

**Propane Education & Research Council**  
**Beaver Creek, CO**  
**July 20-21, 2021**  
**MINUTES**

Immediate past chairman Daniel Dixon called the meeting to order at 1:01 p.m. MDT on Tuesday, July 20. He welcomed Council members in attendance live and via video conference call, noted the presence of a quorum, and welcomed the newly elected officers.

Dave Bertelsen, Matheson Gas (Hamilton, OH)  
Nicholas Calabretti, Energy Transfer (Newtown Square, PA)  
Kevin Cobb, Suburban Propane Partners LP (Eagle, ID)  
Casey Cramton, Dead River Co. (South Portland, ME) — Vice Chairman, Marketers  
Chris DeFilippo, Superior Plus Energy (Wayne, PA)  
Mark Donahue, MarkWest Energy (Denver, CO)  
Gary France, France Propane Service (Schofield, WI) — Secretary  
Jay Furman, Enable Midstream Services (Houston, TX)  
Mike Garcia, Targa Resources (Naperville, IL)  
Brilynn Johnson, AmeriGas (Lincoln, CA)  
Jeff Kerns, ThompsonGas (Frederick, MD) — Treasurer  
Duncan McGinnis, Aux Sable (Morris, IL) — Vice Chairman, Producers  
John Powell, Crestwood Equity Partners LP (Kansas City, MO)  
Dan Richardson, Conger LP Gas (Tifton, GA)  
Mark Sutton (Wagoner, OK)  
Stuart Weidie, Blossman Gas (Swannanoa, NC) — Chairman  
Brian Wilkin, Enterprise Products Operating Co. (Houston, TX)  
Leslie Woodward, Fairview USA (Wheatfield, NY)

Mr. Dixon offered comments on the accomplishments of the Council during an especially trying 16 months dealing with challenges caused by the pandemic, including work involving the Council's 2020-22 strategic plan, the Environmental Messaging Task Force, renewable propane, councilor engagement, Advisory Committee activity, cooperation between PERC and NPGA, propane bobtail product offerings, workforce outreach, and new marketing and brand messaging. He then then turned the meeting over to new Council chairman Stuart Weidie. Mr. Weidie thanked Mr. Dixon for his years of service on the Council.

### **Chairman's Report**

Mr. Weidie gave brief comments on his enthusiasm about the future of the industry given the changing circumstances across the energy and environment landscapes. He said he believes innovation will play a key role in providing solutions to the marketplace, including the opportunity to replace all diesel engines.

Upon a motion duly made and seconded, Council approved the minutes of its April 2021 meeting.

**Executive Committee:** Mr. Weidie reported that the Executive Committee had met to review the recent launch of a new propane brand to strategically reposition propane in the marketplace. He noted that the completion of the rollout of the brand means the Environmental Task Force will be disbanded, although it could be reconvened as needed to review progress of the brand.

The committee also discussed the need for a new task force on renewable propane, NPGA's subletting unused PERC office space to bring the two under the same roof, considerations for updating the strategic plan, assistance to environmental message media campaigns by individual states, and PERC staff performance and compensation.

Mr. Weidie referred to the financial report included in the Council notebook. Upon a motion duly made and seconded, Council accepted the report.

Upon a motion duly made and seconded, the Council approved the following Advisory Committee working group chairmen and vice chairmen:

- Safety & Technical Training Working Group — Chris Wagner, AmeriGas, chairman
- Research & Technology Development Working Group — Chuck Strawn, Red Seal Measurement, chairman; Steve Moore, Expo Propane, vice chairman

### **Producers Report**

Bruce Leonard, immediate past vice chairman representing producers, reported that U.S. propane production is up and the EIA forecast predicts further growth. Rig activity continues to expand while U.S. fracking is up to its highest level since March 2020. Still, inventory build sits at 18 percent lower than historic average. He said analysts expect the build to reach 87 million barrels by start of winter.

### **Chief Executive Officer's Report**

PERC President and CEO Tucker Perkins welcomed new Council members and noted examples of how the PERC staff, the Council, and the industry continue to evolve. He said the recent launch of the *PROPANE Energy for Everyone*<sup>™</sup> brand is a reflection of those changes, addressing how the industry answers new questions about community and world impact. Although he sees as much opportunity as threat due to changing customer demand, he emphasized that the initiative won't be successful if marketers don't get behind it with support in their local communities.

Mr. Perkins reported that he approved one presidential grant since the Council last met:

- **Docket 21769** — National Docket 23072 – Comparative Emissions Analysis 2021 for \$90,000 ending July 15, 2022

He also approved the following no-cost change orders for time extensions:

- **Docket 21710** — Customer Safety Awareness Materials for Industrial and Commercial Markets, June 30, 2022
- **Docket 21769** — National Builder Incentive Program, June 1, 2025
- **Docket 21933** — Dispensing Propane Safety Technical and Market Revisions, Dec. 31, 2021
- **Docket 22038** — Propane Powered Front Engine School Bus (Type D), May 31, 2023
- **Docket 22113** — 2020 Residential Consumer Integrated Outreach Program, Dec. 31, 2021
- **Docket 22405** — Propane Emergencies Strategic Planning, Dec. 31, 2021
- **Docket 22560** — EPA Propane Certification for Aisin 1.5kW CHP System, May 31, 2022
- **Docket 22654** — Safety and Training Program Promotion, Dec. 31, 2021

He also approved a scope change for **Docket 22788** — Stirling Battery Ecosystem (SBE9000) Using Propane.

### **Communications Report**

Senior Vice President of Communications and Marketing Erin Hatcher updated the Council on the successful launch of the *PROPANE Energy for Everyone*<sup>™</sup> brand on June 30. She introduced Aaron Dotson, executive creative director with PERC's new advertising agency partner, Elevation, to explain the process of creating an industry brand that can better position propane in the changing conversation about energy and the environment.

Mr. Dotson noted that research indicates that younger consumers — both current and prospective customers — find the new messaging compelling to consider and learn more about propane. The flexibility of the brand also enables regionalized messaging.

Upon a motion duly made and seconded, Council approved **Docket 23038**: Agency Transition and Propane Rebrand — \$945,937.

### **Industry Relations Report**

Senior Vice President of Industry Relations Bridget Kidd reported on plans to extend the new brand rollout to individual marketer companies and state associations. PERC will offer direct mail and webinars, presentations at state meeting and events, one-on-one

company-specific meetings, a CEO forum, and assorted swag items that promote the new brand and logo.

Ms. Kidd reported that 80 percent of state associations have expressed interest in participating in a new partnership program that provides matching funds for media purchases in local markets supporting the national environmental messaging. Available consumer education tactics include social, digital display, and digital audio options primarily targeting homeowners.

She also provided an update on PERC's Technical School Grant program, which has had 30 school recipients. Nine have completed classroom and laboratory facility upgrades using the funds to date.

### **Safety & Training Report**

Vice President of Safety, Education, and Compliance Eric Kuster reported on progress to expand online safety and sales training offerings on the Learning Center. Those resources include CETP training and certification as well as safety and technical training items being converted from the resource catalog.

Upon motions duly made and seconded, Council approved:

- **Docket 23046:** Autogas Dispenser Maximum Delivery Pressure Standard Testing — \$190,375
- **Docket 23047:** Learning Center Operations 2021 — \$282,000
- **Docket 23048:** CETP Modularization Development, Round 3, Phase 1: Internal and External Vapor Distribution Systems — \$920,700
- Change Order – **Docket 21996:** Entry-level Driver Training — \$414,500  
Originally approved in 2019 for \$310,000, the changes reflect modifications in the scope of the DOT project and online training requirements.

### **Business Development Report**

Mr. Perkins presented a recommendation to withdraw **Docket 22970:** Origin Engines 3.6L Mobile Equipment and Power Generation Certification with Ultra Ultra-Low Emissions. He said the \$950,000 proposal, which targets forklift and materials handling equipment engines, is expected to be brought back for the Council's consideration by November.

Upon a motion duly made and seconded, the Council tabled the docket.

Upon a motion duly made and seconded, the Council approved **Docket 23027:** Assessment of Liquid Direct Injected Fuel Systems for Propane Engines — \$654,850. The project will attempt to identify, design, develop, test, and demonstrate a new propane liquid direct injection engine technology.

### **Portfolio Subcommittee Report**

Mr. Donahue reviewed the status of recent projects throughout the organization.

- Research & Technology Development — 26 active projects valued \$20.9 million. Closed 33 projects valued at \$16.8 million.
- Marketing & Outreach — 20 active projects valued \$28.4 million. Closed 24 projects valued at \$32.3 million.
- Safety & Training — 14 active projects valued at \$5.1 million. Closed 15 projects valued at \$1.8 million.

### **Strategic Plan Discussion**

Mr. Weidie asked that the Council begin high-level discussions around priorities for PERC's strategic plan beyond 2022. The current plan, which covers 2020 through 2022, established four priorities:

- Develop professional, informed, and skilled workforce and trade allies through world-class safety and technical training.
- Increase propane's voice in the national energy conversation through data-driven, provocative, and assertive messaging.
- Grow the autogas market through industry adoption, the development of certified applications, service networks, and commercial support of applications in the market.
- Engage in commercialization efforts to create market growth opportunities.

Mr. Weidie led the group discussion of those as well as other considerations for future priorities, including environmental messaging, power generation, workforce outreach, and renewable fuel.

### **Meeting Recess**

Mr. Weidie recessed the meeting at 5:30 p.m. MDT.

Mr. Weidie reconvened the meeting at 8:30 a.m. MDT on Wednesday, July 21.

### **Budget for 2022**

Senior Vice President of Administration and Finance Mike Eason reviewed the 2022 budget plan to be published for public comment on July 31, as required by statute. The Council will consider the budget plan for approval at the November Council meeting.

Upon a motion duly made and seconded, the Council approved the plan for public comment.

### **Advisory Committee Report**

Kenton Sonnenburg, immediate past chairman of the Advisory Steering Committee, updated the Council on project proposals for fueling electric vehicle charging stations and U-Haul demonstration trucks.

### **NPGA Report**

NPGA Chairwoman-elect Michelle Bimson Maggi reviewed progress on the association's 2021 priorities, including state gas bans; educating new members of

Congress and the Biden administration; supply logistics; apprenticeship program launch; entry-level driver training program; assorted codes and standards; a renewable propane strategy; and workforce development.

### **GPA Midstream Report**

GPA President and CEO Joel Moxley reported that the national midstream supply picture is mixed as the industry recovers from the pandemic. Propane supply remains flat while all NGLs are up. With the nation's financial mood favoring paying down debt vs. growth investment, he said most activity is due to private investment. The midstream sector is bracing for federal methane actions driven by the Biden administration.

### **Industry and Public Comments**

Dan Binning, executive director of Colorado and New Mexico propane gas associations, said he does not think the Council can de-obligate any unspent state rebate allocations, and that state associations would strongly object to any consideration to do so.

### **Old Business**

Mr. Weidie announced that he planned to create steering committees for each of PERC's four strategic pillars, and asked councilors to notify him on their preference to serve.

Mr. France asked whether odorant detectors are required for customers with depreciated sense of smell due to Covid-19. He was informed that current PERC safety materials recommend detectors, but they are not required.

### **New Business**

A schedule of 2022 Council and Advisory Committee dates and locations was approved.

The next Council meeting is scheduled for Nov. 10-11 in Destin, FL.

By unanimous consent, Council adjourned at 9:38 a.m. MDT.