

Propane Education & Research Council
November 6-7, 2014
Sarasota, Fla.
MINUTES

Chairwoman Paula Wilson called the meeting to order at 1:15 p.m. Eastern Standard Time.

Ms. Wilson, Amerigas (Valley Forge, Pa.), welcomed the Council members in attendance:

Michael E. Barnes, BP Energy Co. (Houston) — *Vice Chairman, Producers*
Robert Barry, Bergquist (Toledo, Ohio) — *Treasurer*
Dan Binning, Kiva Energy (Arvada, Colo.)
Gene Bissell (Gladwyne, Pa.)
Steven Breckon, Lone Star NGL (Houston)
Robert Chalmers, JP Energy Partners (Irving, Texas) — *Secretary*
Drew Combs, CHS Inc (Inver Grove Heights, Minn.)
Greg Dighero, EnCana (Denver)
Roxanne Fowles, MarkWest Energy Partners LP (Friendswood, Texas)
Robert Freeman, Freeman Gas (Spartanburg, S.C.)
Sam Hawley, Enterprise (Houston)
Robert Hemsworth, DCP Midstream (Houston)
Bruce Leonard, Targa (Southlake, Texas)
Glenn Luce, Aux Sable Liquid Products (Morris, Ill.)
Doug Rinke (Columbia, Mo.)
John Simcox, Thompson Gas & Electric Service (Hagerstown, Md.)
Tom Van Buren, Ferrell North America (Overland Park, Kan.) — *Vice Chairman, Marketers*
Richard Williams, Suburban Propane Partners LP (Whippany, N.J.)
David Wiseman, Williams Energy Resources LLC (Tulsa, Okla.)

Brian Richesson, LP Gas magazine, joined the meeting by phone.

Chairwoman's Report

Approval of Minutes. Ms. Wilson directed the councilors' attention to the minutes of the July Council meeting in Santa Fe, N.M. Upon a motion duly made and seconded, the Council approved the minutes.

Executive Committee. Ms. Wilson said since the July meeting, the Executive Committee approved **Docket 20286**. The Executive Committee met the morning of November 6 to discuss plans should the restriction be lifted and talked about the need for more truck driver training.

Docket:	20286
Principal Contractors:	National Propane Gas Association
Title:	Propane Inventory Trends Analysis
Amount Requested:	\$110,000
Action:	Approved

NPGA Update. Phil Squair, senior vice president in charge of public and governmental affairs at the National Propane Gas Association, offered an update on the association's activities.

Advisory Committee Report. Randy Warner, chairman of the Safety & Training Working Group, recognized fellow working group chairmen for their contributions and announced that

Bryan Lewis will succeed him as chairman in 2015. He reviewed the survey taken by members of the Advisory Committee on the new structure, roles, and operations made three years ago. The changes were made to consolidate five separate committees into three working groups and redefine the roles of the working group chairmen and co-chairmen.

Audit Committee Report. Ms. Wilson announced that Mr. Bissell and Mr. Wiseman were appointed to the Audit Committee and thanked them for their participation. Audit Committee Chairman John Simcox stated that the 2014 audit committee report as well as the 2014 internal control report were reviewed and approved. Mr. Simcox also reported on the state of the audit committee.

Treasurer's Report

Mr. Barry reviewed the 2014 budget year surplus compared with the latest forecast, and the investment management report.

Upon approval of a motion duly made and seconded, the Council adopted the treasurer's report and approved a proposal to close out nine dockets, with the funds returning to the general treasury (as follows).

Docket: 19284 (Industry Programs) \$25,000
Project: NYPGA Disaster/Emergency Management Plan
Action: De-obligates the remaining balance of \$15,075 and returns these funds to the general treasury

Docket: 17443 (Engine Fuel) \$788,900
Project: Commercial Mower Dealer Demonstration Program
Action: De-obligates the remaining balance of \$251,217 and returns these funds to the general treasury

Docket: 19093 (Engine Fuel) \$385,000
Project: Development of Freightliner MT 45/55
Action: De-obligates the remaining balance of \$45,650 and returns these funds to the general treasury

Docket: 19035 (Engine Fuel) \$355,705
Project: 8.0L Product Launch Support
Action: De-obligates the remaining balance of \$120,000 and returns these funds to the general treasury

Docket: 19152 (Engine Fuel) \$10,000
Project: AFV Validation Study – Phase 1 Feasibility study
Action: De-obligates the remaining balance of \$10,000 and returns these funds to the general treasury

Docket: 18179 (Engine Fuel) \$700,000
Project: 6.0L Heavy Duty Liquid Propane Engine
Action: De-obligates the remaining balance of \$70,000 and returns these funds to the general treasury

Docket: 18165 (Engine Fuel) \$1,675,000
Project: 3.7L V6 Dedicated Propane Autogas Ford Transit Fuel System

Action: De-obligates the remaining balance of \$936,250 and returns these funds to the general treasury

Docket: **18170 (Research & Development) \$154,000**

Project: A Different Approach to Providing Protection From Vehicle Impact – Phase 2

Action: De-obligates the remaining balance of \$27,700 and returns these funds to the general treasury

Docket: **19071 (Safety & Training) \$87,905**

Project: 2014 CETP Updates and Help Desk Support

Action: De-obligates the remaining balance of \$128 and returns these funds to the general treasury

Consent Calendar

Ms. Wilson asked the councilors to turn their attention to the consent calendar in the briefing materials. Mr. Freeman asked to remove from the consent calendar rebate **Docket 20282**.

Upon a motion duly made and seconded, the Council approved the docket (as follows).

Docket: **20282**
Principal Contractor: Propane Education Foundation of Alabama
Title: Promote New Propane Logo/Tagline to Alabama Propane Industry
Amount Requested: **\$1,500**
Action: **Approved**

Upon a motion duly made and seconded, the Council approved the consent calendar without **Docket 20282 (as follows)**.

Docket: **20101**
Principal Contractor: Dashe & Thompson
Title: CETP NFPA 54 2015 Update
Amount Requested: **\$464,126**
Action: **Approved**

Docket: **20102**
Principal Contractor: Logica3
Title: Consumer Safety Education Modules Flash to HTML5 Conversion
Amount: **\$118,460**
Action: **Approved**

Docket: **20125**
Principal Contractor: Dashe & Thompson
Title: CETP E-Learning Flash to HTML5 Conversion
Amount Requested: **\$403,019**
Action: **Approved**

Docket: **20202**
Principal Contractor: **PERC**
Title: 2015 Industry Outreach
Amount Requested: **\$290,000**
Action: **Approved**

Docket:	20207
Principal Contractor:	Vent Free Gas Products Alliance
Title:	Unvented Gas Heating Products' Indoor Air Quality Impact in Energy Conservation Structures
Amount:	\$103,000
Action:	Approved
Docket:	20242
Principal Contractor:	Detroit Radiant Products (DRP)
Title:	High Intensity Radiant Brooder
Amount Requested:	\$30,000
Action:	Approved
Docket:	20243
Principal Contractor:	Origin Engines
Title:	Origin Engines 5.7L and 6.2L LPG Industrial Engines
Amount Requested:	\$160,000
Action:	Approved
Docket:	20245
Principal Contractor:	Southwest Gas
Title:	Residential and Commercial Gas Heat Pump Development – Phase 2
Amount:	\$465,000
Action:	Approved
Docket:	20249
Principal Contractor:	National Center for Manufacturing Sciences, Office of the Deputy Assistant Secretary of Defense
Title:	Department of Defense Autogas Program
Amount Requested:	\$200,000
Action:	Approved
Docket:	20270
Principal Contractor:	American Petroleum Institute (API)
Title:	2014 API Survey and Report
Amount Requested:	\$174,951
Action:	Approved
Docket:	20272
Principal Contractor:	ICF International
Title:	2015 Propane Market Research Initiative
Amount Requested:	\$394,580
Action:	Approved
Docket:	20273
Principal Contractor:	PERC
Title:	2015 Advisory Committee and Program Support
Amount Requested:	\$490,000
Action:	Approved

Docket: 20044
Principal Contractor: Interwest PERC
Title: Advanced Transportation Technology Center Training Funding
Amount Requested: \$180,000
Action: Approved

Budget and Strategic Plan

PERC President and CEO Roy Willis presented the 2015-2017 Strategic Plan and proposed 2015 Budget. He reminded the Council that approval of the budget authorizes PERC to spend money on administrative expenses, capital expenses, and state rebates. All other program funding for the dockets comes to the Council separately. Upon a motion duly made and seconded, the Council approved the strategic plan and budget.

Partnership Agreement

Mr. Willis introduced **Docket 20274**. Upon a motion duly made and seconded, the Council approved the docket (as follows).

Docket: 20274
Principal Contractors: Gas Processors Association and National Propane Gas Association
Title: 2015 Partnership Agreement
Amount Requested: \$1,319,500
Action: Approved

Mr. Willis said the Consumer Safety Preparedness Campaign has been underway for two months. The message has been disseminated through state associations, federal organizations, and agriculture organizations to get marketers to fill up early before winter begins.

Mr. Willis reported on presidential approvals he had made since the Council's last meeting (as follows).

Docket: 17585
Principal Contractor: Southwest Research Institute (SwRI)
Title: Diesel-Propane Dual-Fuel Evaluation Project
Approved Amount: \$18,000

Docket: 19035
Principal Contractor: Freightliner Custom Chassis Corporation
Title: 8.0L Product Launch Support
Approved Amount: Deobligation of \$120,000

Docket: 20267
Principal Contractor: Life Cycle Associates, LLC and Western Propane Gas Association
Title: GREET Model and Low Carbon Fuel Standard Analysis
Approved Amount: \$50,000

Docket: 18160 (no-cost change order)
Principal Contractor: California Clean Air Technologies
Title: Performance and Durability Validation of Propane-Diesel Dual-Fuel Retrofit System
Approved Amount: \$0

Docket: 19170 (no-cost change order)
Principal Contractor: Logica3
Title: Dispensing Propane Safety Program: Third Edition
Approved Amount: \$0

Docket: 20036 (no-cost change order)
Principal Contractor: ICF International
Title: Cochin Pipeline Research
Approved Amount: \$0

Docket: 20075 (no-cost change order)
Principal Contractor: ICF International
Title: Propane Industry Impact on U.S. and State Economies
Approved Amount: \$0

Chief Business Development Officer's Report

PERC Chief Business Development Officer Tucker Perkins reported that propane messaging is being well received by sustainability audiences for residential and commercial construction, autogas, and commercial mowing.

Corporate Communications Report

PERC Director of Communications Gregg Walker offered updates on the Consumer Safety Preparedness Campaign, the Leave It to a Pro Campaign, and the Grilling for Heroes Campaign. Mr. Walker introduced the new logo for propane autogas.

Mr. Walker reviewed **Docket 20195**. Upon a motion duly made and seconded, the Council approved the docket (as follows).

Docket: 20195
Principal Contractor: Swanson Russell
Title: 2015 Corporate Communications
Amount Requested: \$2,150,000
Action: Approved

Market Reports

Director of Residential and Commercial Programs Bridget Kidd gave an overview of projects in 2014, which will serve as the basis for 2015 projects.

Mrs. Kidd reviewed **Docket 20196**. Upon a motion duly made and seconded, the Council approved the new funding amount.

Docket: 20196
Principal Contractor: Swanson Russell
Title: 2015 Residential and Commercial Outreach
Amount Requested: \$3,000,000
Action: Approved

2015 Propane Market Outlook

Mike Sloan of ICF International summarized the 2015 Propane Market Outlook. The decline in propane space heating households stabilized in 2013. Consumer propane demand is projected to be relatively flat through 2020.

The Council recessed at 5:45 p.m. EST.

Proceedings of November 7.

Ms. Wilson called the meeting to order at 8:30 a.m. EST.

Market Reports

Deputy Director of Communications Ingrid Bechard gave an update on 2014 Engine Outreach Programs in off-road, autogas and agriculture markets. New projects include the new cost calculator tools and Straight Talk video testimonial series.

Mrs. Bechard reviewed **Docket 20199**. Upon a motion duly made and seconded, the Council approved the docket (as follows).

Docket: 20199
Principal Contractor: Swanson Russell
Title: 2015 Off-Road Outreach
Amount Requested: \$1,095,750
Action: Approved

Mrs. Bechard reviewed **Docket 20200**. Upon a motion duly made and seconded, the Council approved the docket (as follows).

Docket: 20200
Principal Contractor: Swanson Russell
Title: 2015 Autogas Market Outreach
Amount Requested: \$925,000
Action: Approved

Mrs. Bechard reviewed **Docket 20198**. Upon a motion duly made and seconded, the Council approved the docket (as follows).

Docket: 20198
Principal Contractor: Swanson Russell
Title: 2015 Agriculture Market Outreach
Amount Requested: \$770,000
Action: Approved

Director of Agriculture Business Development Cinch Munson gave an overview of the irrigation market, which includes development in California, Nebraska, Florida, Georgia, Arkansas, and other states.

Mr. Munson reviewed **Docket 20244**. Upon a motion duly made and seconded, the Council approved the docket (as follows).

Docket: 20244
Principal Contractor: PERC with Eidson & Partners
Title: Propane Irrigation Engine Market Development Phase 2
Amount Requested: \$933,000
Action: Approved

Autogas Technician Training Program

Vice President, Safety & Training Stuart Flatow reported that the Autogas Technician Course will be redeveloped to meet 2014 standards. He also gave an update on the CETP training program.

Industry Programs

Director of Industry Programs Pat Hyland introduced **Docket 20206**. Upon a motion duly made and seconded, the Council approved the docket (as follows).

Docket: 20206
Principal Contractor: Sales Transformation Now
Title: 2015 Marketer Technology and Sales Training
Amount Requested: \$575,000
Action: Approved

Mr. Hyland reviewed **Docket 20202**. Upon a motion duly made and seconded, the Council approved the docket (as follows).

Docket: 20202
Principal Contractor: PERC
Title: 2015 Industry Outreach
Amount Requested: \$290,000
Action: Approved

Mr. Hyland reviewed **Docket 20203**. Upon a motion duly made and seconded, the Council approved the docket (as follows).

Docket: 20203
Principal Contractor: PERC
Title: Partnership with States
Amount Requested: \$1,800,000
Action: Approved

Propane Specification Revised HD-5

Gregg Dighero presented on Propane Specification Revised HD-5 and listed the benefits of modifying existing HD-5 Specification.

Upon a motion duly made and seconded, the Council approved for Mr. Dighero to put together another presentation for NPGA, PGA, and the Advisory Committee.

Industry and Public Comments

The Council received one public comment.

Old Business

Mr. Freeman proposed extending the timeline of the Double Incentive Propane Mower Incentive Program to March 31, 2015. Upon a motion duly made and seconded, the Council approved the time extension.

New Business

Mr. Freeman proposed that the Advisory Committee study propane cabinet heaters.

Ms. Wilson announced the next Council meeting will take place via conference call Feb. 19, 2015.

By unanimous consent, the Council adjourned at 11:30 a.m. Friday EST.

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