



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF  
ENVIRONMENT, GREAT LAKES, AND ENERGY  
LANSING



LIESL EICHLER CLARK  
DIRECTOR

**UP ENERGY TASK FORCE MEETING**  
Northern Michigan University  
Harden Hall Room 109  
Marquette, Michigan 49855  
December 10, 2019; 12:30 p.m. to 3:30 p.m.

**MEETING MINUTES**

**Attendees:**

Kris Bowman	Michael Larson
David Camps	Mike Prusi, Vice Chairperson
Liesl Clark, Chairperson	Tony Retaskie
Mike Furmanski	Major General Paul Rogers (video conference)
Tom Harrell (via video conference)	Dan Scripps (via video conference)
Jennifer Hill	Dr. Roman Sidortsov
Douglas Jester (via video conference)	Chris Swartz
Jim Kochevar	Tonya Swenor

**Welcome, Introductions, Task Force Business**

Meeting commenced at 12:30 p.m.

- The Dec. 10, 2019, agenda was approved unanimously by the task force members by voice vote after a motion to approve by Tony Retaskie, seconded by Mike Prusi.
- The Nov. 13, 2019, meeting minutes were approved unanimously by the task force members by voice vote after a motion by Mike Larson, seconded by Dave Camps.
- The 2020 UP Energy Task Force Meeting Calendar was approved unanimously by the task force members by voice vote.

**Public Comments**

First session of public comments were heard.

**Working Session**

Work session and discussion of possible recommendations included:

- Liesl Clark shared the mission of the UP Energy Task Force outlined in Executive Order No. 2019-14 and reminded that the task force has no actual power to make changes, but was created to gather information and then make recommendations to the Governor.
- A summary of the presentations heard thus far at UP Energy Task Force meetings from June to November 2019.

- A matrix categorizing possible energy disruptions as short-term, mid-term, or long-term, and also as whether it's a sudden disruption or a planned disruption and examples of how some past disruptions would have been categorized according to that matrix. It was agreed that short-term should be identified as shorter than currently designated on the matrix.
- Wholesale and retail markets and how they are influenced. There is only one wholesale provider for the UP. Find ways to increase wholesale competition. A recommendation could be diversity supply issue that comes from wholesale distribution. Need multiple places we can go for product in the wholesale market no matter what the disruption is. The Kincheloe facility has been sold by Plains to NGL. It will be interesting to see if competition in the market helps with pricing.
- Storage could help with short-term disruption, and could help when combined with other things to contribute to longer-term situations.
- Unregulated nature of propane makes weatherization/efficiency measures more challenging. One way would be to partner with propane providers on weatherization. Another way is how it works for heating assistance. Everyone's connected to electricity even though not everyone needs it for heating. Have people pay in on electric side and use that to work with propane. Can take that concept and apply it to weatherization. If we're going to work on weatherization on homes that use propane, we're going to have some structural barriers. Partnering with association on some sort of EE program is a logical recommendation.
- Currently, LIHEAP requires that a tank be below 25% and have a past due bill (be in crisis) in order to receive federal assistance through LIHEAP. We could figure out what the policy hoops are and make a recommendation. Look into it and see if there is a way to work with the federal legislation to further the goal. Perhaps a waiver could become available in some situations, the way there are waivers for other federal programs.
- For the report, it would be important to give a fair estimate of what storage is available in UP residents' propane tanks, as this could contribute to a storage solution. Possibly Public Sector Consultants could pull that propane information together. Perhaps in conversation with the propane suppliers. Could work with Propane Association and have a conversation with the state staff who work on energy assistance to create a program. Would need to work with DHHS.
- Discussion on how to incentivize residents to participate/sign up for a payment program. The MEAP Work Group has the possibility of an affordable payment plan for propane on the table. Tonya Swenor will keep the task force informed on its status.
- Lifting emergency rules, including transportation rules that could be a barrier during an emergency.
- Use state of Michigan resources for a UP wide marketing campaign about filling tanks.
- Regarding price gouging, there was interest in looking at the possibility for stronger or additional consumer protection – put into statute language to protect the good actors during a crisis.

- Looking at a long-term or permanent disruption, a challenge is that the supply all comes from one area, Alberta. The Mid-American pipeline from Conway, Kansas, to Janesville in southern Wisconsin was discussed as a difference source. It would be an alternate supply, but you'd have to somehow price-match the pipeline. The highly-balanced system and the influence of export markets from the Nov. 13 EIA presentation were discussed.
- Before the Rapid River facility was built, propane was trucked from Wisconsin or transported by rail. There was more truck and rail transport and propane was transported from further away. As an alternative to Line 5 – trucks from western UP (Superior) across the UP.
- In a sudden emergency disruption, 25% in a propane tank is less than 2 weeks of fuel/heat. In the interest of public safety, it was requested that the task force ask Enbridge about their contingency plan. Ask, if UP was in an emergency situation, how much propane could they supply. The state will ask Enbridge.
- Regarding medium-term disruption of a couple of years, between rail and truck, we might think of one or the other as the better alternative. It seems like some of these items have a benefit even if there is no disruption. Trucks and rail allow for greater wholesale competition and a greater diversity of sources. We may want to encourage these not just if we have a disruption but because there are benefits for it even if we don't have a disruption.
- Being ready from a strategic perspective to work through a contingency plan would help us along the continuum whether it goes all the way to a disruption or not.

### **Next steps**

- Take the discussion from today along with discussions from previous meetings, complemented by the outside work that the experts are working on, and come up with a draft for task force review. Discussion of that document would occur at February 7 meeting.
- Work through Kris Bowman and Mike Prusi to distribute more info about rail to the task force.

### **Public Comments**

Second session of public comments were heard.

Meeting adjourned at 3:12 p.m.

**\*Approved at Feb. 7, 2020, UP Energy Task Force Meeting\***