

**Propane Education & Research Council**  
**Nov. 12-13, 2019**  
**Naples, FL**

**MINUTES**

Chairman Robert Freeman, Freeman Gas Co. (Spartanburg, S.C.), called the meeting to order at 1:03 p.m. EST Nov. 12 with a prayer and the Pledge of Allegiance.

Mr. Freeman welcomed the council members in attendance:

Dave Bertelsen, Matheson Tri-Gas (Hamilton, OH)  
Nick Calabretti, Energy Transfer (Newtown Square, PA)  
Kevin Cobb, Suburban Propane Partners LP (Eagle, ID)  
Casey Cramton, Dead River Co. (South Portland, ME)  
Daniel Dixon, AmeriGas (Florence, AL) — *Vice Chairman, Marketers*  
Mark Donahue, MarkWest Energy (Denver, CO)  
Randy Doyle (Ocean Springs, MS) — *Secretary*  
Phil Farris, 3eightEnergy (Denver, NC)  
Gary France, France Propane Service (Schofield, WI)  
Jeff Kerns, ThompsonGas (Frederick, MD)  
Bruce Leonard, Targa (Houston, TX) — *Vice Chairman, Producers*  
Joe Rose (Loudon, NH)  
Stuart Weidie, Blossman Gas (Swannanoa, NC)  
Duncan McGinnis, Aux Sable (Morris, IL)  
Mark Sutton, public member (Wagoner, OK)  
Kasib Abdullah, BP (Houston, TX)

Michael Dickinson, Williams (Tulsa, OK), and Mark Zimora, Energy Distribution Partners (Chicago, IL), absent.

Jay Furman, DCP Midstream (Houston, TX), joined the meeting by telephone.

**Chairman's Report**

**Approval of Minutes.** Mr. Freeman directed councilors' attention to the minutes of the July 2019 Council meetings. Upon a motion duly made and seconded, the Council approved the minutes.

**Executive Committee.** Mr. Freeman said PERC's Executive Committee met Nov. 12 and discussed strategic planning, 2020 budget and plans to use council meeting time to cover a mix of strategic overview and project discussions in accordance with feedback from a recent survey of councilors.

He said it had agreed to add the Feb. 25-26 Propane Market Summit to list of approved meetings that states can spend rebate dollars to attend.

He said it decided to close out the Industry Outreach Committee, and thanked Chairman Gary France and councilor Randy Doyle for their service with that group.

He announced that councilor Libby Cloos, Enterprise Products Operating (Houston), has resigned her position due to a change in work duties and thanked her for her service.

He announced the addition of five individuals to the Advisory Committee: Stephanie Hennon, MEC (Marshall, MI); Kim Godlewski, IPS Equipment (Byron, MI); Jeff Vandemark, Industrial Propane Service (Byron, MI); J Sells, Rego Products (Jacksonville, FL); and Alinna Figueroa, Hawaii Gas (Honolulu, HI).

### **Environmental Messaging Task Force**

Mr. Weidie reported that council's Task Force on Environmental messaging met for the first time Nov. 12. Its goal is to develop messages that the industry can use to combat inaccurate perceptions about propane's relevance as a fuel of the future. Mr. Weidie has asked for committee work to be completed by early January to allow a full report to be prepared for council at its February meeting with a goal of rolling out to the industry at the Southeast Expo in April 2020.

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

PERC President and CEO Tucker Perkins discussed the importance of integrating messaging from assorted campaigns targeting various audiences. He noted that the arrival of new CEOs Joel Moxley at GPA and Steve Kaminski at NPGA is an ideal time to rethink how those partners collaborate on that approach. Mr. Perkins reviewed PERC's annual investments by category in the 2020 budget proposal. He also congratulated councilor Joe Rose on being selected for induction into the Propane Hall of Fame.

### **Budget and Finance Report**

Michael Eason, senior vice president, administration and finance, reviewed a \$41.9 million budget for 2020 that includes total program spending of \$32.7 million and \$8.4 million for rebates to states. Upon a motion duly made and seconded, the Council approved the budget. Council also approved deobligations totaling \$214,288.

### **Industry Safety and Training Programs Report**

Eric Kuster, vice president of safety, education and compliance updated the council about ongoing efforts to transfer CETP training and certification materials and records into PERC's new learning management system (LMS). He explained the capabilities of the LMS beyond safety training and certification and outlined a schedule for creating new modularized training material for the industry through 2021.

Mr. Kuster also introduced newly hired members of PERC's safety and compliance team: Lyndon Rickards, director of safety and compliance; Christopher Hanson, LMS administration; Emily Wood, educational content development coordinator; Dominick Kearney, administrative assistant.

Upon motions duly made and seconded, the Council approved:

- Docket 22157: Transfer of CETP training to Adobe Captivate Software, \$270,000.
- Change order to Docket 21783: 2019 CETP program support, \$350,000.

### **Industry Relations Report**

Bridget Kidd, senior vice president, industry relations, reviewed 2019 staff interactions with industry members and reported 2020 plans to host a Can-Do Marketing conference

in Minneapolis; train-the-trainer events for HVAC and plumbing professionals; marketer sales and CSR training and Propane Sales Summits.

Upon motions duly made and seconded, council approved:

- Docket 22106: 2020 Propane Sales & Marketing Training and HVAC/Plumber Training, \$605,000
- Docket 22082: 2020 Industry Engagement, \$454,000
- Docket 22214: 2020 Advisory Committee & Program Support, \$450,000
- Docket 22241: State rebate concept: Propane Can Do That Showcase Home, \$400,000 (as pilot project). Council requested an additional report from RMPGA to provide a progress update, lessons learned, and metrics of success.
- Docket 22110: 2019-20 Military Education & Recruitment, \$40,000

### **Business Development Report**

Cinch Munson, senior vice president, business development, offered an explanation of PERC's commercialization process and strategic priorities for investment in each market segment in 2020. Upon motions duly made and seconded, council approved:

- Docket 22098: Residential Construction Professional Integrated Outreach Program for \$2,140,000
- Docket 22111: 2020 Autogas Integrated Outreach Program for \$1,200,000 (with a stipulation for staff to review and evaluate the listed tradeshow cost)
- Docket 22085: 2020 Material Handling Market Integrated Outreach Program, \$1,070,000
- Docket 22104: 2020 Agriculture Integrated Outreach Program, \$1,040,000
- Docket 22103: 2020 Commercial Professional Integrated Outreach Program, \$905,000
- Docket 22090: Business Development Engagement and Services, \$575,000
- Docket 22095: 2020 Propane Farm Incentive Program, \$400,000
- Docket 22097: Heat Pump Water Heater with Gas Stirling Linear Compressor, \$63,000

Upon motions duly made and seconded, council disapproved:

- Docket 22087: 2020 Outdoor Power Equipment Incentive Program, \$300,000
- Docket 22086: 2020 Outdoor Power Equipment Market Integrated Outreach Program, \$950,000

By unanimous consent, the Council adjourned at 5:21 p.m. EST Nov. 12.

Mr. Freeman called the meeting back to order at 8:33 a.m. EST Nov. 13.

### **NPGA Report**

Chairman-elect Denis Gagne reviewed the ongoing coordination between the association and the Council. He thanked Mr. Perkins and Mr. Freeman for their participation in the association's recently concluded search for a new CEO Steve Kaminski, who he then introduced to give observations about the upcoming industry challenges and opportunities.

Chairman Randy Thompson spoke as chairman and personally about goal setting within the respective strategic plans for PERC and NPGA.

#### **GPA Midstream Report**

Mr. Moxley gave an update of market conditions challenging the midstream businesses and plans to strengthen safety and advocacy efforts heading into the new year.

#### **Communications Report**

Tina Wilson, senior vice president, communications, provided an update of the performance, lessons learned and strategy of the Propane Can Do That marketing campaign. She also discussed how the pending perception and media study and committee work on environmental messaging may fit into campaign efforts in 2020.

Upon a motion duly made and seconded, the Council approved Docket 22113: Continuation of the Propane Can Do That campaign in 2020, \$145,000. The docket includes funding primarily for the paid media buy, creative campaign assets for use by PERC and propane companies, social media, continued industry communications and engagement, and regular review of campaign analytics and performance optimization.

#### **Industry Research Report**

Grace Willis, director, strategic operations reported on improved engagement and accuracy of the 2018 Retail Sales Report and national and state profile reports. Upon motions duly made and seconded, the Council approved:

Docket 22215: 2019 Retail Sales Report, \$212,696

Docket 22216: 2020 Market Research & Data Analytics, \$145,000

#### **Public Comments**

Mr. Freeman invited members of the public to comment on matters before the Council. There were none.

#### **Old Business**

There was no old business.

#### **New Business**

Mr. Kerns reminded councilors that despite the challenges discussed at this meeting, most propane retail businesses are doing well and growing their businesses.

Mr. Freeman announced that the next Council meeting would take place at a date and place to be determined in February.

By unanimous consent, the Council adjourned at 10:51 a.m. EST Nov. 13.

##