



# Minnesota Department of Commerce

*Our mission is to protect the public interest, advocate for Minnesota consumers, ensure a strong, competitive and fair marketplace, strengthen the state's economic future and serve as a trusted public resource for consumers and businesses.*

## Dayton Administration's Response to the Propane Crisis

### Action Steps

- Governor Dayton, like other states' governors, has issued multiple hours of service waivers to allow truckers and transporters the ability to work longer hours, get propane to customers, and keep supply at an appropriate level – the first Executive Order was issued October 23, 2013.
  - November 6, 2013 – Executive Order 13-12
  - December 9, 2013 – Executive Order 13-14
  - January 6, 2014 – Executive Order 14-04
  - February 7, 2014 – Executive Order 14-05
- The U.S. Department of Transportation also established a regional emergency declaration suspending the regulatory provisions pertaining to hours of service for drivers of commercial motor vehicles transporting propane to affected Midwestern states.
- **Thursday, January 23, 2014** – Governor Dayton and other Midwestern Governors, called on Texas Governor Rick Perry to waive trucking restrictions that prohibit out-of-state trucks to export propane out of Texas – Governor Perry granted a 14-day waiver.
  - This action created alternate avenues for transport from Mount Belvieu, TX, which helped increase the flow of propane to Minnesota.
- **Thursday, January 23, 2014** – The Minnesota Department of Commerce initiated the necessary steps to increase LIHEAP Crisis payments from \$500 to \$1,000 for applicants heating their homes with propane and heating oil.
  - This was a key step for consumers struggling to pay skyrocketing propane prices – the increase in crisis benefits also alleviated the minimum fill requirements for propane delivery placed on residential consumers by companies.
- **Saturday, January 25, 2014** – Governor Dayton and Minnesota's congressional delegation sent a letter to President Obama urging him to knock down regulatory barriers, take steps to alleviate the shortage, and provide expanded relief to families and agriculture producers.
- **Monday, January 27, 2014** – Governor Dayton issued Executive Order 14-02, declaring a Peacetime State of Emergency in Minnesota in response to a severe shortage of propane and other home heating fuel supplies statewide.
  - The State of Emergency activated the Minnesota Emergency Operations plan, coordinating response efforts across all agencies of state government and helping local governments respond and recover from the emergency.
  - Putting the state of emergency in place set the foundation to move quickly if the situation would have escalated rapidly – for example, if large numbers of Minnesotans needed to evacuate their homes, emergency shelters would have been established.
  - The Order also put the National Guard on alert to provide necessary help, if needed, to ensure the safety of all Minnesotans.

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- **Monday, January 27, 2014** – Governor Dayton directed the Minnesota Department of Commerce to use its consumer protection authority to help protect Minnesotans from potential price gouging, price fixing, and creating false market disruptions during the state of emergency
  - **Tuesday, January 28, 2014** – Governor Dayton convened a second meeting with the propane industry, Commissioner Fredrickson, Commissioner Rothman, and legislators to discuss action steps to implement that would provide relief for Minnesotans.
    - Governor Dayton asked industry to provide specific examples of the obstacles preventing supply from reaching Minnesota and what could be done to remove them. Once identified, the Administration worked swiftly to act on each and every suggestion.
  - **Wednesday, January 29, 2014** – Commissioner Rothman sent a letter to the propane industry warning them of acts of price gouging, price fixing, and false market disruptions.
  - **Wednesday, January 29, 2014** – The Department of Commerce Energy Assistance Program sent 24,000 letters to Minnesotans currently receiving energy assistance for propane heat to notify them of the newly increased crisis benefits available.
  - **Wednesday, January 29, 2014** – The Department of Commerce sent letters to Minnesota’s elected officials to provide necessary information to pass on to constituents, including how to sign up for energy assistance and how to stay safe.
  - **Thursday, January 30, 2014** – Governor Dayton and other Midwest Governors called on Texas Governor Perry to extend his proclamation waiving trucking restrictions in TX (set to expire February 5).
  - **Thursday, January 30, 2014** – To address the volume of consumer complaints and requests for energy assistance, the Department of Commerce established the State Emergency Operation Center 1-800 line to provide a one-stop shop for Minnesotans with questions or complaints related to propane .
    - Currently, the Call Center has handled more than 3,400 calls
    - The types of calls – roughly 50/50 split (half of the callers were seeking financial assistance and half called with consumer complaints)
    - Number of emergency calls:
      - 117 Emergency Assistance Triage calls that were prioritized and personally resolved by Commerce EAP staff and the local service provider;
      - 39 Emergency calls where consumers had empty propane tanks and Commerce triaged the calls by notifying appropriate authorities to remedy the situation; and
      - 25 Emergency calls where the caller did not qualify for energy assistance, and were referred directly to the Minnesota Propane Association for assistance.
  - **Thursday, January 30, 2014** – The Department of Commerce and Public Safety issued a public service announcement to provide information about the call center and how to stay safe during the crisis.
  - **Friday, January 31, 2014** – The Executive Committee unanimously voted to extend Governor Dayton’s Executive Order to Declare a Peacetime Emergency for another 30 days.

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- **Friday, January 31, 2014** – Governor Dayton contacted the CEOs of two different propane pipelines (Williams and Enterprise) to discuss the Midwest propane shortage, and strategies to increase the supply of heating fuels to provide additional supplies to Minnesota residents, businesses, and farms.
  - **Friday, January 31, 2014** – In response to the volume of calls, the Commerce Department announced the State Emergency Operations Center 1-800 number would remain open throughout the weekend.
  - **Monday, February 3, 2014** – The Department expanded the number of staff in the call center to respond quickly to the increasing volume of calls and implemented an emergency triage protocol for consumers with propane tanks at, or near, empty.
  - **Tuesday, February 4, 2014** – Governor Dayton and six other Midwestern governors sent a letter to President Obama, asking for the assistance of the federal government to help increase propane supplies by “every means of transport.”
    - This communication to the federal government helped lay the foundation for the Federal Energy Regulatory Commission to invoke its emergency power for the first time in its history – which ordered pipelines to prioritize the shipment of propane to the Midwest and Northeast.
  - **Tuesday, February 4, 2014** – Governor Dayton took executive action to increase the availability of LIHEAP funds to households at 60% SMI.
    - This action step provided energy assistance eligibility to an additional 120,000 Minnesotans.
  - **Tuesday, February 4, 2014** – In conjunction with the greater eligibility for LIHEAP, Governor Dayton sent a letter to Minnesota State Legislators notifying them that if the federal government does not provide additional LIHEAP funding for Minnesota, he plans to include \$17 million of state funds for the program in his supplemental budget.
  - **Tuesday, February 4, 2014** – Minnesota Department of Agriculture urged farmers with surplus propane inventory to consider voluntarily selling it back to suppliers. Farmers and others who have surplus propane inventory that they would like to sell should contact their supplier directly.
  - **Wednesday, February 5, 2014** – Governor Dayton sent a letter to President Obama urging the federal government to provide additional LIHEAP funding to help with the expected shortfall of funding in 2014 due to the propane crisis – without additional funds, Minnesota’s LIHEAP program is expected to run out of funding in March 2014.
  - **Wednesday, February 5, 2014** – In response to Governor Dayton and the Midwest Governor Association’s request, Texas Governor Perry extended his proclamation to waive trucking restrictions for an additional 14 days.
  - **Wednesday, February 5, 2014** – The USDOT extended the hours of service waiver that had been previously issued.
  - **Thursday, February 6, 2014** – Governor Dayton issued Executive Order 14-04 extending the hours of service waiver in Minnesota.
  - **Friday, February 7, 2014** – the Federal Energy Regulatory Commission (FERC) invoked its emergency authority under the Interstate Commerce Act for the first time in history, to help alleviate the shortage of propane supplies to consumers in the Midwest and Northeast by ordering pipelines to prioritize the shipment of propane.