



Propane Supply in Wisconsin

Last Updated January 28, 2014

CURRENT STATUS

- A propane supply shortage in the upper Midwest continues to deeply affect the residents of Wisconsin.
- The State Division of Energy Services (DES) has been receiving numerous accounts of delivery delays, reduced delivery amounts, and the inability to deliver propane.
- Shortage has been caused by unusually cold winter temperatures, a major pipeline supplying propane to Wisconsin, Minnesota and Iowa was temporarily closed for maintenance from November 28 – December 18, and a wet fall increased propane demand for grain drying.
- With forecasts that continue to call for cold weather, propane supplies will continue to remain a challenge.
- The cold weather is impacting the market demand. Prices started at \$1.64 at the beginning of the season, and in the last week of December were around \$2.17 per gallon. As of January 27, retail prices have approached \$4.82 - \$7.00 per gallon. This compares to the average for last winter (2012-2013) of \$1.49; the prior winter it averaged \$2.00.

RESPONSE TO SITUATION

Below are the various actions that have been taken in response to the propane situation since the fall of 2013.

Governor Walker's Actions

- Governor Walker has issued multiple Executive Orders since October 25, 2013, allowing propane transport drives to log more hours than usual in order to transport more propane. Typically, a propane driver can drive 70 hours per week based upon Wisconsin and federal laws. Several state petroleum terminals have not been able to meet the demands of their customers and are currently on a propane rationing system. The increased demand and limited regional supplies of propane means drivers are working more hours per day to obtain propane, causing drivers to reach maximum weekly driving and on-duty limits more quickly than normal. (Carriers continue to remain responsible for ensuring they operate safely.)
 - The Governor's Executive Orders are available online at <http://www.walker.wi.gov/newsroom/executive-orders>. They are order numbers 96, 120, 127, 128 and 130. Please note that the last Executive Order expired today, and another was not requested because we were able to get a federal U.S. DOT declaration as noted below.
- On January 23, 2014, Governor Walker issued a [public service announcement](#) to Wisconsin citizens on January 23, 2014, with information about the current propane shortage in Wisconsin.
- On January 24, 2014, Governor Walker directed the Department of Administration's Division of Energy Services to release \$1.5 million in additional Low Income Home Energy Assistance Program (LIHEAP) Crisis Benefit dollars to the 49 counties/tribes that have a high percentage of propane households.
- On January 25, 2014, Governor Scott Walker declared a State of Emergency in response to the propane shortage that is impacting Wisconsin in advance of the extremely dangerous temperatures expected to move across the state. The declaration directs all state agencies to be on alert and to assist as needed. It also readies Wisconsin's National Guard, which could be called upon to go door to door to check on people, help establish/set up local warming shelters, and support state and local emergency management efforts.

- On January 27, 2014, Governor Walker directed the Department of Administration's Division of Energy Services to release an additional \$7 million in Crisis Benefits to counties and tribes that have households who use propane to heat their homes. The state will make funds available in anticipation of receiving additional federal [Low Income Home Energy Assistance Program \(LIHEAP\)](#) funds that were included in the recent federal omnibus budget bill. The \$7 million released today is in addition to the \$1.5 million that was released on January 24.
- On January 27, 2014, Governor Walker instructed the Wisconsin Economic Development Corporation (WEDC) to move forward with \$5 million loan guarantee program. WEDC will provide loan guaranties to banks up to 80% of new or expanded lines of credit to propane dealers in Wisconsin. As wholesale prices rise in the Midwest, propane commercial retailers have exhausted their current lines of credit to meet their customer's rising demand for propane. This program required WEDC Board approval, which was given during an emergency teleconference meeting of the Board of Directors on Monday, January 27, 2014.
- On January 27, 2014, Governor Walker directed the Wisconsin Housing and Economic Development Authority (WHEDA) to proceed with \$3 million loan guarantee program. WHEDA will provide loan guaranties to banks of 50% of a total loan for dealers to purchase propane, but not to exceed \$50,000 guarantee amount. This will require approval by WHEDA's Members Loan Committee, which is scheduled to meet on January 29, 2014.

STATE AGENCY ACTIONS

- DOA/Division of Energy Services (DES) has been in regular contact with propane industry representatives to continually assess the situation. DOA has been participating in regular telephone conference calls with other Midwestern states, propane associations and U.S. Department of Energy officials to share information on propane supply.
- On January 3, 2014, the Wisconsin Department of Transportation and the Department of Administration (DOA) authorized a weight limit relief order for vehicles transporting energy in the state in order to increase the amount of propane carried in a single trip.
- The U.S. Department of Transportation issued a Midwest regional declaration of emergency on January 19, 2014, extending state emergency declarations for purposes of exempting hours of service requirements for propane and fuel transporters. This order covers ten Midwestern states and is in effect until February 12, 2014.
- DES contacted approximately 23,000 customers recommending that they contact their propane vendor when their tank reaches 30% full to ensure they continue to have heating fuel. The letter also includes contact information about the [Wisconsin Home Energy Assistance Program \(WHEAP\)](#).
- DES' State Energy Office created a page on their website explaining what has happened to cause the propane shortage, what consumers can do to help conserve supply, and provided some available resource information (including WHEAP).
- The Department of Administration's Division of Energy Services (DES) issued information to all of the local/partner contacts for WHEAP that outlines the benefits available to customers, including the availability of Crisis Benefit dollars to pay for lodging or temporary shelters. DES recommends that counties also use their local warming shelters, if necessary. This information has also been shared with Wisconsin Emergency Management (WEM) to provide to local emergency management contacts. DOA/DES is also working with counties to provide assistance in answering consumer questions.
- DOA/DES has been handling calls from propane companies and low income citizens regarding propane prices and delivery. The DES call center has expanded its role of its low-income energy assistance call center to provide information on conservation, warming centers, propane dealers, actions to take if you must leave your home, etc. Additional staff and incoming telephone lines have been added to assist with call volume. Households may call 1-866-HEATWIS (432-8947) for more information.

- If a citizen has an income level higher than the WHEAP income qualifications, they are being referred to the Keep Wisconsin Warm Fund for crisis assistance. The [Keep Wisconsin Warm Fund \(KWWF\)](#) has agreed to temporarily allow an increase in their income limit for propane households from 60% of State Median Income (SMI) to 80% SMI, and will allow propane households to potentially receive an increased maximum benefit of \$600 and has temporarily adjusted their policy to allow propane households the ability to potentially receive two benefit payments in a year.

60% of State Median Income Guidelines		
Household Size	Monthly Income	Annual Income
1	\$2,058	\$24,692
2	\$2,691	\$32,290
3	\$3,324	\$39,887
4	\$3,957	\$47,485
5	\$4,590	\$55,083
6	\$5,223	\$62,680
7	\$5,342	\$64,105
8	\$5,461	\$65,529

- Wisconsin Emergency Management has been in contact with local emergency management contacts to monitor warming sites and shelter availability.
- In order to stay connected and ensure that all State agencies have consistent, updated information, WEM has created a page on wiesponder.com devoted to the propane shortage.
- On January 28, 2014, DOA issued a statewide press release, ***DOA Reminds Customers Where to Call for Emergency Heating Assistance***, which highlights how customers can receive emergency heating assistance including financial assistance to purchase home heating fuel, help in locating fuel providers, and temporary lodging.

WHAT CUSTOMERS CAN DO

1. **Check on friends, neighbors and loved ones to ensure everyone has a warm place to stay.**
2. **Contact their propane vendor when their tank reaches 30% full.** Because of the limited propane supply, propane vendors are not able to fill tanks completely right now. They also need more advance notice on delivering propane since there is a high demand for the heating fuel. If customers wait to call until after their tank is below 30%, they may not be able to get propane delivered before your tank runs out. They can also talk to their propane vendor about getting on a program to automatically fill their tank on a regular schedule.
3. **Apply for heating assistance to assist with propane fuel costs.** Customers that need emergency heating assistance can contact:
 - Their county or tribal office – please see the [map of Where to Apply](#) at homeenergyplus.wi.gov for local contact information
 - Wisconsin’s Home Energy Assistance Program toll-free at 866-HEATWIS (432-8947)
 - Keep Wisconsin Warm Fund toll free at 1-800-891-9276

The local agency will determine eligibility for heating benefits based upon household income, size and the home’s heating costs. If a customer is eligible, the WHEAP program will make a payment directly to the fuel supplier towards the cost of propane. These benefits are available through May 15, 2014. The local agency will also determine if the individual is eligible for Crisis Benefits.

4. **If a customer utilizes a local warming shelter, they should turn off the water in their home and drain their pipes to ensure their pipes do not freeze in their absence.** Some individuals may be hesitant to use a shelter

because they are afraid to leave pets behind. Please encourage customers to call their local warming shelter/human services agency as many warming shelters also offer pet shelter when an individual or family utilizes the shelter.

5. Please donate to the Keep Wisconsin Warm Fund (KWWF) to help those impacted by the crisis. Credit card donations accepted:

- Online at www.kwwf.org/donate
- By calling KWWF at 1-800-891-9276