



GRETCHEN WHITMER
GOVERNOR

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



LIESL EICHLER CLARK
DIRECTOR

UP ENERGY TASK FORCE MEETING

Bay de Noc Community College
Joseph Heirman University Center (JHUC) Rooms 952 A-C
2001 N Lincoln Road, Escanaba, MI 49829
800.221.2001
November 13, 2019; 11 a.m. to 4:30 p.m.

MEETING MINUTES

Attendees:

Kris Bowman	Michael Larson
David Camps	Mike Nystrom (via phone)
Liesl Clark, Chairperson	Tanya Paslawski, Secretary (via phone)
Mike Furmanski	Mike Prusi, Vice Chairperson
Tom Harrell	Tony Retaskie
Jennifer Hill	Dan Scripps
Douglas Jester (via phone)	Dr. Roman Sidortsov
Jim Kochevar	Tonya Swenor

Welcome, Introductions, Task Force Business

Meeting commenced at 11:04 a.m.

- The Nov. 13 agenda was approved unanimously by the task force members by voice vote.
- The Oct. 1 meeting minutes were approved unanimously by the task force members by voice vote.
- Public comment emails that have been sent to UPEnergy@michigan.gov have been shared with all UP Energy Task Force members for review.
- The meeting tentatively planned for December 10 was confirmed. 2020 meeting dates will be circulated prior to the December 10 meeting for review.

Public Comments

The first session of public comments were heard.

Presentations

Joe Potchen, Corporate Oversight Division, Michigan Attorney General's Office, gave a video presentation that included information on consumer protection and pricing. He reviewed the existing Michigan Consumer Protection Act and new language proposed by the Corporate Oversight Division that proposes stronger laws on topics such as price gouging during a market disruption with regard to gasoline and propane. Other items discussed included the difference between a market disruption and a declaration of

emergency; the definition of essential energy-based products; and enforcement timing. A video recording of the entire meeting, including Joe Potchen's presentation, is available online at <https://youtu.be/oan0YP67CiU>.

The documents Joe shared are available at the links below:

https://www.michigan.gov/documents/egle/egle-exe-upetf-AG_Presentation_Document_1_Proposed_Energy_Pricing_Protection_Act_Summary_Document_11.12.19_671769_7.pdf

https://www.michigan.gov/documents/egle/egle-exe-upetf-AG_Presentation_Document_2_FINAL_DRAFT_-_Energy_Pricing_Protection_Act_671773_7.pdf

Warren Wilczewski, Energy Information Administration, gave a video presentation on propane pricing dynamics. A video recording of the entire meeting, including Warren Wilczewski's presentation, is available online at <https://youtu.be/oan0YP67CiU>.

The PowerPoint presentation that Warren Wilczewski shared is available at the following link:

https://www.michigan.gov/documents/egle/egle-exe-upetf-Propane_Market_Fundamentals_Presentation_671486_7.pdf

Project Update

Eric Pardini, Maggie Pallone, and Alice Lippert from Public Sector Consultants (PSC) gave a presentation and project update introducing PSC and describing the work they have been contracted to complete. Their objectives are to (1) model existing propane supply and distribution system, statewide and by peninsula, based on existing research and documenting the underlying inputs, assumptions, and methodologies; (2) identify alternative approaches to meeting the propane needs of Michigan's residents and businesses to optimize the propane distribution network for reliability, cost, and emergency preparedness; and (3) complete their final report no later than Jan. 31, 2020. The PowerPoint presentation Public Sector Consultants shared can be found at the following link:

https://www.michigan.gov/documents/egle/egle-exe-upetf-Public_Sector_Consultants_Presentation_671485_7.pdf

Public Comments

The second session of public comments were heard.

Working Session

Liesl Clark reiterated the mission of the task force.

Work session discussions included:

- Having a presentation on propane transportation, including rail and trucking.
- Exploring the use of larger propane tanks.
- Understanding the difference in prices between the upper and lower peninsula.
 - EIA gets their data from Public Service Commission which does surveys, and PSC has that information Presenter Warren Wilczewski talked about the confidentiality of those surveys. That confidentiality makes the specifics of the information not shareable. We're trying to get a non-confidential data set that can be used and shared and that's being done by the Public Sector Consultants team.
- An interest in acquiring information regarding the impact of a sudden disruption in supply – if there is a way model the impact – of disruption in supply on individual households that are not able to replenish the fuel in their tank because of lack of availability or the price that is unaffordable what are the actual consequences. How many households do we foresee having no propane and what that actually means in terms of property damage.
 - There is some data we can pull together from Dr. Richelle Winkler's presentation from the August 5, 2019, task force meeting, around what are the number of low-income households in the Upper Peninsula that are reliant on propane
 - It might be possible to model how many households would have a low amount of propane, that could be estimated, not just from the price aspect, but from the availability standpoint.
- Being prepared for energy disruptions.
- Considering the larger economic issues including tax revenue paid throughout the Upper Peninsula and figuring out energy and Electricity Use at Pump Stations
- Pertinent to the 2021 report, accumulative economic impact, energy efficiency, co-use of propane and another energy source have been discussed. Some data suggests energy efficiency has higher employment per unit of energy ratio than fossil fuels. When the time comes for this analysis, it will be important to see the overall impact on jobs and jobs in the Upper Peninsula in particular.

Task Force members agreed that the conversation reflects the strengths and expertise each has brought to the table along with the information gained through presentations over the past five meetings, and the next step is to pull all of the thoughts together and synthesize.

Task Force meeting adjourned at 3:12 p.m.

Approved at the UP Energy Task Force Meeting on Dec. 10, 2019