resource Committee

March 3, 2023

Chairman Porter and Members of the Committee:

For the record, my name is Mike Rud. I serve as the Executive Director of the North Dakota Propane Gas Association.

On behalf of over 130 NDPGA members and the well over 1,000 North Dakotans they employ, we thank Senator Erbele for introducing this timely bill and urge a **"DO PASS"** recommendation on SB 2242.

ALL OF THE ABOVE ENERGY POLICY. That's been ND's goal from Day One!

In my role as an Empower ND commissioner for over a decade, this has been the mantra. The strategic partnerships being formed between North Dakota's long-standing and emerging energy industries enable all energy sectors to work together to meet state and national needs.

Propane is certainly part of that energy makeup. It's been a reliable energy source in North Dakota for nearly 100 years. The State has about 50,000 homes, farms and businesses using safe, efficient and affordable propane. Many of NDPGA's locally owned and operated businesses likely serve your communities in some capacity.

Passage of SB 2242 means retailers can potentially put between 2-3 Million more gallons of storage capacity on the ground across the state in the next few years. That's good news for energy security in ND and very good news in the long run for state consumers.

This low interest loan program will allow retailers to access the cash needed at very affordable interest rates at a key time in the industry's history.

I can tell you, NDPGA surveyed its membership again over the last few weeks. The appetite remains strong amongst marketers willing to participate in the loan program. I can say confidently, 75% of the loan pool is likely already spoken for at this time if SB 2242 becomes a reality.

Bottom Line: SB 2242 will go a long way towards helping ND propane retailers in enhancing services to well over 300 rural communities and hundreds of ag producers the industry relies on and serves today.

While the loan pool will be administered by the Bank of North Dakota, the loans will be secured from private banks across the state, meaning the monies will stay in local communities and close to home. **(BND officials are here to answer any questions you might have regarding the revolving loan parameters)**

NDPGA members have submitted on-line testimony as well as come to the Capitol today, presenting a very strong case for passage of this bill. These testimonies cover the changes the industry has experienced over the last decade due to pipeline supply issues as well as share a more in-depth cost analysis study relating to the proposed low interest loan program for retail propane storage.

I Thank you for your time and consideration regarding this important energy issue. I urge a **"DO PASS"** recommendation on SB 2242.