Docket 25816: 2027 Propane Construction Research Program

Propane Education & Research Council

APPLICANT INFORMATION

Primary Contact: Bert Warner, Director of Commercial Business Development
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Amount Requested: $ 1,750,000

Organization: Propane Education & Research Council
Phone: 202-452-8975
Total Project Cost: $ 1,750,000

Start Date: 03/01/2027

End Date: 03/01/2028

EXECUTIVE SUMMARY

Funding Request Priority Area

Research and Technical Investigation

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 2027 Propane Construction Research Program will continue to gather data from builders on homes built using propane systems and appliances. The program will collect data on propane appliances, systems, first cost, operating costs, emissions, and other home details so PERC can compare whole-home propane energy packages with electric alternatives. The comparison will help showcase how high-efficiency propane appliances and propane systems provide lower emissions, strong operating cost performance, and practical energy options when compared with all-electric homes.

The program allows PERC to compile data from across the nation and demonstrate the carbon reduction, energy-cost saving, reliability, comfort, and other benefits of propane homes. This data is not available from any other source. The program will continue to use the Applicant Processing Portal developed in 2021, which is proprietary to PERC and provides a secure environment for builders to submit data and for PERC to manage and analyze results.

For 2027, the program will place greater emphasis on a whole home strategy by increasing the minimum required number of appliances and further compensating builders for incorporating propane for all of a home's key systems and appliances. To do this, the program will use a tiered compensation structure, the prior remodel bonus will be removed, and a new builder bonus will be available for a builder's first project application.

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.*
- *Explain why this docket is critical to achieving your goal.*

This project is aligned with PERC's strategic goal of growth and commercialization through engagement with builders, marketers, and other residential construction decision makers. The 2027 program strengthens that alignment by focusing on a whole-home strategy and encouraging builders to specify more propane appliances in each of their homes. Marketers can use the program as a tool to start conversations with new builders or to emphasize the benefits of a whole-home strategy with current builder contacts.

DETAILED BUSINESS CASE

Scope–

- *List the activities paid for by this docket only (research, consultants, sponsorships, etc.)*

The project provides compensation to builders for submitting complete project data on the propane appliances, systems, and energy features installed in the homes they build. For 2027, builder compensation will move from the prior per-appliance structure to a tiered structure based on total eligible appliance count. Applicants must submit complete project information and supporting documentation through the Applicant Processing Portal to qualify for payment.

Number of Appliances / Compensation
3$500
4$750
5+$1,500

Eligibility: The program is available only for homes built in 2027. Similar to the previous program, each qualifying project must include at least one core appliance: furnace, boiler, combi/GHP, or water heater. A minimum of three eligible appliances or categories is required to qualify. Additional eligible appliances and categories include cooktop or range, oven, grill, clothes dryer, standby generator, fireplace or gas log set, piping propane gas for outdoor equipment, hydronic air handler, and dryer stub-out. Dryer stub-out is a new eligible category for the 2027 program.

A focus of the 2027 program is to encourage new builders to apply for the program, defined as builders that have never previously submitted a PCRP application. With this in mind, a new builder bonus has been added to the program, and a builder may receive an additional $1,000 bonus upon submission and approval of their first PCRP project. The new builder bonus does require a 5+ appliance submission. Potential maximum: $2,500 when a new builder also qualifies at the 5+ appliance level.

The program will no longer include the remodel bonus. This change allows the 2027 program to concentrate on homes and data that support the whole-home strategy.

The Applicant Processing Portal collects data on project location, appliances installed, system details, and other information submitted by builders. Builders can upload payment documentation, and the portal captures data through direct integration with the tool. The portal calculates and reports real-time data on emissions improvements or increases, appliances installed, operational savings, first cost differential, and other data points that can be segmented by state, region, builder, and marketer participant.

When builders first log into the portal, they will be shown educational content that highlights propane products and solutions in the residential construction space. For 2027, this education will reinforce the benefits of including propane for all a home’s key systems, including central heat, water heating, cooking, clothes drying, dryer stub-outs, fireplaces, outdoor living, and standby power. A follow-up survey of builders will measure their willingness to specify these products and their awareness of propane’s whole-home value proposition.

Results from the 2027 program will be shared through Business Development activities, meetings with builders, tradeshows, market PR, editorial content, and marketing and communications campaigns. The Residential Business Development docket will continue to support ongoing PCRP promotion, consistent with past practice. This docket primarily funds builder compensation and data collection, with additional funding included for 2027 program-related creative, paid media, and website and portal updates.

Vendor Capabilities

- *Does this docket engage external vendors such as research partners, OEMs, Consultants, Subject Matter Experts, PR/Media or Creative Agency Assistance?*

No

Industry Engagement –

- *Does this project require propane industry stakeholders' involvement to be successful?*

Yes

- *How will you engage industry stakeholders?*

The propane industry is vital to the success of the research program. To ensure a geographically broad data set, industry members need to promote the program and encourage builder contacts to participate. For 2027, industry engagement will emphasize working with builders to increase the number of propane appliances in the homes they build to demonstrate the benefits of a whole-home propane strategy and encouraging new builders to participate through the new builder bonus.

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*

This program expands PERC's residential construction data set and strengthens comparisons between propane and electric homes. The 2027 program encourages greater propane adoption through a three-appliance minimum and enhanced compensation for homes with five or more appliances. These changes are expected to increase propane use per home and drive an estimated 300K additional annual gallons for 2027, representing a 13% increase over the current program structure.

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."*

Risk	Likelihood	Impact	Risk Resolution and/or Contingency Plan
New home construction in propane country slows.	Medium	High	Continue to review areas where building is happening and targeting those areas with program communication and engagement efforts.

New restrictions on the installation of propane appliances in new construction.	Medium	High	A building code or other legal restriction on the installation of new propane piping or appliances in new construction homes would limit the program's success. Additional promotion to areas not impacted by such a plan would be required.
Builders that have historically participated with fewer than three appliances won't apply.	Low	Medium	Data shows that most applications are submitted for at least three appliances. PERC and industry stakeholders will promote the tiered structure and provide clear communication about the benefits of incorporating propane for all key systems and appliances leading toward more even more builders participating at the 5+ level.
First-time builder applications remain low, leading to slower growth of new propane users.	Medium	Low	Targeted advertising, marketer outreach, and other communication will feature the new builder bonus.

Budget

- *Outline cost per task, including estimated cost share (cash and in-kind).*
- *If applicable, indicate hourly rates, including overhead.*
- *Highlight contractor vs. pass-through costs.*

We expect to collect data from homes across the United States. The total funding request is $1,750,000. Of this amount, $1,700,000 from this docket will continue to support builder compensation and data collection. An additional $50,000 is requested to support significant program updates associated with the 2027 enhancements, including $20,000 for creative updates such as brochures, graphics, and other collateral; $10,000 for paid media; and $20,000 for updates to the website and Applicant Processing Portal. Ongoing promotion of the PCRP will continue to be shared with the Residential docket, consistent with past practice. The 2027-tiered compensation structure will be managed within the total funding request.

Timeline

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

The program will open for applications in March 2027 and will continue as funds allow and data has been collected. March 1, 2028 is the deadline for submitting completed projects. Data collection will then conclude, and data dissemination will begin.

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 for this project is residential builders. This audience is important because they are key stakeholders in specifying energy choices for new homes.

Market – Market Research

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

No

Leverage and Synergies

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?*

The data generated by this project is primarily beneficial for the residential market, as it provides valuable insights into energy usage and energy efficiency. However, other industry organizations may find it useful as well. The 2027 whole-home propane energy data may also support broader messaging around resilience, comfort, energy choice, and the role of propane systems across residential applications when compared with electric alternatives.

Development

Delivery

Delivery – Delivery Channels –

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

PERC delivers the Propane Construction Research Program directly to builders. Builders contribute to the data set through the Applicant Processing Portal. PERC promotes the program to builders through Business Development activities at tradeshows and in-person meetings. Results are shared directly with the industry. For 2027, communications will clearly explain the tiered compensation structure, new builder bonus, and program focus on whole-home propane energy data for electric comparison.

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
Increase participation of new states.	Promotion of the research program to expand reach.	Participation from builders from 4 states that did not participate in 2025 or 2026.	2028-03-01	No	
Increase new builder participation	Implement and promote the new builder bonus program.	Increase new participant submissions from 219 (2025	2028-03-01	No	

through the new builder bonus.		baseline) to 252 participants (15% increase).			
Increase whole-home propane energy submissions.	Program submissions that include 5+ appliances.	Increase the number of applications with 5+ propane appliances from 383 (2025 baseline) to 450, representing a ~17% increase in whole-home propane adoption.	2028-03-01	No	
Data collection from homes across the United States.	To provide for a varied and accurate data set from across regions, climate zones, and states.	Infographic of results.	2028-03-01	No	

Intellectual Property

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

PERC owns and maintains the data set produced by this project. The data set is a valuable asset that can be used to support future research and development projects.

Is this a new contractor? No

Budget Impact

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

Market & Activity	Amount Requested	Year Total	YTD Remaining	Remaining if Funded
2027 > Residential: Construction > Incentivized Research	$1,750,000.00	$1,750,000.00	$1,750,000.00	$0.00

Does this project have a past funding history? Yes

Describe: Yes, the program has demonstrated effective growth and increased participation year over year.

Funding History for Similar Dockets

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

Year	Docket #	Project Budget	Project Spend
2026	25361	$2,250,000.00	

Results: 2026 program results to be added when available.

Year	Docket #	Project Budget	Project Spend
2025	24832	$2,250,000.00	$2,157,900.00

Results: In 2025, the PCRP delivered 2,437 projects across 24 states, supported by 535 builders and 100 marketers, reflecting expanded
participation and reach compared to the prior year.
Program performance improved year-over-year, with 92% of builders (490 of 535) installing three or more appliances, up from
88.5% (437 of 494 builders) in 2024, and a 32% increase in 4–5 appliance projects overall.
The strongest growth occurred in five-appliance installations, which increased by 35% year-over-year, indicating movement beyond
minimum program requirements toward whole home propane adoption.
Eighty percent of participating builders reported that propane homes perform at comparable price and speed to sell to all-electric
alternatives.
107 remodel project applications were submitted in 2025, up from 71 in 2024, demonstrating growing interest in propane
retrofits and non-new construction opportunities.

Year	Docket #	Project Budget	Project Spend
2024	24226	$2,500,000.00	$2,500,000.00

Results: In 2024, the program saw a reduction of carbon emissions by 35% per project, generated updated research and usage data from homebuilders, and included 1,976 projects across 23 states.

Year	Docket #	Project Budget	Project Spend
2023	23667	$2,250,000.00	$2,088,620.00

Results: Over 1,600 homes participated from 25 states and demonstrated a reduction of over 19,000,000 pounds of CO2 equivalent emissions.

Year	Docket #	Project Budget	Project Spend
2022	23156	$1,000,000.00	$985,739.00

Results: Over 1,000 builder projects submitted data and showed a reduction of over 18,000,000 pounds of CO2 equivalent.