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2019 Prince Edward Island Budget Consultation

Submitted by: Canadian Propane Association

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Propane can be a game-changer for Prince Edward Island. This pre-budget submission outlines how the expansion of propane can help reduce energy costs for PEI families and create jobs while protecting PEI's air quality. The expanded use of propane would result in real choice in affordable and cleaner home heating fuel and lower transportation costs, all while reducing GHGs.

Reducing Energy Costs and GHGs

Switching from furnace oil to low emission propane

The reduction of energy costs and lower carbon foot print remains a challenge in many rural communities across the country including PEI. Providing leadership in environmental stewardship while also helping the local economy has been a focus for many PEI governments over the years. A program that reduces GHGs and creates economic activity can make a huge difference for Prince Edward Island.

The development of a **Switch-Off Oil Rebate Program** would significantly reduce GHG emissions for residential consumers and will encourage furnace upgrades to reduce GHG emissions. It would also encourage homeowners to participate in lower emissions programs.

Converting oil furnace to propane would reduce costs and GHGs.

 **45% Cost saving per home**

 **39% reduction of GHGs emissions**

 **Budget Ask:** That the Government commit itself to homeowners who wish to reduce energy costs and GHGs by switching from furnace oil to propane. This can be done in the form of a rebate program in the value of \$1500 per household beginning in the 2019-2020 fiscal year.

Propane Fleets to Reduce GHGs and Lower Fuel Costs

Recently the province of New Brunswick ordered propane school buses to add to their fleet for 2019. The province of Prince Edward Island should consider the same policy. In fact, many students in Canada are transported in propane buses. Globally over 25 million propane vehicles are on the road. In Canada, there are about 50,000 vehicles and it is a fast-growing industry.

Because of its low emissions, **26% less GHGs than gasoline**, propane can provide immediate reduction in harmful air toxins, while reducing transportation costs.

 **40% less than gasoline**

The average Canadian price of propane can be around 40% less than gasoline and diesel.

 **98% less particulate matter (PM)**

Propane emits 98% less particulate matter than diesel-fueled vehicles.

 **Budget Ask:** That the Government provide a rebate of \$2500 dollars towards the conversion of a commercial and passenger fleet vehicles from diesel or gasoline to low-emission propane.

Propane as an alternative fuel option in provincial tenders

Propane is a cleaner and more affordable energy choice for residential, commercial, agricultural, industrial and transportation applications. Propane should be included as an energy source for government procurement. For example, low-emission propane is an excellent solution to reduce GHGs and fuel cost for government fleets and school buses.

Propane is an important part of the energy mix:

- *Lower emission than heating oil and wood*
- *Lower cost than electricity and heating oil*
- *Lower insurance premiums than heating oil*
- *26% fewer GHGs than gasoline*
- *98% less toxic than Particulate Matter in diesel-fueled vehicles.*

 **Budget Ask:** That the Government include propane as an energy option for government procurement in such applications as residential, commercial, agricultural, industrial and transportation.

Background Information

Canadian Propane

Canada's propane industry includes an extensive supply chain, from extraction to end-use across the residential, transportation, agricultural, petrochemical, industrial and commercial sectors. The industry's footprint extends all across Canada.

According to a 2018 report by the **Conference Board of Canada**, the propane sector's contribution to the Canadian economy is expected to be an estimated **\$4.4 billion in GDP** annually between 2017 and 2025, supporting:

- Close to **17,000 jobs** annually across Canada
- Over **\$4 Billion** in Annual Sales
- Close to **\$1 billion** per year in government revenues

Propane in Prince Edward Island

Propane is a safe, readily available, affordable and low-emission energy source with infrastructure already in place.

- Approximately **1500** of PEI households and businesses rely on propane as their primary and affordable source of heating fuel. This means many more across the province use propane as a secondary source for cooking, heating water or for their fireplace.
- Propane is also used in commercial, transportation, industrial and agricultural applications all across the province.
- The propane industry provides **\$20 million** annual labor income to families on the Island and over **\$2 million dollars** in annual taxes and royalties to the government of Prince Edward Island.
- Prince Edward Island members of the Canadian Propane Association operate family-run businesses in small towns and rural communities across PEI. They form the very fabric of the communities in which they live. They volunteer their time, donate to local sports teams and most important, create good paying local jobs.
- Propane is available now in Prince Edward Island, with market ready solutions.

About the Canadian Propane Association

With over 400 members, the Canadian Propane Association (CPA) is the national association for the Canadian propane industry, a growing multi-billion-dollar industry that impacts the livelihood of tens of thousands of Canadians. The CPA is dedicated to promoting propane: a safe, clean, available, affordable and versatile energy solution, through industry training, emergency response and advocacy activities.

The mission of the Association is to champion propane and the propane industry in Canada and to facilitate best practices, safety and a favourable business environment through advocacy, training and emergency response. The CPA's vision is for a safe and thriving propane industry that plays a vital role in Canada's energy sector.

For questions, clarifications and further discussion on this submission and topic, please contact:

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