



**Comments: Senate Bill 275**  
**Senate Local Government Committee, May 11, 2021**

The Pennsylvania Petroleum Association represents over 400 independent distributors of motor fuel, heating oil and propane. Thank you to Chairman Dush, Chairman Kearney and members of the Senate Local Government Committee for the opportunity to express our views on SB 275.

PPA strongly supports this bill. Our member companies supply fuels used for primary space heating to nearly a million homes across the state. A large majority of our membership serves customers located in multiple municipalities. From the perspective of efficiency and logistics, dealing with patchwork of different county and municipal regulations would prove to be very challenging, to say the least, for deliverable fuel companies.

In terms of the bigger picture, PPA believes that the energy needs of Pennsylvanians are best served by strong distribution networks that include all energy sources to allow consumers to have a choice. This includes but not limited to heating oil, propane, natural gas, and electric. Establishing artificial barriers to that choice on the local level would serve to impede the balance we have in Pennsylvania.

There have been reports of local governments in other states attempting to regulate or even ban fossil fuels in their jurisdictions due to climate change concerns. Regardless of one's views of the climate change issue, it is our belief that steps that may be taken in the future are best dealt with on the state -rather than the municipal -level. Pennsylvania policy makers should take into account the direction (and ultimately what might be adopted) by the federal government in formulating a consistent policy in the Commonwealth. One consideration that would be critical for decision makers on future policies would be their impact on the electric grid-an issue that is best addressed at the state -as opposed to-the local level.

An example of the problems that can result from establishing local energy markets by government mandate is the Southwest Pennsylvania summer gasoline requirement that was in place from the 1990's until 2019. This program required that gasoline sold in that region meet specifications resulting in lower emissions during hotter months. Although this was a state regulation used to help comply with the federal Clean Air Act, it does demonstrate the downside of the government carving out local markets and its impact on fuel distribution. Because of the specific gasoline specifications required, as time went on, that region of the state increasingly became an island in terms of refiners producing the product only for that area. For a period of time, product shortages developed during the turnover period in the spring, and consumers paid significantly higher prices than surrounding counties due to this boutique fuel. The requirement was ultimately repealed.

In conclusion, Pennsylvania is much better served by statewide energy policies as opposed to a patchwork multiple, artificial markets. We respectfully urge the Committee's support of SB 275.

Sincerely,

John Kulik  
Pennsylvania Petroleum Association