Propane Education & Research Council Meeting August 19-20, 2020 Conference Call MINUTES

Immediate past chairman Rob Freeman called the meeting to order at 10:32 a.m. EDT on Wednesday, Aug. 19. He welcomed Council members in attendance via video conference call, noted the presence of a quorum, and welcomed the newly elected officers.

Mr. Dixon, AmeriGas (Florence, AL) - Chairman Kasib Abdullah, BP (Houston, TX) 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) Michael Dickinson, Williams (Tulsa, OK) Mark Donahue, MarkWest Energy (Denver, CO) Randy Doyle (Edinburg VA) Gary France, France Propane Service (Schofield, WI.) Jay Furman, Enable Midstream Services (Houston, TX) Jeff Kerns, ThompsonGas (Frederick, MD) – Treasurer Bruce Leonard, Targa (Houston, TX) — Vice Chairman, Producers Duncan McGinnis, Aux Sable (Morris, IL) Chris Nevils, DCP Midstream (Houston, TX) Dan Richardson, Conger LP Gas (Tifton, GA) Mark Sutton (Wagoner, OK) Stuart Weidie, Blossman Gas (Swannanoa, NC) – Secretary Brian Wilkin, Enterprise Products Operating Co. (Houston, TX) Leslie Woodward, Fairview USA (Wheatfield, NY)

Mr. Freeman offered comments on the positive changes he has seen in both the Council and the organization in his six years as a councilor and then turned the meeting over to new Council chairman, Daniel Dixon. Mr. Dixon thanked Mr. Freeman for his years of service on the council.

Chairman's Report

Mr. Dixon gave brief comments about his desire to see PERC continue to align council work with priorities outlined in the strategic plan. He also noted a desire to strengthen the bond between Council and industry volunteers and improve the working relationship between PERC and NPGA.

Executive Committee: Mr. Dixon reported that the Executive Committee met twice since the last Council meeting to review the budget, a funding proposal related to the ongoing pandemic, staffing updates, 2021 goals, the Cummins engine project, plans for

video meetings in lieu of travel restrictions, and logistics regarding the November 2020 Council meeting.

Upon a motion duly made and seconded, Council approved the minutes of its April 2020 meeting.

Workforce Outreach Task Force Report

Mr. Crampton reported that the Digital Outreach and Technical School Grant programs have both launched but the planned Virtual Workforce Outreach Summit has been placed on hold. The group also decided not to pursue a docket proposal for the Region 2 Military Education and Recruitment program that was previously tabled.

Mr. Crampton said the group also has determined that the council task force should disband and that its important work should continue at the Advisory Committee level. Mr. Cramton will serve as Council liaison to that Advisory Committee working group.

Portfolio Subcommittee Report

Mr. Donahue reported that the subcommittee recently reviewed and supports three funding dockets related to the Certified Employee Training Program (CETP). The topic for the next portfolio review will be workforce outreach.

Treasurer's Report

Mr. Kerns reported on the financial statements through July 31, which he noted reflect a strong financial position for PERC. Despite unique market conditions due to the pandemic, assessments are ahead of budget, administrative and program costs are on budget, and the organization is maintaining its planned minimum balance of uncommitted reserves.

Chief Executive Officer's Report

PERC President and CEO Tucker Perkins introduced new Senior Vice President of Marketing and Communications, Erin Hatcher, and provided an organization operational update around the impact of the pandemic.

He reported that final 2019 odorized propane retail sales exceeded 10 billion gallons for the first time since 2007. Significantly, he noted that the increase did not corollate with nationwide heating degree days and is likely due in large measure to growth in the commercial market segment.

Mr. Perkins reported that the U.S. Department of Energy recently issued a \$9 million grant for six separate propane research projects. Recipients are Colorado State University, Oak Ridge National Laboratory, Denver Metro Clean Cities Coalition, Roush

Industries, Transportation Energy Partnership, and West Virginia University Research Corp. The staffs at PERC and NPGA have been working together on these funding initiatives over the last year.

Mr. Perkins provided an update of the Volkswagen Mitigation Settlement funding. To date, propane has been allocated \$47 million of the \$213 million awards to fund 1,011 school buses across the country.

Industry Relations Report

Advisory Committee Update: Senior Vice President of Industry Relations Bridget Kidd reported on the restructuring of the committee's three working groups to strengthen collaboration, project management and reporting process. It includes the creation of a new Advisory Committee Steering Committee that will report to council. The three working groups will remain along with cross-functional project teams, which will have new guidelines for group size and participation.

Upon a motion duly made and seconded, Council approved the following Advisory Committee Working Group chairmen and chairwoman:

- Market Growth & Commercialization Working Group Brian Mater, Ferrellgas, chairman; Lindsey Stansfield, Paraco, vice-chairwoman
- Safety & Technical Training Working Group Rob Freeman, Freeman Gas, chairman; Jeff Shaffer, Shaffer's Bottled Gas, vice chairman; Chris Wagner, AmeriGas, vice chairman.

Upon motions duly made and seconded, Council approved:

- Docket 22569: 2020 Consumer Education Campaign Digital Asset and Tools Training for Marketers \$6,000
- Docket 22609: 2020 GeneratioNext Propane Pros \$32,000
- Docket 22662: 2020 Be Pro Be Proud Workforce Development Sponsorship -\$15,787.06

Business Development Report

Senior Vice President of Business Development Cinch Munson discussed the positive results of efforts to pursue funding from the U.S. Department of Energy. The recently announced DOE grant awards and work on more than a dozen new power generation projects also are generating interest from new contacts.

Upon motions duly made and seconded, Council approved:

- Docket 22557: Utilization Technology Development Consortium, Carbon Management Information Center, and Energy Planning Analysis Tool Project Co-Funding 2020 - \$274,000
- Docket 22501: Ultra Low NOx LPG Engine \$450,000
- Docket 22038: Propane-Powered Passenger Bus \$1,350,000

Upon a motion and second, Council considered Docket 22086: 2020 Off-Road Market Integrated Outreach Program - \$800,000, and there being no objection further action on the docket was tabled.

Industry and Public Comments

There were no public comments.

Meeting Recess

Mr. Dixon recessed the meeting at 12:46 p.m. EDT.

Mr. Dixon reconvened the meeting at 10:30 a.m. EDT on Thursday, Aug. 20.

NPGA Report

NPGA President and CEO Steve Kaminski offered an update on assorted initiatives, including federal funding to support new fueling infrastructure, alternative fuel vehicle requirements in the military, code changes for unvented heaters, communications campaign plans and workforce recruitment.

GPA Midstream Report

GPA President and CEO Joel Moxley reported on the impact that the pandemic is having on fuel consumption and corresponding supply and pricing adjustments in the market. He said both midstream and upstream operations are flat to declining, forcing companies to scale back on planned growth and live within cash flow in order to right balance sheets.

Communications Report

Mr. Perkins reviewed the audience, intent, message, delivery and effectiveness behind PERC's integrated outreach efforts. He noted that recent emphasis on environmental messaging encompasses both the Propane Can Do That® campaign using the Clean American Energy brand in market segments as well as the Thought Leadership initiative. He emphasized that propane marketers need to be active in both efforts for them to be successful. Although the Thought Leadership is not as visible to propane marketers as typical consumer campaigns due to the specific influencers being targeted, he said the campaign is producing good results driving targeted traffic to the website to learn about propane's environmental benefits.

Upon a motion duly made and seconded, Council approved Docket 22112: Change Order Corporate Communications - \$1,400,000.

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 being converted from the resource catalog. The effort is on target to reach its goal of having 10,000 Learning Center users by the end of 2020.

Upon a motion duly made and seconded, Council approved:

- Docket 22653: Safety & Training Image Storage and Identification \$80,240
- Docket 22654: Safety & Training Program Promotion \$174,000

Budget for 2021

Senior Vice President of Administration and Finance Mike Eason reported that the 2021 budget approved by Council in July was published for public comment on July 31, as required. Final consideration to the budget proposal will be made at the November Council meeting.

Industry and Public Comments

Joy Alafia, executive director of the Western Propane Gas Association, offered an update on the impacts of extensive wildfires across the state of California. Assorted outreach efforts are underway promoting propane generators for backup power and sustainability.

Old Business

There was no old business.

New Business

Mr. Weidie requested that the Council be provided a report on all power generation projects at the November Council meeting.

A schedule of 2021 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 12:26 p.m. EDT.