

Propane Education & Research Council
February 9, 2017
Dallas, Texas
MINUTES

Chairman Tom Van Buren called the meeting to order at 8:30 a.m. Central Time.

Mr. Van Buren, Ferrellgas (Overland Park, Kan.), opened the meeting with prayer and the Pledge of Allegiance. He welcomed the Council members in attendance:

Kasib Abdullah, BP (Houston)
Robert Barry, Bergquist (Toledo, Ohio) — *Secretary*
Gene Bissell, (Gladwyne, Pa.)
Steven Breckon, Lone Star NGL (Houston)
Robert Chalmers, JP Energy Partners (Irving, Texas) — *Treasurer*
Drew Combs, CHS Inc. (Inver Grove Heights, Minn.) — *Vice Chairman, Marketers*
Casey Cramton, Dead River Co. (South Portland, Maine)
Daniel Dixon, AmeriGas (Florence, Ala.)
Randy Doyle, Blossman Gas (Ocean Springs, Miss.)
Robert Freeman, Freeman Gas (Spartanburg, S.C.)
Robert Hemsworth, DCP Midstream (Houston)
Bruce Leonard, Targa (Southlake, Texas) — *Vice Chairman, Producers*
Glenn Luce, Aux Sable Liquid Products (Morris, Ill.)
Doug Rinke (Columbia, Mo.)
Richard Williams, Suburban Propane Partners LP (Whippany, N.J.)
David Wiseman, Williams Energy Resources LLC (Tulsa, Okla.)

Roxanne Fowles, MarkWest Energy Partners LP (Friendswood, Texas), and Sam Hawley, Enterprise (Houston), joined by telephone.

Chairman's Report

Approval of Minutes. Mr. Van Buren directed the councilors' attention to the minutes of the November Council meeting in Naples, Fla. Upon a motion duly made and seconded, the Council approved the minutes.

Executive Committee. Mr. Van Buren reported that since the last Council meeting, Executive Committee members met via conference call Jan. 23 to prep for the joint officers meeting of the Propane Education & Research Council and the National Propane Gas Association, held Jan. 31. The meeting agenda included coordination on strategic planning, opportunities for the industry surrounding the Volkswagen settlement, updates on the spring 2017 national consumer campaign, the budget assessment level, DOE direct-injection grant status, the CEO search, and the location of the PERC office.

The Executive Committee also met a day before the Council meeting to follow up after the joint officers meeting and to discuss PERC business.

Mr. Van Buren said the Council taskforces are working in coordination to optimize resources and to focus on bringing the greatest value to the industry and stakeholders, saying much work still needs to be done. He also spoke about the opportunities ahead for the second year of the consumer campaign and for taking advantage of the Volkswagen dollars to grow the momentum for propane school buses.

Strategy Taskforce Report. Mr. Combs, chairman of the taskforce, followed up on steps taken by PERC staff and the taskforce since the last Council meeting, which involved a re-calibration of strategies and a reorganization of staff. He also reviewed future steps, which include providing a tool for the budgeting process to the Project Portfolio Committee, and dissolving the task force.

Chief Executive Officer Roy Willis reviewed the new organizational chart for PERC staff, which includes Tucker Perkins being promoted to Chief Operating Officer, and other staff restructuring.

Upon a motion duly made and seconded, the Council approved the strategy taskforce report.

Treasurer's Report

Mr. Chalmers reported on challenges of unforeseen variance in assessment revenues due to warmer heating seasons in 2015/2016 and 2016/2017, deobligations, and odorized gallons. He also reviewed the 2017 budget summary, including challenges, reductions, and cash flow.

Upon a motion duly made and seconded, the Council approved the treasurer's report.

Chief Executive Officer's Report

Mr. Willis recalled his first PERC meeting in Dallas 19 years ago and reminded the Council how PERC was modeled after a state program in Texas. He also reviewed PERC's innovations when it was first created as a check off program, including being responsible for writing its own rules and procedures and creating the Partnership with States Program to provide funding to marketers to use PERC materials.

The presidential grant and no-cost change orders Mr. Willis approved under his presidential authority since the Council's last meeting (as follows).

Docket: 21115
Time Extension: N/A
Title: LP Hybrid Forklift Demonstration
Approved Amount: \$97,527

Docket: 18126 (no-cost change order)
Time Extension: Dec. 31, 2018
Title: Propane-Powered Tractor Proof of Concept Development
Approved Amount: \$0

Docket: 20890 (no-cost change order)
Time Extension: N/A
Title: Propane Greenhouse Gas and Criteria Pollutant Emissions Comparative Analysis
Approved Amount: \$0

Docket: 20249 (no-cost change order)
Time Extension: Oct. 31, 2017
Title: Department of Defense Autogas Program
Approved Amount: \$0

Docket: 20625 (no-cost change order)
Time Extension: April 30, 2017
Title: MTST Digital Training
Approved Amount: \$0

Chief Marketing Officer's Report

PERC Chief Marketing Officer Dennis Vegas reported on key learnings and accomplishments from the 2016 national consumer campaign and how those are being applied to the 2017 campaign plan. He also shared marketer perceptions of the campaign, according to a 2016 fall survey, and why it's important to continue to build the propane brand.

PERC's Director of Communications Gregg Walker reported on the campaign's social and digital content, including updates to proudlypropane.com, and plans to engage marketers in the campaign to promote their businesses in 2017.

Trent Walters, Blythe Hartely-Sivie, and Todd Unruh of The Richards Group attended the meeting to offer insights on social and digital metrics and to report on the 2017 media plan.

Chief Operating Officer's Report

PERC Chief Operating Officer Tucker Perkins reported on PERC's presence at the 2017 International Builders Show, the upcoming plumber and HVAC Overview of Propane Distribution Systems course training at Rinnai's facility in February, and housing start data from Metrostudy.

Mr. Perkins also gave an overview of propane forklift factory orders compared to electricity, the projected growth of propane autogas vehicle sales, and opportunities for the industry in the Volkswagen environmental mitigation trust fund.

Mr. Perkins reviewed **Docket 21190**. Upon a motion duly made and seconded, the Council approved the docket.

Docket: 21190
Principal Contractor: PERC
Title: 2017 Professional and Support Services
Amount Requested: \$243,000
Action: Approved

Chief Information Officer's Report

PERC Chief Information Officer Kay Howell presented the recommendation by the Market Outreach and Training Working Group about the 2017 Partnership with States Program.

Mrs. Howell reviewed a new concept rebate request. Upon a motion duly made and seconded, the Council approved the request.

Docket: 21092
Principal Contractor: New England Propane Foundation
Title: Carbon Monoxide Education and Prevention
Amount Requested: \$25,000
Action: Approved

Industry and Public Comments

The Council received no public or industry comment.

Old Business

There was no old business.

New Business

Mr. Van Buren announced changes to the membership of the Project Portfolio Committee, including Mr. Freeman as the new chairman. Mr. Luce, Mr. Barry, and Mr. Dixon are the current councilors serving on the committee and will take part in reviewing the strategy taskforce's recommendations to provide feedback to the budget committee and the Council at the April meeting.

Mr. Van Buren announced that the next regularly scheduled Council meeting will take place April 20, 2017, in Nashville, Tennessee.

By unanimous consent, the Council adjourned at 2:30 p.m. Thursday CT.

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