



## Docket 24170: 2024 Environmental Campaign

Propane Education & Research Council

### APPLICANT INFORMATION

**Primary Contact:** Kirstain McArdle, Industry Relations Coordinator

**Email:** kirstain.mcardle@propane.com

**Amount Requested:** \$ 5,410,000

**Other Funding Organizations/Amounts:** \$1,000,000.00 - State Entities/State Rebate Funds

**Start Date:** 01/01/2024

**Additional Vendors:** Elevation, GRP Media, Accupoll

**Organization:** Propane Education & Research Council

**Phone:** 202-452-8975

**Total Project Cost:** \$ 6,410,000

**End Date:** 12/31/2024

### EXECUTIVE SUMMARY

#### Funding Request Priority Area

- Consumer Education– 100%

#### Project Summary

- *Briefly describe the proposed product or idea, its importance, its benefits, and the market and/or audience it serves. Briefly outline the scope of work.*

The continuation of the Environmental Partnerships with States program is a national and customized state consumer education campaign designed to support PERC's strategic priority of increasing the perception of propane as a clean energy source and likelihood to specify. State entities are asked to provide \$1 of state rebate funding for every \$2 from PERC to support a campaign in their state(s) developed by our agency partners (GRP Media, Elevation) using digital tactics (video, radio, static ads).

Details of the national and state buy in 2024 are not yet developed. These will be developed with PERC Staff, project partners, and AC Project team prior to launch.

The goals of the project are to:

1. Educate consumer's about propane's significant and impactful role in decarbonization efforts, while ensuring equity on the desired path to zero emissions.
2. Engage with and inspire state entities to act, by leveraging their funds, in consumer education efforts that specifically address propane's environmental benefits.

### **Strategic Importance**

- *Describe how this initiative supports PERC's strategic plan including the strategic pillars.*
- *Describe how this initiative is important to the propane industry.*
- *Describe how this initiative helps achieve PERC's aspiration to increase uses and users.*

This program supports the 2023-2025 Strategic Plan's goal of increasing propane's voice in the national energy conversation by educating consumers about propane's environmental benefits. This campaign is meant to have a broad reach but will be designed with a general consumer in propane country as the primary audience.

Additionally, the PERA Statute calls for PERC to "coordinate its activities with industry trade association and others as appropriate to provide efficient delivery of services and to avoid unnecessary duplication of activities." This program will support the accomplishment of the PERA Statute directive to partner with industry organizations.

Partnering with state entities helps PERC ensure an integrated messaging approach among consumers of the role propane can and does play in accelerating decarbonization efforts. This project provides funding to state entities for local media buys to support PERC's environmental campaigns. Working together with a unified message, complementary reach, and increased frequency, this partnership will allow these educational messages to have a greater impact.

## DETAILED BUSINESS CASE

### Project Description

- *Describe the proposed product or project and the need for this project.*
- *Include product development and demonstration plans*
- *Explain the new knowledge and/or capability that the project will develop. Describe data to be collected.*

The product will include a national wired and unwired tv advertisement. To expand the reach, states that choose to participate will simultaneously run a shorter version of the ad on YouTube with a customized clickable link. Additionally customized radio advertisements (Pandora), clickable web-page digital advertisements will be created for each state. Participation is limited to PERC created assets and PERC's media partner. For the industry to have the strongest media buying power and strongest campaign impact, all campaigns will need to utilize the PERC created assets and media partners.

The product has already been developed in the previous calendar year. The state by state media will need to be adjusted based on participation.

Now in our fourth year of this partnership program, all partners have more clarity in their roles and responsibilities and have demonstrated success in identifying mediums for message delivery and developing effective creative executions.

We plan to have a perception study at the conclusion of the campaigns to measure consumer awareness and favorability of propane. This post study will be compared to perception studies conducted in 2020, 2021, 2022, and 2023. We will deliver a final report to each participating state entity and PERC that reflects estimated vs. actual impressions

### Scope–

- *Outline project scope and describe what is not covered by this scope of work. Highlight areas of Propane Council involvement.*

Scope: Development and implementation of national and individual state campaigns, media planning and placement, reporting and metrics, perception study, customer service and support for state entities

### Vendor Capabilities

- *Describe why applicant is suited to complete this work including technical capabilities. Describe ability to commercialize the product (production, distribution, warranty). Discuss similar work completed. Identify personnel expected to work on this project.*

We will work with our lead media buying and creative agency(s) in developing content/assets, assisting in identifying media outlets for placement, placing/tracking that media. In the past, our lead agency(s) have understood the unique needs of the industry and these state entities and the importance of amplifying PERC's national campaign(s). Now in our fourth year of this partnership program, all partners have more clarity in their roles and responsibilities and have demonstrated success in identifying mediums for message delivery and developing effective creative executions.

**Industry Engagement –**

- *How will you engage industry stakeholders?  
Which stakeholders need to be engaged for this project to be successful and what sort of engagement is required?.*

The audiences for this project include all consumers and the propane industry, specifically state entities, their board of directors, and often their state marketing/consumer education committee. Engaging these audiences about the environmental benefits of propane and is critical to the expansion of users and uses of propane. This will require a lot of support from our industry relations and communications staff along with our creative and media agency partners. During the "opt in" period, when we are presenting the campaign to states and confirming their buy, PERC staff will work almost daily with Elevation and GRP Media staff to support the project and meet all deadlines. PERC will be responsible for coordinating with the state entity staff and leadership to implement campaigns locally.

**Cost/Benefit Analysis –**

- *What is the potential impact? (i.e., NPV, new gallons, units sold, persons trained, propane industry resource savings, safety, consumer education, etc.)*
- *What are the potential risks to achieving the impact? (i.e. fuel price; regulatory, environmental, or legislative considerations; propane marketer support)*
- *Are other parties or organizations involved?*
- *For products:*
  - *Provide five-year estimated sales projections for the product (if applicable) and a list of factors that may influence the estimates.*
  - *How many gallons of propane does the product use per unit per year?*
  - *Provide best, worst, and intermediate projection scenarios and describe what variables contribute to each scenario*

These funds will be used to amplify existing PERC campaign messages and engage the industry with environmental consumer education efforts. A broad national campaign supported by localized state campaigns increases our reach and frequency of messaging.

While direct gallon sales are not attributed to this project, this campaign will make consumers more aware of propane and its benefits, ultimately making them more receptive to messages and efforts to purchase propane and propane equipment from a local retailer.

**Risk Assessment**

- *Identify 3-5 potential risks to the successful completion of the project or inability to meet outcome targets, how likely those are to happen, impact on the project, and how to resolve those risks.*
- *Indicate low, medium, or high for “Likelihood” and “Impact.”*

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Resolution and/or Contingency Plan</b>
Low State Participation	Low	High	While a national campaign could still run, the multiple tactics and increased frequency of the messaging by the state portion of the campaign is critical to the effectiveness of increasing consumer awareness about propane's environmental benefits.
No increase in consumer perception	Low	High	By having a portion of funds provide national air coverage and multiple tactics for state level campaigns,

			<p>we are targeting propane consumers (potential and current) with multiple mediums and with some frequency. If needed, we will reconsider messaging strategy, tactics, and target audience.</p>
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**Budget**

- *Outline cost per task, including estimated cost share (cash and in-kind).*
- *If applicable, indicate hourly rates, including overhead*

[State Campaigns, State Rebate Funds: \$1,000,000]

State Campaigns, Matching Funds: \$2,000,000

National Campaign, Overlay: \$2,500,000

GRP Media Fees: \$360,000

Elevation - Creative Fees: \$450,000

Accupoll Perception Study, by Census Region: \$100,000

Total Project Cost: \$6,410,000.00

Amount Requested: \$5,410,000.00

Unused state campaign matching funds from PERC may be added to the media buy or returned to PERC's general treasury.

**Timeline**

- *Provide a detailed timeline of all activities, tasks, and milestones. Include commencement and completion dates. List most responsible person for each task.*

A final timeline will be developed once a proposal for the 2024 campaign is reviewed and approved. In 2021, the campaign was live September 2021 - February 2022 as that was the fastest we could get a new campaign up and running. In 2022, we proposed a July - September 2022 buy to take advantage of slightly more favorable advertising prices given that its an election year and Q4 tends to be more expensive due to year end and holidays. For 2023, the campaign ran from May 1 to July 31 for the most favorable time. For 2024, we will work with our partners and project team to identify the best "on air" time.

In general:

Month 1 - Strategy Planning, Review of 2021/2022/2023 campaign lessons learned

Month 2 - Review draft creative, tactics, and media strategy with partner agencies, staff, and AC project team.

Month 3 - Finalize creative, tactics and strategy.

Months 4 & 5 - Share creative and media proposal with state entities.

Month 6 - Agencies create and submit final creative and media for state and national campaigns.

Months 7, 8, 9 - Campaigns are live. Mid campaign reporting provided to PERC & states from media agency.

Month 10- Perception Study launched.

Month 11 - Campaign results reviewed. Final Campaign Report delivered to PERC & States.

**Market**

**Market – Geographical Reach**

- *What is the geographical reach (national/regional?)*

National

## Market – Target Audience

- *Who is the target audience?*
- *Why is the target audience important?*

The target audience is consumers. It is important to increase the awareness of propane and its ability to play a significant and impactful role in decarbonization efforts, while ensuring equity on the desired path to zero emissions.

## Market – Market Research

- *Have you conducted market research in support of this project?*

Yes

**Describe** – In the previous three years of the campaign we have run an Acupoll study to measure consumer awareness and favorability of propane. Through this research, we have not only refined our understanding of the target audience likely to choose propane but also elevated the perception of propane as a sustainable and clean energy source. Moreover, this journey has illuminated opportunities for further expansion and development.

## Market – Urgency

- *What is the urgency of this project?*

This project is urgent to the 2023-2025 Strategic Plan's goal of increasing propane's voice in the national energy conversation by increasing consumer awareness about propane's environmental benefits and increasing propane's voice in the national energy conversation.

## Leverage and Synergies

### Internal Strengths

- *What are the internal strengths leveraged to develop and deliver this program?*

With the leadership of Erin Hatcher, the communications team and our agencies have experience developing and monitoring digital consumer awareness campaigns.

The industry relations team has a long history of working with state entities and assisting with local media campaigns. The assets that will be used are complementary to the assets already created to support the PERC environmental campaigns in both brand and market-based initiatives.

### Other audiences–

- *How could the content be used by other markets or industry organizations?*
- *How could the contents be used with other audiences beyond the target audience?*

Participation is limited to PERC created assets and PERC's media partner. For the industry to have the strongest media buying power and strongest campaign impact, all campaigns will need to utilize the PERC created assets and media

partners.

This content is available for access beyond the target audiences in the PERC resource catalog.

#### **Previous results—**

- *What results have been achieved with previous, similar projects?*

Based on previous years of this project, the perception of propane has increased year over year.

### **Development**

#### **Development – Deliverables —**

- *Who is responsible for creating deliverables? What's the review process who is involved? List any external agencies or outside organizations that will be utilized and identify the purpose for which they will be needed.*

PERC Staff will work with PERC's media (GRP) and creative agencies (Elevation) to develop a campaign that complements PERC's integrated marketing and communication efforts. The analysis at the conclusion of the campaign will be delivered by Acupoll. PERC staff will work with a vendor on the perception study to ensure a timely and relevant study is conducted at the conclusion of the campaign.

#### **Development – Content—**

- *Who will create the content? What existing content will be leveraged?*

PERC Staff will work with PERC's media and creative agencies to develop a campaign that complements PERC's integrated marketing and communication efforts.

State entities and their leadership will engage in the strategy and placement of digital media in their state or region.

Participation in this program will require the use of PERC created media assets, messaging and the use of PERC's media partner.

Funding is requested to cover all creative and media agency fees to support and produce this campaign. The perception study with results by census region is also part of this request, as that will be our final measurement tool regarding the success of this campaign and the past partnership campaigns since 2021.

#### **Development - Challenges—**

- *What are the possible challenges in creating the content?*

Our media partners need ample time to develop the individualized state media campaigns based on the results of the 2023 campaign.

### **Delivery**

#### **Delivery – Delivery Channels –**

- *Describe the distribution channels*
- *What existing delivery channels will be used?*
- *Who is responsible for deploying/delivering product?*

PERC will make \$2,000,000 available to state entities for a media buy. The allocation of funds to each state is based on the 2022 Retail Sales Report.

States will be eligible for 100% of their allocated funding if they provide a \$0.50 match from their respective state rebate

funds. State entities can contribute any level; however the 100% allocation is the maximum that PERC will match. Creative will be developed and shared with state entities for consideration via email and webinar. As needed or requested, presentations to the state entity's leadership will be scheduled to present the campaign and answer questions.

All campaigns will launch at the same time and conclude at the same time, recognizing that there may be increased costs to buy and place media in Q4 2024. Reporting and metrics will be collected along the way by the media agency and shared with PERC staff and participating states.

PERC staff will work with a vendor on the perception study to ensure a timely and relevant study is conducted at the conclusion of the campaign.

### **Delivery – Training –**

- *Identify which groups will require training (for example, propane marketers, customer service staff, maintenance, and channel and distribution partners).*
- *What type of training is required? (i.e. marketer, safety, user training)*
- *Who needs training to deliver this program?*

*Outreach to state executives will be required to communicate details and changes to the program as it progresses. This will be achieved through a webinar presentation prior to the launch of the campaign, individualized webinars for state entities and their boards, as requested, and on-going communications.*

*Marketer engagement and leadership is important to the success of the increasing the perception of propane. Leaders in the industry might require additional communications regarding the availability and implementation of resources to compliment the campaigns in their state (s).*

### **Delivery - Challenges –**

- *What are the possible challenges in delivering the program or reaching this market?*

Convincing state entities to participate and provide matching funds can be difficult, particularly if they have limited budgets or alternative priorities. Gaining their commitment to the campaign's objectives is crucial.

### **Delivery – Partners –**

- *Are there allied or strategic partners who will be engaged in this delivery?*

GRP and Elevation will be key partners in delivering a successful campaign.

### **Customer service and Support Needs —**

- *What are the customer service and support requirements?*
- *What service and support resources are required?*

This will require a lot of support from our industry relations and communications staff along with our creative and media agency partners. During the "opt in" period, when we are presenting the campaign to states and confirming their buy, PERC staff will work almost daily with Elevation and GRP Media staff to support the project and meet all deadlines. PERC will be responsible for coordinating with the state entity staff and leadership to implement campaigns locally.



**Are service and support developed through this project? – No**

**Is there a PERC website/learning center component that will need to be updated/created? – Yes**

Describe:

*The landing page has already been developed in previous years. Based on the results of the 2023 campaign, we will rely on feedback from our partners to determine if additional changes are needed.*

## MEASUREMENT & EVALUATION

### Project Deliverables and Market Outcomes

- Detail how success will be measured for this project overall and by tactic, what the metric is, and when it will be achieved.*

Goal/Milestone	Project Deliverable or Market Outcomes	Metric	By Date	Tied to Payment Y/N	Payment Due upon completion
	% of States that utilize 100% of their allocation	80%	2024-12-31		
	Campaign assets for state entities, marketers	Creative available for state entities; supporting campaign creative available for marketers on PERC's resource catalog	2024-12-31		
	Campaign Landing Page	Increase in visitors, increase in engagement relative to 2021, 2022 campaigns	2024-12-31		
	Increase in consumer perception of propane as a clean energy source	An increase relative to perception studies conducted over the past 4 years	2024-12-31		
Prior to launch of the campaign	GRP to Deliver Media Recommendation Presentations to State Entities	50 presentations (one to each state) with recommendations for 2024 campaign tactics.	2024-12-31	No	
Launch of Campaign in Participating States	GRP to Deliver Executed Campaigns	40 states participate in the campaign. Media buy is executed on time and and campaigns are executed, as described	2024-12-31	No	

Prior to launch of the campaign	Elevation to make necessary creative updates that include customization at the state/regional level and changes to the landing page.	Increase in visitors, increase in engagement relative to previous campaigns	2024-12-31	Yes	
Campaigns have run for half of the duration time	GRP to Deliver Mid-Campaign Reports	40 reports delivered to participating state entities detailing metrics for first half of the campaign.	2024-12-31	No	
Campaign concludes	GRP to Deliver Final Campaign Reports	40 reports delivered to participating state entities detailing metrics for entire duration of the campaign.	2024-12-31	No	
Increase in consumer perception of propane as a clean energy source	Accupoll to Deliver Perception Study	Increase in consumer perception of propane as a clean energy source relative to previous perception.	2024-12-31	Yes	

**Intellectual Property**

*Who owns the data and or intellectual property generated from this project? Describe:*

Participation is limited to PERC created assets and PERC's media partner. For the industry to have the strongest media buying power and strongest campaign impact, all campaigns will need to utilize the PERC created assets and media partners. The TV ad developed for this campaign is available in the resource catalog for download.

State entities will have access to use of their customized content as requested, for their use.

**Is this a new contractor?** No

**Budget Impact**

- Provide the budget market & activity this project will be impacting.

Market & Activity	Year Total	YTD Remaining	Remaining if Funded
2024 > Cross Market > Partnership with States	\$5,410,000.00	\$5,410,000.00	\$0.00

**Does this project have a past funding history?** Yes

**Do you feel this funding history is relevant? Why or why not?**

Yes, this project was initially created to run three years. We find the continuation of the project valuable.

**Five Year History for Similar Dockets**

- *Provide a five-year history for similar projects, including the project budget, final or current spend, and project results.*

<b>Year</b>	<b>Docket #</b>	<b>Project Budget</b>	<b>Project Spend</b>
2021	22939	\$2,300,000.00	\$1,936,669.23

Results: Participation from 43 out of 50 states. Combined with the launch of the new brand, PROPANE Energy for Everyone, the campaigns ran October, 2021 through February 2022.

<b>Year</b>	<b>Docket #</b>	<b>Project Budget</b>	<b>Project Spend</b>
2022	23361	\$5,265,623.00	\$4,239,820.61

Results: Participation from 39 out of 50 states. National and state creative was developed and presented to states in May. Campaign launched (on time) July 1 and concluded in early October.

<b>Year</b>	<b>Docket #</b>	<b>Project Budget</b>	<b>Project Spend</b>
2023	23630	\$5,410,000.00	\$4,143,091.26

Results: Project spend as of 8/10/23. Participation from 42 out of 50 states. National and state creative was developed and presented to states in May. Campaign launched (on time) May 1 and concludes on July 31.