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Governor Scott Walker Kicks Off Midwestern Governors Association Propane Working Group Meeting
Recognizes CHS for building a propane terminal in Hixton, WI

Madison – Governor Scott Walker, Chair of the Midwestern Governors Association (MGA), gave the opening remarks this morning at an MGA working group meeting focused on strengthening the propane supply chain.

Team leaders from many Midwestern states traveled to Madison for the two-day meeting to share best practices and lessons learned, as well as discuss the Cochin pipeline reversal and other propane transportation issues, hear from propane marketers, industry leaders, and the National Propane Gas Association, and meet with experts from the U.S. Department of Energy and the U.S. Energy Information Administration, among others.

“The recent shortage demonstrates how important it is to address and review all factors affecting our propane supply. We can always do more to improve our awareness, preparedness, and readiness levels, which is exactly what the MGA working group is focused on,” Governor Walker said. “The propane working group has already made strides in reviewing this past season, identifying potential action, taking next steps, and developing partnerships within the industry to mitigate potential problems in the upcoming season. I’m very grateful to my fellow Governors for engaging in this important topic and working together to find solutions to lessen the negative impacts a propane shortage has on our residents.”

In March, Governor Walker was selected by a bipartisan group of Midwestern Governors to serve as Chair of the MGA. Governor Walker chose “Strengthening the Propane Supply Chain” as his Chair’s Initiative and primary focus. Since March, teams from each of the nine Midwestern states have participated in numerous conference calls, each discussing a different propane subject. This meeting brings members of the working group together to continue those discussions and planning in-person.

In his opening remarks, Governor Walker also recognized CHS, an energy, grains, and foods company and the nation’s leading farmer-owned cooperative, for signing a long-term agreement with Federation Cooperative, in Black River Falls, Wisconsin, to build a propane terminal at Hixton, Wisconsin, that will be managed and operated by Federation Cooperative. The agreement is part of an estimated $24 million investment previously announced by CHS to expand propane service in the region affected by the Cochin reversal project. Served by the CN railroad, the new terminal is expected to be completed this fall and will have 360,000 gallons of storage tanks with the ability to offload six railcars every four and a half hours and two truck loading bays capable of loading six trucks per hour.
“Given the severe winter that we experienced, and the reversal of the Cochin pipeline, this new CHS propane terminal is a great and welcomed addition to Wisconsin’s propane infrastructure,” Governor Walker said. “We appreciate CHS making such a significant investment in Wisconsin, as it will better help us ensure the health and safety of Wisconsinites with a more steady propane supply.”

Governor Walker also shared that he sent a letter to President Barack Obama and Secretary Kathleen Sebelius last week asking for one-time flexibility with Low Income Home Energy Assistance Program (LIHEAP) funds, such as allowing Wisconsin to spend up to $8 million of state money between July 1 and October 1 on LIHEAP and then paying itself back when funds are appropriated for the new fiscal year, or locating $8 million at the U.S. Department of Health and Human Services that will be carried over into fiscal year 2015 to temporarily offset this money and grant Wisconsin a LIHEAP advance. By doing so, and allowing Wisconsin to start to service LIHEAP propane tanks before October 1, the state could be enabled to potentially purchase 15 percent more propane, resulting in as much as $1 million in savings. Those savings could then be used in various ways to help LIHEAP recipients and/or provide greater price certainty and better ensure more propane is physically in Wisconsin before the higher-demand winter months set in.

The State of Wisconsin has approximately 250,000 residents who use propane as their main source of heat for their home or business.

The MGA is a nonprofit, bipartisan organization that brings together the governors of Midwestern states to work cooperatively on issues of importance to the region. Current members of the MGA are Gov. Pat Quinn (Ill.), Gov. Mike Pence (Ind.), Gov. Terry Branstad (Iowa), Gov. Sam Brownback (Kansas), Gov. Rick Snyder (Mich.), Gov. Mark Dayton (Minn.), Gov. Jay Nixon (Mo.), Gov. John Kasich (Ohio) and Gov. Scott Walker (Wis.).

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