



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 tradeshows (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
Agriculture [1.2%]								
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%
Commercial [13.83%]								
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%	
Industrial [38.53%]								
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%
Internal Combustion Engines [37.37%]								
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%	
Residential [9.03%]								
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%