

From: [MeadowHill](#)
Sent: Friday, February 24, 2023 8:52 AM
To: [Jane Kitchel](#)
Subject: [External] Obligated Parties

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Senator Kitchel,

The Senate Appropriations Committee briefly discussed obligated parties in Senate Bill #5 yesterday afternoon. Senator Bray is correct that it is the company that owns title to the fuel when it crosses the border that is the obligated party.

However, about 80% of the businesses that fit this description are small local fuel dealers. This is an accident of geography. There are only two propane terminals in the state and only three wholesale oil terminals. Most every fuel dealer, especially in rural areas, buys from more than one out of state wholesaler. Relying on one would mean they couldn't price shop and get the best possible deal for their customers.

While the two largest sellers of fossil fuels (Vermont Gas and Global Oil) support Senate Bill #5, there are more than one hundred small family fuel dealers that do not. They will be obligated under the law and have to compete for credits with much larger and well funded for-profit businesses. Or just buy from one wholesaler.

Thank you for your consideration.

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