

Regional Petroleum Shortage Response

# Collaborative Regional Framework Overview

September 2023



Office of  
Cybersecurity, Energy Security,  
and Emergency Response



# Purpose

## Framework Objectives

- Facilitate regional preparedness for fuel shortage events
- Provide guidance for coordination during a regional catastrophic fuel event
- Offer tools and templates that may be necessary during response to a fuel shortage

## Framework Contents

1. Programs and Actions for Regional Implementation
2. Regional Response Roles and Responsibilities
3. Regional Coordinated Response
4. Appendices: Tools, Program Templates, and Messaging Guidance

### Regional Collaborative Members

*\*State Energy Offices represented in multiple regions*

#### Western States

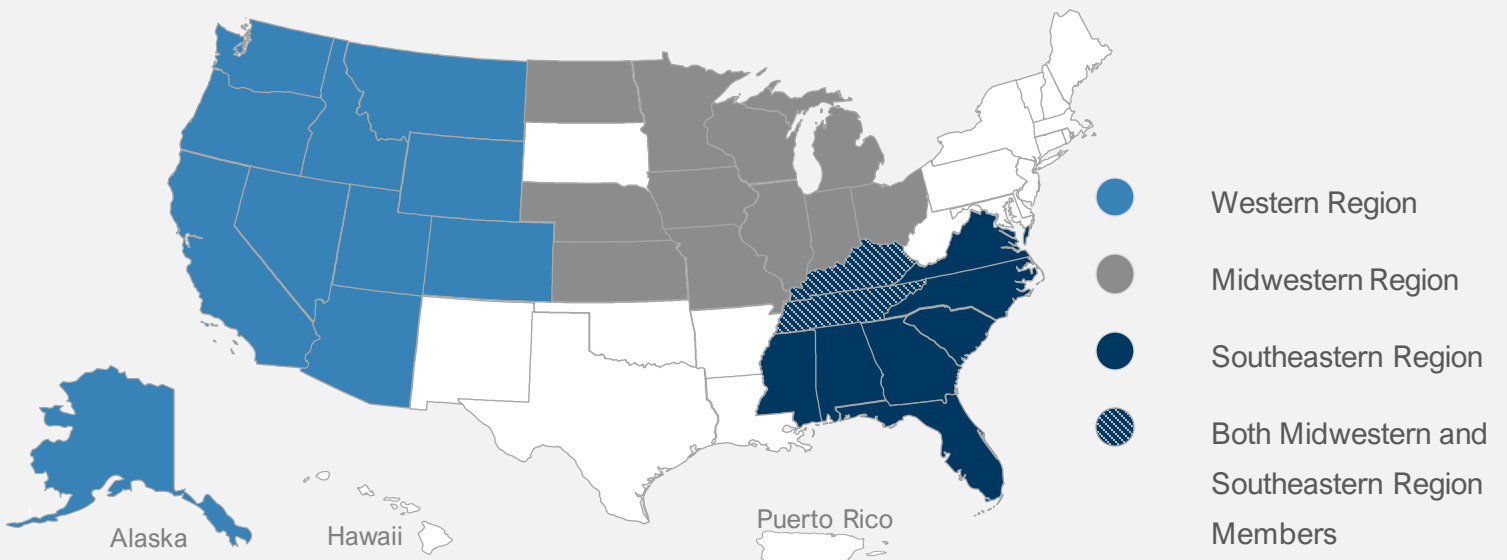
Alaska Nevada  
 Arizona Oregon  
 California Utah  
 Colorado Washington  
 Idaho Wyoming  
 Montana

#### Midwestern States

Illinois Missouri  
 Indiana Nebraska  
 Iowa North Dakota  
 Kansas Ohio  
 Kentucky\* Tennessee\*  
 Michigan Wisconsin  
 Minnesota

#### Southeastern States

Alabama North  
 Florida Carolina  
 Georgia South  
 Kentucky\* Carolina  
 Mississippi Tennessee\*  
 Virginia



# Actions for Regional Implementation

## Unity of Message/Public Communications

This action should be taken in tandem with most of the other actions and programs discussed below. Sharing information with the public and encouraging consumers to voluntarily reduce fuel usage through press releases, websites, outreach through social media, and public service announcements is a key tool to stem panic during petroleum shortages. Regionally, states should coordinate their messaging to ensure that the public is not receiving conflicting or confusing information.

## EPA Fuel Specification Waivers

This action requests temporary waiving of the US Environmental Protection Agency's (EPA) regulations on diesel and fuel properties. In the event of a fuel supply emergency, the EPA and DOE may waive requirements for fuel and fuel additives to increase fuel supply. Enacting this waiver requires close coordination between the EPA and state agencies. If a state has its own fuel specification requirements, they may also need to be waived for the EPA waiver to be effective.

## Request FERC Prioritization or ADR

The Federal Energy Regulatory Commission (FERC) can order priority shipments on regulated interstate pipelines during emergency circumstances. States can request this prioritization to an area that has a shortage through the issuance of a single, official order. FERC may also provide alternative dispute resolution (ADR) services to increase supply and minimize regional disruptions by bringing together industry partners to coordinate pipeline shipments into the region. Should multiple states coordinate to have their Governors request either of these actions, there may be an increased likelihood FERC will take some type of action.

## Waiver of the Federal Motor Carrier Safety Administration Safety Regulations

To provide supplies and transportation services to a disaster area in the US, emergency declarations may be issued by the president, governors, or the Federal Motor Carrier Safety Administration (FMCSA). These declarations trigger the temporary suspension of federal safety regulations for motor carriers and drivers engaged in specific aspects of the emergency relief effort. Drivers responding to provide "direct assistance" to an "emergency" that meets the definitions in 49 CFR 390.5 and declared by FMCSA or a governor are exempt from applicable regulations in all states on their route to the emergency, even though those States may not be involved in the emergency or stated in the declaration of emergency. States may have additional legislation or rules requiring state-specific approvals,

## Waivers for State Weight Limits for Petroleum Tanker Trucks

Under a governor-declared emergency declaration, weight limits for petroleum tanker trucks may be waived. This action only applies on a state-by-state basis and if trucks have to go out of state for fuel supplies, they are subject to weight limits in the states through which they pass.

## Request Internal Revenue Service Dyed Diesel Fuel Excise Tax Waiver

With this action, states can request that the Internal Revenue Service (IRS) temporarily waive the tax penalty for dyed diesel fuel sold for use on the highway, creating greater supply of usable fuel. Dyed diesel fuel is only for use in off-road vehicles or non-highway use, such as farm tractors, heavy construction equipment, home heating, and generators. The IRS imposes a highway excise tax of 24.4 cents per gallon on diesel fuel sold for on-road use; dyed diesel fuel is not ordinarily subject to this tax. States can implement this waiver by coordinating with the IRS in the case of a major shortage.

## Period of Abnormal Economic Disruption

Any prolonged interruption of the supply of petroleum has the potential to do considerable harm to the economy and functioning of the United States. During shortages, some retailers may take advantage of market conditions by price gouging, resulting in the need to enact consumer protections and seek penalties for those engaging in illegal behavior. The impacts of petroleum shortages do not end at state lines; regional messaging and coordinated regulations present a united front against those engaging in price gouging activities.

## Programs for Regional Implementation

### Priority End-Users Program

This priority end-user program requires petroleum suppliers to provide sufficient liquid fuels to meet the needs of critical end-users such as first responders: law enforcement, fire and emergency medical services, and any other essential service providers determined by the state or other legal authorities. Use of this program requires the state to identify critical end-users for priority service. This program should only be used in serious, longer-term shortages.

### Minimum Purchase and/or Odd-Even Purchase Program\*

This program, enacted via a governor's emergency executive order, declares that, due to lack of supply, gasoline and/or diesel fuel shall be dispensed to vehicle owners based on the end number or letter on their license plates on the corresponding even or odd day of the month. Historically, this measure has been accompanied by minimum purchase rules which encourage consumers to wait to fill up their tanks until they can purchase at least the minimum amount (i.e., no fewer than 10 gallons) suggested by the state order.

### Establish Retail Gas Station Priorities for Essential Services

This program prioritizes gas station supplies for essential services. In recent years, some state and local governments have become more reliant, or entirely reliant, on retail gas stations to meet their needs. Prioritizing gas station supplies for essential services may help ensure that essential public service needs are met during a serious fuel shortage. In order to implement this measure, states must identify essential services to prioritize and coordinate messaging related to prioritization.

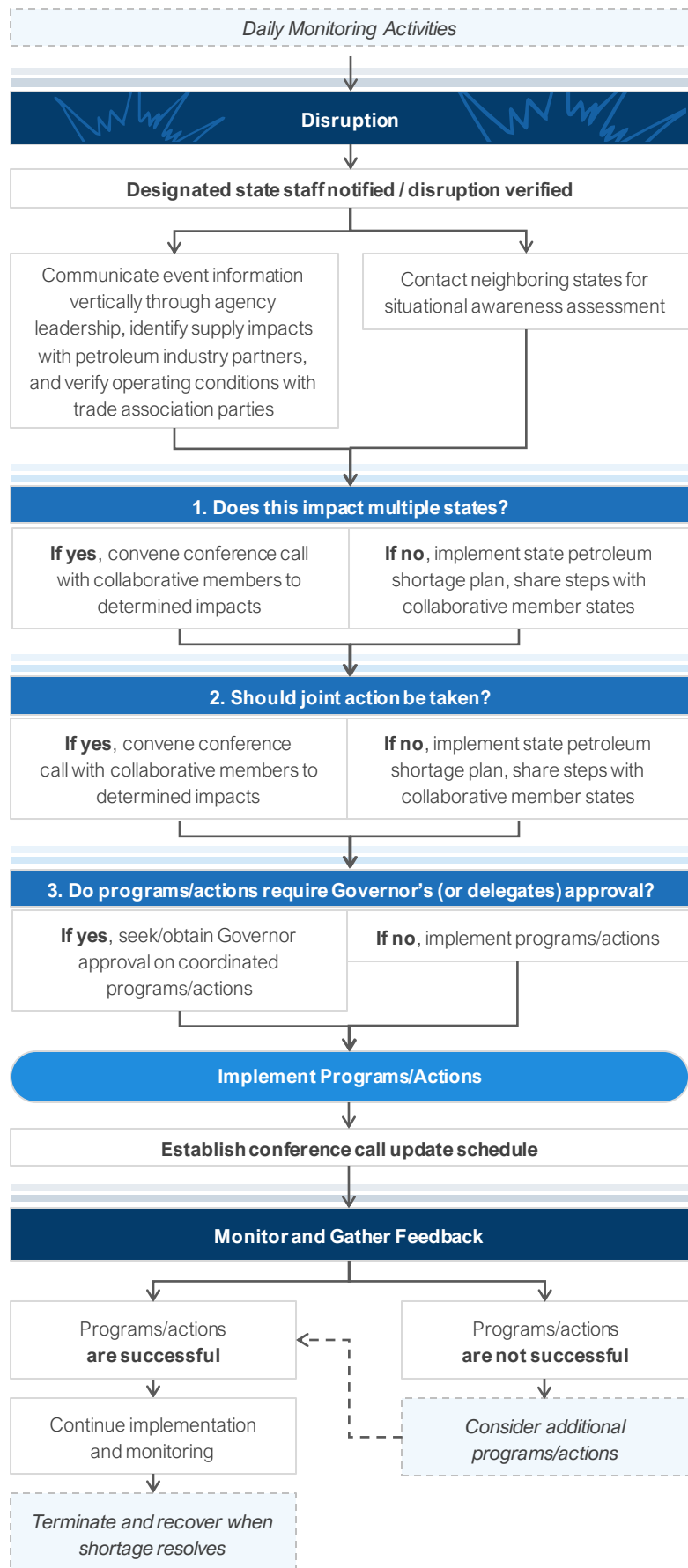
### Contractual Provisions for Fuel Supplies in An Emergency

Regulations and laws vary greatly from state to state, but it is important that state leadership understand how fuel supplies are secured. Contractual provisions are often quite specific, so it is vital to understand when they apply and the legal nuances surrounding them. Though contractual provisions are not frequently used, they are a tool that can be utilized during a dire circumstance.

*\*Program is not included in the Southeast Collaborative Regional Framework*

# Regional Coordinated Response Decision-Making Process

States should coordinate on the implementation of petroleum shortage programs and actions to ensure efficacy of these protective actions across state lines. Regional coordination creates consistency, streamlines the response process for suppliers operating in multiple states and supports public awareness and compliance. The following graphic highlights the decision-making processes necessary for a coordinated response.



# Roles and Responsibilities

## Steady State

During steady state, roles and responsibilities for all member states include:

- Updating contact information annually or when there are personnel changes
- Develop/maintain a state energy profile, including the many uses of petroleum, (understanding your state's baseline helps with monitoring for deviation and evaluating potential impacts)
- Work with state and industry partners to engage in integrated preparedness planning
- Maintain situational awareness by monitoring markets, events, and supply on a regular basis. States may opt to use a liquid fuels risk rubric to synthesize data
- Establishing and maintaining information sharing channels and flows with both private (industry) and public partners, as well as other stakeholders
- Determining and maintaining communication protocols and tools
- The SPSRC coordinating-lead state will coordinate quarterly steady-state calls

## Petroleum Shortage

State responsibilities throughout a petroleum shortage response include:

- Contacting neighboring states for situational assessments
- Communicating situational assessments through agency leadership or appropriate representatives
- The SPSRC coordinating-lead state will convene regional coordination calls as necessary; if the coordinating-lead state is the primary impacted state, they may request another state, NASEO, or DOE assume this responsibility.
- Determining the appropriate programs and actions to mitigate impacts
- Coordinating stakeholders (e.g., federal government, other state governments, local governments, petroleum industry partners)
- Notify neighboring states of any waivers that are implemented
- Coordinating emergency declaration considerations

### Coordinating Lead State

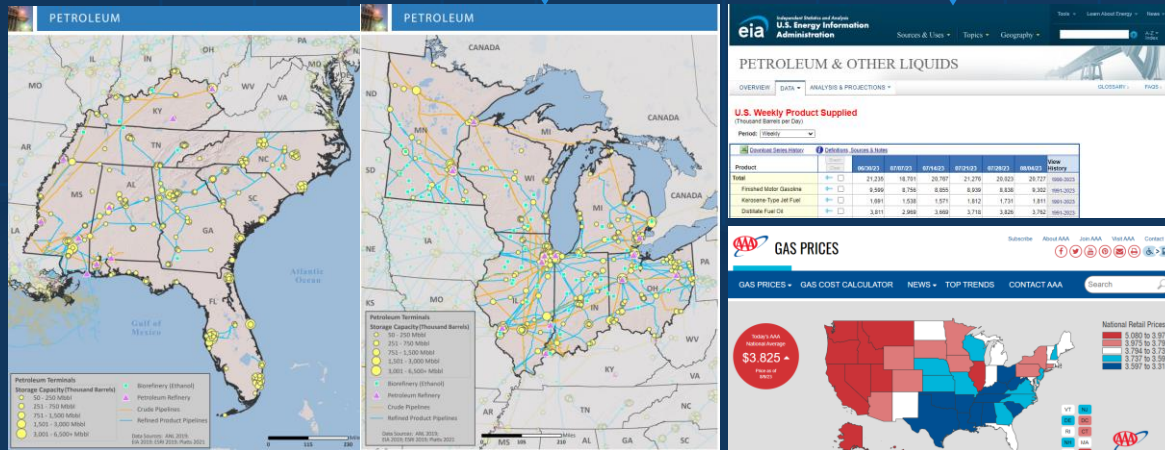
The coordinating lead state will coordinate regular steady-state calls. The lead will also convene the collaborative during petroleum shortages if the shortage rises to the level of regional coordination. If the lead state is impacted by the incident, the vice lead state will take on coordination responsibilities.

# Appendices

## Appendix A: Tools

Includes the following:

- Steady-State Coordination Call Agenda and Schedule
- Petroleum Shortage Coordination Call Agenda
- Situational Awareness and Real-Time Assessment Resources
- Critical Information Sources



## Appendix B: Program Templates

Includes templates for:

- Waiver of Federal Motor Carrier Administration Safety Regulations
- Petroleum Priorities for Essential Services
- Minimum Purchase and/or Odd-Even Purchase Program
- EPA Fuel Specific Waiver

## Appendix C:

### Messaging Guidance

Includes best practices, lessons learned, frequently asked questions, and resources for public information and crisis communications.