

United States Senate

WASHINGTON, DC 20510

October 31, 2014

The Honorable Ernest Moniz
Secretary of Energy
1000 Independence Ave, SW
Washington, DC 20585

Dear Secretary Moniz:

As our states prepare for the upcoming heating season, we write to underscore the importance of propane to rural residents, businesses and agriculture producers across the Midwest and to ensure that the federal government has the tools in place to prevent another propane crisis this year. We appreciate the steps the Department of Energy has taken already in response to the concerns we have raised since last year, but we urge you to implement a new emergency response system for heating fuel supply shortages as soon as possible.

Last year's serious propane shortage in the Midwest put many families and businesses at risk of being without heat during the coldest part of a tough winter. In a few short weeks in January 2014, average propane prices nearly doubled from the previous year. The shortage was ultimately relieved when the Federal Energy Regulatory Commission issued an emergency order to prioritize propane shipments to the region, and other federal agencies including the Departments of Energy, Health and Human Services, the Department of Transportation and the Small Business Administration each took actions to address the impacts of the shortage.

Following the crisis, the Energy and Natural Resources Committee held a hearing to understand the causes of the crisis and the steps necessary to prevent a future supply shortage. We are encouraged that following the hearing, the Department has implemented actions that were called for to prevent future crises. In particular, the Energy Information Administration's (EIA) adoption of the recommendations from Congress and the industry to collect more granular data on the propane industry will greatly improve clarity for dealers and consumers alike. Our hope is that marketers and dealers are now better prepared to serve the region this winter with new access to data on the availability of propane at regional storage facilities. In addition, we understand that the Department has expanded its engagement with stakeholders at a regional level to improve consumer education and share industry best practices. We strongly encourage you to continue and expand these efforts.


Additionally, we understand that the Department of Energy is in the process of developing a coordinated emergency response plan with the Department of Agriculture, Federal Energy Regulatory Commission, and Health and Human Services. While we are encouraged that this planning is underway, additional steps are needed to establish a comprehensive response mechanism and we strongly urge you to complete this plan before winter begins. As you continue developing this plan, we request that you:

- Establish clear criteria that would trigger federal emergency response actions during—and prior to—a propane supply crisis, and

- Develop a list of actions that could be taken by each federal department and agency in response to a crisis, and
- Provide guidance and information to state and local governments regarding available federal resources, including distributing the list of actions that each federal department and agency can take.

We appreciate the steps you have taken so far to help prevent another propane crisis and we look forward to working with you as you take additional actions to improve the federal government's response capabilities. Thank for your attention to this critical matter.

Sincerely,



Tammy Baldwin



Al Franken

cc: Federal Energy Regulatory Commission
U.S. Department of Health and Human Services
U.S. Department of Agriculture
U.S. Department of Transportation
Small Business Administration