



# 2020-2022 PERC STRATEGIC PLAN

Revised July 2020

## ASPIRATION STATEMENT:

**INCREASE USES AND USERS.**

### 2020-2022 PERC STRATEGIC PRIORITY

## ▶ INCREASE PROPANE'S VOICE IN THE NATIONAL ENERGY CONVERSATION THROUGH DATA-DRIVEN, PROVOCATIVE, AND ASSERTIVE MESSAGING.

### 1. *Thought Leadership focusing on combating competing energy sources, climate change positioning, and energy and environmental conservation messaging*

- Further enhancing the environmental, social, and corporate governance benefits of propane.
- Metrics: As this will be a new initiative, a perception study will be conducted to establish a baseline from which PERC will measure activities against from a qualitative perspective. Based on best practices, we will target an increase of 15% over three years in the perception of propane as a clean fuel. From a quantitative perspective, PERC will undertake a media analysis to determine the baseline for current share of voice and media monitoring metrics. Targets will be set pending the results of the baseline studies.
  - Perception study and media monitoring/share of voice baseline to be conducted in Q4 2019.

**2. Leveraging materials, messages, and sales training platform to support marketers**

**3. Support industry partners with research and data necessary to further the aims of the propane industry**

- R&D data and analytics, including emissions R&D.
  - Metric: New data-driven usable claims per market highlighting benefits of propane vs. competition.
- New messaging & creative based on data, science, and research.
  - Metric: Develop “scientific” messaging/briefing packets. Build research section of Propane.com. Delivery of five embedded analytics data visualizations per year to support research studies.

**OVERALL METRICS:**

Increase from baseline in the positive perceptions of propane, increase in social engagement from 2020–2022, positive propane mentions in contextually significant areas/national or regional news outlets, high profile speaking engagements, propane ambassadors carrying the messages, strategic partnerships with allied influencer organizations.

**2020–2022 PERC STRATEGIC PRIORITY**

**▶ GROW THE AUTOGAS MARKET THROUGH INDUSTRY ADOPTION, THE DEVELOPMENT OF CERTIFIED APPLICATIONS, SERVICE NETWORKS, AND COMMERCIALIZATION SUPPORT OF APPLICATIONS IN THE MARKET.**

**1. Focusing on commercial products (vehicle platforms) that the industry can use in their fleets, with crossover opportunities within other markets (for example, medium duty, light duty, aftermarket conversions)**

- Metric: New Medium-Duty Bobtail vehicle option. New Medium-Duty [non-bobtail] vehicle option. Increased Industry autogas adoption of 25% of industry vehicle replacements through 2022 (will use Annual Retail Sales report to measure Autogas replacement percentage).

**2. Service and maintenance network, trained individuals (utilizing partnerships)**

- Metric: Launch Autogas service training program.

**OVERALL METRICS:**

Applications being developed to support this [y/n], number of options available, unit sales, market share [longer range], industry fleet market share [industry adoption], qualitative interest from OEMs, service network.

## 2020–2022 PERC STRATEGIC PRIORITY

▶ **ENGAGE IN COMMERCIALIZATION EFFORTS TO CREATE MARKET GROWTH OPPORTUNITIES.****1. Multi-market**

- Nurture OEM/sales channel relationships & engage with trade allies.
  - Metric: KPI metric set annually based on market tradeshow (20 annually), influencer face-to-face meetings (30 annually), sales channel face-to-face meetings (100 annually), market presentations (5 annually), industry presentations (7 annually).
- Renewable propane/DME.
  - Metric: Engage five new potential renewable propane suppliers.
- Exploring the future of power generation.
  - Metric: Establish and execute a power generation product development, market growth, and commercialization roadmap.

**2. Residential-Commercial**

- Promotional based outreach for outdoor living market (no new equipment needed).
- Manufactured housing market emphasis: Sales channel relationships and marketing.
  - Metric: 10 manufactured home retailers promoting propane in sales materials, 10% growth annually.
- Next-generation gas water heaters.
  - Metric: New next generation water heater project launched and product brought to market.
- Focused effort on the commercial market.
  - Metric: Establish Commercial Market Team with dedicated budget and plans to include commercial-specific market sales training, marketer resources, outreach, and product commercialization.

**3. Off-Road**

- New forklift/material handling offerings.
  - Metric: Two new propane-powered material handling products under development.

**4. Agriculture**

- New mobile agriculture (or other new use for propane in agriculture) application to market. Focus on diesel displacement applications.
  - Metric: New propane-powered agriculture product under development.

**5. Propane Industry**

- Industry operational efficiency/innovation (product-related e.g. tank monitoring, internet of things, etc.).
  - Create opportunities for these conversations within the advisory committee.

**OVERALL METRICS:**

Market share growth and average US gal/customer growth within the core markets (weather adjusted).

## 2020–2022 PERC STRATEGIC PRIORITY

## ▶ DEVELOP PROFESSIONAL, INFORMED, AND SKILLED WORKFORCE AND TRADE ALLIES THROUGH WORLD-CLASS SAFETY AND TECHNICAL TRAINING.

### 1. Propane Industry Workforce Safety and Sales Training

- Use technology to increase opportunities for training across multiple platforms.
- World-class [online] workforce safety and sales training, incorporating marketing messages in both.
- Promote cross-selling opportunities [to be included in training].
- Metric: Convert CETP to 47 task-based training modules contained in the LMS; develop a successful analysis of training to performance evaluation with 75% success rate; 7,500 personnel subscribed to the LMS in 2020 increasing at a rate of 5,000+ employees subscribed annually for the next three years; Create Level 1 and Level 2 sales training, online CSR sales training, with 1,000 users annually [emphasis on propane-specific education, 90/10 vs. general sales-related content].

#### Phase 1 Development (2020)

- 8 modules from existing materials and 3 newly developed modules and compliance manual.
- Entry Level Driver Training [pending approval], to be completed by January 2020.

#### Phase 2 Development (2021)

- 10 modules developed from existing materials and the evaluation of 7 modules.

#### Phase 3 Development (2022)

- 4 modules from existing materials and the evaluation of the remaining 14 modules.

### 2. Workforce Outreach

- Support for vocational and technical school curriculum development.
  - Highlighting the durability of propane during the COVID-19 pandemic, and the reliability of employment in the propane industry during adverse economic conditions.
  - Metric: 25 workforce outreach grants\* with state partnerships over three years, incorporate curriculum [HVAC/Plumbing, etc.] in 50 trade schools and host a workforce outreach summit with 150 attendees [budget dependent].
- \*Grant metric contingent on analysis of performance of current programs and funding evaluation.

### 3. Drive awareness through external market [trade allies] training

- Career and vocational education course curriculum development and packaging.
- Influencer and allied trade training for CEU accredited training and increased awareness on the benefits of propane applications [modify language to allow for inclusion of first responders].
- Assisting states in the deployment of external audience training deployment at the local level.
- Metric: Develop and implement expanded HVAC training [online and instructor led, identify two new program areas and package for distribution, obtain 3,500 CEU trained influencers] and partner with states to provide 50 allied audience trainings annually, with at least 2,500 first responders trained.

#### OVERALL METRICS:

Launch of training [y/n], number of people trained, efficacy of training vs. test results, created training that can be replicated/implemented on the state level, engaging states to implement on local level with schools/trade organizations in their states.

## ▶ SHARE OF US ENERGY DEMAND 2012-2018

SECTOR (% OF TOTAL US ENERGY DEMAND IN 2018)	YEAR							CAGR
	2012	2013	2014	2015	2016	2017	2018	CAGR 2012-2018
<b>Agriculture [1.2%]</b>								
Coke/Coal	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Diesel/Heating Oil	46.91%	47.98%	48.71%	46.32%	46.97%	49.35%	49.12%	2.62%
Electricity	14.35%	13.61%	13.10%	16.55%	17.83%	16.83%	16.98%	4.74%
Gasoline	15.99%	14.36%	13.65%	16.25%	14.25%	13.84%	13.48%	-1.01%
Natural Gas	8.96%	8.68%	8.39%	7.60%	7.84%	9.21%	9.28%	2.43%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Propane	9.97%	12.33%	13.08%	9.96%	9.82%	10.20%	10.67%	2.99%
Solar	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Wood/Biomass	3.82%	3.05%	3.06%	3.31%	3.30%	0.56%	0.47%	-28.08%
<b>Commercial [13.83%]</b>								
Coke/Coal	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Diesel/Heating Oil	4.45%	4.07%	4.09%	4.24%	3.89%	3.84%	3.88%	-0.68%
Electricity	56.77%	54.09%	53.02%	54.85%	55.78%	55.14%	53.91%	0.74%
Gasoline	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Natural Gas	37.22%	40.20%	41.19%	39.30%	38.68%	39.30%	40.37%	3.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Propane	1.57%	1.64%	1.70%	1.61%	1.65%	1.71%	1.85%	4.45%
Solar	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Wood/Biomass	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>Industrial [38.53%]</b>								
Coke/Coal	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Diesel/Heating Oil	4.09%	3.86%	4.24%	3.49%	3.42%	3.48%	3.45%	-1.97%
Electricity	14.06%	13.76%	13.85%	13.66%	13.48%	13.34%	13.33%	-0.03%
Gasoline	0.62%	0.67%	0.47%	0.58%	0.67%	0.68%	0.68%	2.57%
Natural Gas	37.72%	38.23%	39.30%	39.45%	40.21%	40.41%	41.08%	2.30%
Other	36.47%	36.33%	35.01%	35.75%	35.22%	34.92%	34.34%	-0.14%
Propane	0.18%	0.17%	0.17%	0.17%	0.16%	0.14%	0.14%	-3.44%
Solar	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Wood/Biomass	6.87%	6.97%	6.96%	6.91%	6.84%	7.02%	6.98%	1.12%
<b>Internal Combustion Engines [37.37%]</b>								
Coke/Coal	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Diesel/Heating Oil	25.66%	25.80%	26.57%	26.77%	26.27%	26.41%	26.22%	1.35%
Electricity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Gasoline	70.62%	70.11%	69.92%	69.80%	70.32%	70.02%	70.20%	0.88%
Natural Gas	3.50%	3.88%	3.29%	3.20%	3.21%	3.38%	3.41%	0.57%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Propane	0.23%	0.21%	0.23%	0.22%	0.20%	0.18%	0.17%	-4.05%
Solar	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Wood/Biomass	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>Residential [9.03%]</b>								
Coke/Coal	0.10%	0.08%	0.06%	0.08%	0.07%	0.06%	0.06%	-7.44%
Diesel/Heating Oil	9.94%	8.39%	8.66%	9.83%	8.45%	8.35%	7.33%	-2.25%
Electricity	11.55%	9.74%	9.37%	10.23%	11.21%	10.86%	9.97%	0.34%
Gasoline	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Natural Gas	62.18%	64.91%	65.40%	63.64%	64.16%	64.97%	67.45%	4.23%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Propane	7.08%	6.98%	6.95%	6.91%	7.16%	7.12%	7.62%	4.09%
Solar	0.11%	0.11%	0.12%	0.16%	0.22%	0.26%	0.27%	18.58%
Wood/Biomass	9.04%	9.78%	9.42%	9.16%	8.73%	8.38%	7.31%	-0.75%