

Propane Education & Research Council
Big Sky, MT
July 11, 2023
MINUTES

Immediate past Chairman Stuart Weidie called the meeting to order at 1:00 p.m. MDT on Tuesday, July 11. He welcomed Council members in attendance and via video conference call, noted the presence of a quorum, and welcomed the newly elected officers.

Bill Briggs, Phillips 66 (Houston, TX)
Kevin Cobb, Suburban Propane Partners LP (Eagle, ID)
Chris DeFilippo, Superior Plus Energy (Wayne, PA) — Chairman
Michael Dickinson, Williams (Tulsa, OK)
Mike Garcia, Targa Resources (Naperville, IL)
Trent Hampton, Lakes Gas (Wyoming, MN) — Treasurer
Michael Heim (Houston, TX)
Chris Hill, Meritum Energy (San Antonio, TX) – Vice Chairman, Marketers
Antwan Holmes, BP (Houston, TX)
Jeff Kerns, ThompsonGas (Frederick, MD) – Secretary
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)
Tammi Weigand, MPLX G&P (Denver, CO)
Brian Wilkin, Enterprise Products Operating Co. (Houston, TX)
Leslie Woodward, Fairview USA (Wheatfield, NY)
Bob Young, Eastern Propane Gas Inc. (Rochester, NH)
Lisa Zuppas, Ferrellgas (Columbus, OH)

Following a welcome by Rocky Mountain Propane Association Executive Director Tom Clark, Mr. Weidie announced the creation of a new award named the Chairman's Pillar Award and former PERC councilor Gary France as its first recipient.

By unanimous consent, Council adjourned the meeting at 1:22 p.m. MDT.

Chairman Chris DeFillippo resumed the meeting at 1:23 p.m. MDT.

Chairman's Report

Mr. DeFillippo thanked Mr. Weidie for his service and leadership on the council.

By unanimous consent, the Council approved the minutes of its April 2023 Council meeting.

Executive Committee

Mr. DeFillippo reported the Executive Committee met July 10 and discussed a number of topics, including the Cummins propane engine project developments, 2023-24 corporate goals,

performance evaluations for the staff's executive management team members, and funding for the World LP Gas Association's DME/renewable propane research.

The chairman approved roster updates to the Advisory Committee and by unanimous consent the council approved the leadership appointments:

Industry Engagement Working Group: Brian Buschur of McMahan's Bottle Gas as chairman and Joe Montroy of Berquist as vice chair.

Market Growth & Commercialization Working Group: Darren Engle of Blue Star Gas as chair and Emily Willis of Blossman Gas as vice chair.

Research & Technology Working Group: David Reynolds of Blossman Gas as chair and Jim Zuck of Marshall Excelsior as vice chair.

Safety & Technical Training Working Group: Jeff Shaffer of Schaffer's Bottled Gas as chair and Paula Laney of Energy Distribution Partners as vice chair.

Marketers Report

Mr. Hill reported on his work with Advisory Committee, and referred to the full report of its activities in the council notebook. He noted that a priority for the group is to improve the rhythm of transparency via a portfolio review of all active projects and the close-out process. He also emphasized the need to recruit more volunteers to participate in all aspects of committee work in order to expand its initiatives as well as help uncover future council and industry leaders.

Treasurer's Report

Mr. Hampton reported on PERC's financial performance through May 31. Upon a motion duly made and seconded, the Council approved the report.

NPGA Report

NPGA President and CEO Steve Kaminski reviewed progress on the association's 2023 activity, including its June Propane Days event, litigation, legislation, and regulatory challenges.

GPA Midstream Report

GPA Midstream President and CEO Joel Moxley reported that the national U.S. propane supply is growing along with gas plant production. Refinery supply and import volumes are relatively flat. Exports balance the supply increases, and 2023 propane inventories are pushing record high levels. He noted that sustainability/ESG pressures have been fading, while messaging in response to EPA and federal regulators over methane concerns is expected to ramp up.

Chief Executive Officer's Report

PERC President and CEO Tucker Perkins reflected on a busy stretch of media interaction, highlighted by his participation in the Reuters Global Energy Transition Conference in New York City where he spoke on a panel titled 'Delivering Cost-Effective Sectoral Decarbonization' about how propane and renewable propane help reduce emissions in hard-to-abate markets. He also recorded four Path to Zero podcast episodes with two journalists, an academic, and a technology executive; appeared on TD Ameritrade's "The Watch List" live from their set on the floor of the New York Stock Exchange; and established relationships with reporters from

several major national outlets and other thought leaders in the energy, climate, and finance spaces. He observed that national energy writers are just now starting to express interest in talking to us after years of being pitched stories ideas. He said he often finds a shocking lack of awareness of what propane can do among these journalists, as well as a resistance to any narrative that is alternate to their views.

Renewable Fuels Outlook

Global Clean Energy Holdings CEO Richard Palmer presented an overview on his company and its work with renewable propane from camelina. He said the non-food, cover crop has the potential to receive the lowest carbon intensity score of available feedstocks on the market to produce sustainable aviation fuel and renewable diesel, from which renewable propane is produced. The public company aims to produce ultra-low carbon renewable fuels from patented camelina varieties that are environmentally, socially and economically sustainable. He said the company is interested in working with PERC on research, education, marketing, and sales/distribution initiatives.

Business Development Report

Vice President, Business Development Gavin Hale reviewed the 2024 business development, product development and technical research budget, which represents a 14 percent increase vs. 2023. The funding focuses on power generation, micro CHP, material handling, on-road (bobtails, school bus), diesel displacement opportunities throughout the off-road and agriculture sectors, and OEM engagement projects.

He reviewed opportunities to amplify PERC's research dollars by combining the research of the natural gas and propane industries in the residential, commercial and power generation markets. The scope of that research includes:

- Modeling hybrid gas and electric HVAC systems
- Modeling advanced gas heating systems for inclusion in energy rating software
- Carbon capture technology for residential and commercial heating systems
- Designing, developing and demonstrating a modular, dual-fuel 1.4 MW generator set for the U.S. Dept. of Defense
- Indoor air quality, including cooking emissions testing, advanced controls for cooking ventilation hoods, and defining components of indoor air quality and the contribution of cooking

Upon a motion duly made and seconded, the Council approved Docket 24109 Utilization and Technology Development Consortium 2023, \$339,000.

Communications Report

Senior Vice President of Communications and Marketing Erin Hatcher provided updates on campaigns focusing on the council's three-year strategic priority metrics, including recent work of social influencers Matt Blashaw and Dean Sheremet. She reviewed share-of-voice and sentiment metrics for those campaigns, and summarized the most recent Environmental Thought Leader campaign media placements.

Ms. Hatcher also presented plans to increase consumer social media followers and drive industry participation in National Propane Day 2023 on Saturday, Oct. 7. The campaign

leverages the college football game day theme and offers contests and assorted giveaways. Toolkits will be made available for propane marketers to use in their local communities.

She also presented a project proposal to educate consumers about the importance of trusting professionals to complete propane-related home projects. A project team comprising Advisory Committee working group members has been planning the paid social media ad campaign, which would intercept DIYers where they go to seek information.

Upon a motion duly made and seconded, the Council tabled Docket 24141 DIY Safety Education Campaign, \$500,000.

Industry Relations Report

Senior Vice President of Industry Relations Bridget Kidd reviewed 2023 industry engagement and workforce outreach highlights. In 2024, initiatives will include a new Innovation Award to highlight state or regional commercialization/market development work, and continued efforts to leverage partnerships with technical schools, trades and professional associations.

Upon a motion duly made and seconded, the Council approved Docket 24129 New Concept Rebate Media Tracking and Consulting, \$24,000

Safety & Training Report

Vice President of Safety, Education, and Compliance Eric Kuster reviewed recent work and highlighted the spending breakdown for the \$3.29 million 2024 safety and training budget priorities.

2024 Budget Report

Vice President, Finance, Data and Technology Shawn Stack presented the 2024 proposed budget of \$47.2 million, including \$6.8 million from undesignated reserves. It represents a \$1.4 million increase in technical research that includes electric vehicle vs. propane vehicle testing, fuel quality and fueling equipment research, and co-funded research. He said budget priorities support each of the council's strategic pillars with the majority supporting the national energy conversation and commercialization pillars.

Upon a motion duly made and seconded, the Council approved a motion to accept the 2024 budget for publication for public comment with final presentation at the November council meeting.

Industry and Public Comments

Leslie Anderson, executive director of the Propane Gas Association of New England, urged the council to focus on the need for developing power generation applications, especially electric vehicle charging in combination with autogas refueling infrastructure.

Old Business

There was no old business.

Next Meetings

The next Advisory Committee meeting will be Oct. 10-11 in Providence, RI. The next Council meeting will be Nov. 29-30 in San Antonio, TX.

By unanimous consent, Council adjourned at 5:13 p.m. MDT.