



Council Notebook

Table of Contents / [Antitrust Statement](#) / [Agenda](#) / [Minutes](#) / [Financial Report](#) / [CEO Report](#)
/ [Workforce Outreach Support Materials](#) / [Funding Requests and New Concept Rebate](#)
/ [Environmental Messaging Plan](#) / [Replicated State Rebates](#) /

Table of Contents

1. [Antitrust Statement](#)
2. [Agenda](#)
3. [Minutes](#)
 - [November 2019](#)
 - [February 2020](#)
4. [Financial Report \(New\)](#)
 - [Finance Report](#)
 - [2019 Audit](#)
 - [February 2020 Interim Financials](#)
 - [Grant Funding Compared to Budget](#)
5. [Chief Executive Officer's Report](#)
6. [Workforce Outreach Support Materials](#)
7. [Funding Requests and New Concept Rebate](#)
8. [Environmental Messaging Plan](#)
9. [Replicated State Rebates](#)

Any questions or comments about using the notebook should be sent to [Anna Lombardo](#).

Revised 04/02/2020

© 2020 Propane Education & Research Council.



PROPANE
education & research
COUNCIL

Antitrust Statement

The Propane Education & Research Council (PERC) and its members are committed to full compliance with all laws and regulations and to maintaining the highest ethical standards in the way we conduct our operations and activities. That commitment includes strict compliance with federal and state antitrust laws.

Compliance with antitrust laws is a serious business. Antitrust violations may result in heavy fines for corporations and in fines and even imprisonment for individuals. PERC members bear the ultimate responsibility for assuring that your actions and the actions of any of those under your direction comply with antitrust laws.

In all PERC operations and activities, avoid any discussions or conduct that might violate the antitrust laws or even raise an appearance of impropriety. The following guidelines will help you do that:

- Do consult counsel about any documents that touch on sensitive antitrust subjects such as pricing, market allocations, refusal to deal with any company, and the like;
- Do consult with counsel on any non-routine correspondence that requires a PERC member company to participate in projects or programs, submit data for such activities, or otherwise join other member companies in PERC actions;
- Do use an agenda and take accurate minutes at every meeting. Have counsel review the agenda and minutes before they are put in final form and circulated;
- Do not have discussions with other member companies about:
 - your company's prices for products or services, or prices charged by your competitors.
 - costs, discounts, terms of sale, profit margins or anything else that might affect those prices.
 - the resale prices your customers should charge for products you sell them.
 - allocating markets, customers, territories or products with your competitors.
 - limiting production.
 - whether or not to deal with any other company.
 - any competitively sensitive information concerning your own company or competitors.
- Do not stay at a meeting or any other gathering if those kinds of discussions are taking place;
- Do not discuss any other sensitive antitrust subjects (such as price discrimination, reciprocal dealing or exclusive dealing agreements) without first consulting counsel;
- Do not create any documents or other records that might be misinterpreted to suggest that PERC condones or is involved in anticompetitive behavior.



PROPANE
education & research
COUNCIL

**PROPANE EDUCATION & RESEARCH COUNCIL MEETING
CONFERENCE CALL AGENDA**

APRIL 9, 2020 (10:00 A.M. – 12:30 P.M. EDT)

-
- I. Call to Order—*Rob Freeman, chairman***
- Roll call
- II. Chairman’s Report—*Rob Freeman, chairman***
- Approval of November 2019 and February 2020 Council Meeting Minutes
 - Audit Report
 - Officer Nominations
 - Chairman’s Comments
- III. Chief Executive Officer’s Report—*Tucker Perkins, president & CEO***
- IV. Industry Relations Report—*Bridget Kidd, senior vice-president, industry relations***
- Workforce Outreach Plan
 - Docket 22494: 2020 Workforce Outreach Support, \$250,000
 - Docket 22495: 2020 Technical School Grant Program, \$400,000
 - Docket 22500: PERC Region 2 Military Education & Recruitment Program, \$196,337
 - Docket 22511: Training Tablets, \$12,230
- V. Industry Safety Report—*Eric Kuster, vice-president, safety, education & compliance***
- Program Update
- VI. Communications Report—*Tina Wilson, senior vice-president, communications***
- Environmental Messaging Plan
- VII. Industry and Public Comments**
- VIII. Announcement of Next Meeting—*July 21-22: Beaver Creek, CO***
- IX. Adjournment**



PROPANE
education & research
COUNCIL



Council Notebook

Minutes

November 2019

February 2020

Propane Education & Research Council
Nov. 12-13, 2019
Naples, FL

MINUTES

Chairman Robert Freeman, Freeman Gas Co. (Spartanburg, S.C.), called the meeting to order at 1:03 p.m. EST Nov. 12 with a prayer and the Pledge of Allegiance.

Mr. Freeman welcomed the council members in attendance:

Dave Bertelsen, Matheson Tri-Gas (Hamilton, OH)
Nick Calabretti, Energy Transfer (Newtown Square, PA)
Kevin Cobb, Suburban Propane Partners LP (Eagle, ID)
Casey Cramton, Dead River Co. (South Portland, ME)
Daniel Dixon, AmeriGas (Florence, AL) — *Vice Chairman, Marketers*
Mark Donahue, MarkWest Energy (Denver, CO)
Randy Doyle (Edinburg, VA) — *Secretary*
Phil Farris, 3eighthEnergy (Denver, NC)
Gary France, France Propane Service (Schofield, WI)
Jeff Kerns, ThompsonGas (Frederick, MD)
Bruce Leonard, Targa (Houston, TX) — *Vice Chairman, Producers*
Joe Rose (Loudon, NH)
Stuart Weidie, Blossman Gas (Swannanoa, NC)
Duncan McGinnis, Aux Sable (Morris, IL)
Mark Sutton, public member (Wagoner, OK)
Kasib Abdullah, BP (Houston, TX)

Michael Dickinson, Williams (Tulsa, OK), and Mark Zimora, Energy Distribution Partners (Chicago, IL), absent.

Jay Furman, DCP Midstream (Houston, TX), joined the meeting by telephone.

Chairman's Report

Approval of Minutes. Mr. Freeman directed councilors' attention to the minutes of the July 2019 Council meetings. Upon a motion duly made and seconded, the Council approved the minutes.

Executive Committee. Mr. Freeman said PERC's Executive Committee met Nov. 12 and discussed strategic planning, 2020 budget and plans to use council meeting time to cover a mix of strategic overview and project discussions in accordance with feedback from a recent survey of councilors.

He said it had agreed to add the Feb. 25-26 Propane Market Summit to list of approved meetings that states can spend rebate dollars to attend.

He said it decided to close out the Industry Outreach Committee, and thanked Chairman Gary France and councilor Randy Doyle for their service with that group.

He announced that councilor Libby Cloos, Enterprise Products Operating (Houston), has resigned her position due to a change in work duties and thanked her for her service.

He announced the addition of five individuals to the Advisory Committee: Stephanie Hennon, MEC (Marshall, MI); Kim Godlewski, IPS Equipment (Byron, MI); Jeff Vandemark, Industrial Propane Service (Byron, MI); J Sells, Rego Products (Jacksonville, FL); and Alinna Figueroa, Hawaii Gas (Honolulu, HI).

Environmental Messaging Task Force

Mr. Weidie reported that council's Task Force on Environmental messaging met for the first time Nov. 12. Its goal is to develop messages that the industry can use to combat inaccurate perceptions about propane's relevance as a fuel of the future. Mr. Weidie has asked for committee work to be completed by early January to allow a full report to be prepared for council at its February meeting with a goal of rolling out to the industry at the Southeast Expo in April 2020.

Chief Executive Officer's Report

PERC President and CEO Tucker Perkins discussed the importance of integrating messaging from assorted campaigns targeting various audiences. He noted that the arrival of new CEOs Joel Moxley at GPA and Steve Kaminski at NPGA is an ideal time to rethink how those partners collaborate on that approach. Mr. Perkins reviewed PERC's annual investments by category in the 2020 budget proposal. He also congratulated councilor Joe Rose on being selected for induction into the Propane Hall of Fame.

Budget and Finance Report

Michael Eason, senior vice president, administration and finance, reviewed a \$41.9 million budget for 2020 that includes total program spending of \$32.7 million and \$8.4 million for rebates to states. Upon a motion duly made and seconded, the Council approved the budget. Council also approved deobligations totaling \$214,288.

Industry Safety and Training Programs Report

Eric Kuster, vice president of safety, education and compliance updated the council about ongoing efforts to transfer CETP training and certification materials and records into PERC's new learning management system (LMS). He explained the capabilities of the LMS beyond safety training and certification and outlined a schedule for creating new modularized training material for the industry through 2021.

Mr. Kuster also introduced newly hired members of PERC's safety and compliance team: Lyndon Rickards, director of safety and compliance; Christopher Hanson, LMS administration; Emily Wood, educational content development coordinator; Dominick Kearney, administrative assistant.

Upon motions duly made and seconded, the Council approved:

- Docket 22157: Transfer of CETP training to Adobe Captivate Software, \$270,000.
- Change order to Docket 21783: 2019 CETP program support, \$350,000.

Industry Relations Report

Bridget Kidd, senior vice president, industry relations, reviewed 2019 staff interactions with industry members and reported 2020 plans to host a Can-Do Marketing conference

in Minneapolis; train-the-trainer events for HVAC and plumbing professionals; marketer sales and CSR training and Propane Sales Summits.

Upon motions duly made and seconded, council approved:

- Docket 22106: 2020 Propane Sales & Marketing Training and HVAC/Plumber Training, \$605,000
- Docket 22082: 2020 Industry Engagement, \$454,000
- Docket 22214: 2020 Advisory Committee & Program Support, \$450,000
- Docket 22241: State rebate concept: Propane Can Do That Showcase Home, \$400,000 (as pilot project). Council requested an additional report from RMPGA to provide a progress update, lessons learned, and metrics of success.
- Docket 22110: 2019-20 Military Education & Recruitment, \$40,000

Business Development Report

Cinch Munson, senior vice president, business development, offered an explanation of PERC's commercialization process and strategic priorities for investment in each market segment in 2020. Upon motions duly made and seconded, council approved:

- Docket 22098: Residential Construction Professional Integrated Outreach Program for \$2,140,000
- Docket 22111: 2020 Autogas Integrated Outreach Program for \$1,200,000 (with a stipulation for staff to review and evaluate the listed tradeshow cost)
- Docket 22085: 2020 Material Handling Market Integrated Outreach Program, \$1,070,000
- Docket 22104: 2020 Agriculture Integrated Outreach Program, \$1,040,000
- Docket 22103: 2020 Commercial Professional Integrated Outreach Program, \$905,000
- Docket 22090: Business Development Engagement and Services, \$575,000
- Docket 22095: 2020 Propane Farm Incentive Program, \$400,000
- Docket 22097: Heat Pump Water Heater with Gas Stirling Linear Compressor, \$63,000

Upon motions duly made and seconded, council disapproved:

- Docket 22087: 2020 Outdoor Power Equipment Incentive Program, \$300,000
- Docket 22086: 2020 Outdoor Power Equipment Market Integrated Outreach Program, \$950,000

By unanimous consent, the Council adjourned at 5:21 p.m. EST Nov. 12.

Mr. Freeman called the meeting back to order at 8:33 a.m. EST Nov. 13.

NPGA Report

Chairman-elect Denis Gagne reviewed the ongoing coordination between the association and the Council. He thanked Mr. Perkins and Mr. Freeman for their participation in the association's recently concluded search for a new CEO Steve Kaminski, who he then introduced to give observations about the upcoming industry challenges and opportunities.

Chairman Randy Thompson spoke as chairman and personally about goal setting within the respective strategic plans for PERC and NPGA.

GPA Midstream Report

Mr. Moxley gave an update of market conditions challenging the midstream businesses and plans to strengthen safety and advocacy efforts heading into the new year.

Communications Report

Tina Wilson, senior vice president, communications, provided an update of the performance, lessons learned and strategy of the Propane Can Do That marketing campaign. She also discussed how the pending perception and media study and committee work on environmental messaging may fit into campaign efforts in 2020.

Upon motions duly made and seconded, the Council approved:

- Docket 22113: Continuation of the Propane Can Do That® campaign in 2020, \$145,000. The docket includes funding primarily for the paid media buy, creative campaign assets for use by PERC and propane companies, social media, continued industry communications and engagement, and regular review of campaign analytics and performance optimization.
- Docket 22112: 2020 Corporate Communications, \$2,050,000. The program aims to increase propane's voice in the national energy conversation through data-driven, provocative, and assertive messaging.

Industry Research Report

Grace Willis, director, strategic operations reported on improved engagement and accuracy of the 2018 Retail Sales Report and national and state profile reports. Upon motions duly made and seconded, the Council approved:

Docket 22215: 2019 Retail Sales Report, \$212,696

Docket 22216: 2020 Market Research & Data Analytics, \$145,000

Public Comments

Mr. Freeman invited members of the public to comment on matters before the Council. There were none.

Old Business

There was no old business.

New Business

Mr. Kerns reminded councilors that despite the challenges discussed at this meeting, most propane retail businesses are doing well and growing their businesses.

Mr. Freeman announced that the next Council meeting would take place at a date and place to be determined in February.

By unanimous consent, the Council adjourned at 10:51 a.m. EST Nov. 13.

##

Propane Education & Research Council
Feb. 12, 2020
Scottsdale, AZ

MINUTES

Chairman Robert Freeman, Freeman Gas Co. (Spartanburg, S.C.), called the meeting to order at 8:30 a.m. MST with a prayer and the Pledge of Allegiance.

Mr. Freeman welcomed the council members in attendance:

Dave Bertelsen, Matheson Tri-Gas (Hamilton, OH)
Nick Calabretti, Energy Transfer (Newtown Square, PA)
Kevin Cobb, Suburban Propane Partners LP (Eagle, ID)
Casey Cramton, Dead River Co. (South Portland, ME)
Daniel Dixon, AmeriGas Florence, AL) — *Vice Chairman, Marketers*
Mark Donahue, MarkWest Energy (Denver, CO)
Randy Doyle (Edinburg, VA) — *Secretary*
Phil Farris, 3eighthEnergy (Denver, NC)
Gary France, France Propane Service (Schofield, WI)
Jay Furman, DCP Midstream (Houston, TX)
Jeff Kerns, ThompsonGas (Frederick, MD)
Bruce Leonard, Targa (Houston, TX) — *Vice Chairman, Producers*
Joe Rose (Loudon, NH)
Stuart Weidie, Blossman Gas (Swannanoa, NC)
Mark Zimora, Tankfarm, (Greencastle, PA)
Duncan McGinnis, Aux Sable (Morris, IL)
Mark Sutton, public member (Wagoner, OK)
Kasib Abdullah, BP (Houston, TX)
Michael Dickinson, Williams Companies (Tulsa, OK)
Brian Wilkin, Enterprise Products Operating Co. (Houston, TX)

Chairman's Report

Executive Committee. Mr. Freeman said PERC's Executive Committee met twice since the November Council meeting to discuss strategic planning and staffing. He said they agreed to add the Feb. 25-26 Propane Market Summit and the Feb. 4-5 World LP Gas Association Innovation for Growth Summit to the list of approved meetings that states can spend rebate dollars to attend.

Mr. Freeman thanked councilor Stuart Weidie for his leadership and work directing efforts of the Council's Environmental Messaging Task Force over the previous three months.

Environmental Messaging Task Force

Mr. Weidie reported that the Council's Task Force on Environmental Messaging has been working since early November to develop messages that the industry can use to combat inaccurate perceptions about propane's relevance as a fuel of the future. Its goal was to develop themes for a coordinated outreach campaign for rollout to the industry at the Southeastern Convention & International Propane Expo in April. Mr. Weidie reviewed reports submitted by sub-groups, discussed separation of roles for PERC and NPGA and steps needed to work the messages into a campaign.

Mr. Dixon made a motion that staff review the themes and messages from the task force and coordinate with NPGA to develop an implementation plan for those key themes that includes the work from the sub-groups. The work is to be completed by March 31 and presented to the industry at the convention in April. Upon a motion duly made and seconded, the Council approved the motion.

NPGA Report

NPGA President and Chief Executive Officer Steve Kaminski reported results from research conducted to assess data gaps in industry assets to fight the growing decarbonization narrative. He said NPGA has produced toolkits for marketers to use in the more than 100 localities where decarbonization bills already have been introduced, and noted that the association also is involved with several consortiums to protect consumer energy choice.

Communications Report

Tina Wilson, senior vice president, communications, reported the findings of a national perceptions study by Kelton Global. The survey, conducted between Dec. 16, 2019 to Jan. 3, 2020, examined Americans' knowledge of different types of energy, perceptions of propane versus other energy types, and understanding of environmental associations and messaging opportunities for PERC. The study included an investigation of the media's portrayal of propane and a review of naturally occurring online conversations.

She also provided an update of the performance of the Propane Can Do That® campaign and how the perception/media study and committee work on environmental messaging may fit into campaign efforts in 2020.

Chief Executive Officer's Report

PERC President and CEO Tucker Perkins discussed efforts to boost the usage of propane autogas within industry workforce fleets, including the production of a brochure that identifies specific manufacturers, vehicles, engines, and fuel systems available for bobtails, service trucks, rack trucks, and other medium- and heavy-duty vehicles in both OEM dedicated and aftermarket conversions. The listings will be paired with a supporting document detailing the business case for marketers to convert their fleets while demonstrating to customers how much they trust the fuel.

He explained the need for PERC to keep primary focus on efforts that grow utilization in all segments. Increasingly, that priority will require engagement in workforce development to combat worker shortages that threaten the industry's ability to deliver and service the fuel it sells. The complexities of that work will require further examination of the roles PERC and NPGA need to play.

Mr. Perkins also presented a revamped partnership agreement between PERC, NPGA and GPA Midstream. The purpose of the annual agreement is to foster a strategic alignment and collaboration among the propane industry's three national nonprofit organizations. He said the 2020 agreement reflects fresh thinking from new top executives in all three organizations and accounts for evolving areas of engagement.

Upon a motion duly made and seconded, the Council unanimously approved Docket 22213: 2020 Partnership with Industry Organizations, \$1,495,000.

Industry Safety and Training Programs Report

Chris Wagner, chairman of the Advisory Committee's Safety & Technical Training Working Group, updated the Council on work to make all PERC safety training resources more accessible, less expensive and faster to implement. That work includes moving the Certified Employee Training Program curriculum and testing onto PERC's Learning Center, modularizing CETP training and certification into smaller chunks, and updating course offerings.

Upon motions duly made and seconded, the Council unanimously approved:

Docket 22395 – 2020 CETP Program Support \$304,850

Docket 22396 – 2020 Learning Center Support \$305,500

Docket 22397 – 2020 CETP Modularization Project \$485,370

Docket 22405 – Propane Emergencies Strategic Planning \$25,000

Old Business

There was no old business.

New Business

Mr. Freeman announced that the next Council meeting will be held April 9 in Nashville, TN in conjunction with the NPGA Southeastern Convention & International Propane Expo.

By unanimous consent, the Council adjourned at 2:05 p.m. MST.



PROPANE
education & research
COUNCIL



Council Notebook

Financial Report

Finance Report

2019 Audit

February 2020 Interim Financials

Grant Funding Compared to Budget

Propane Education and Research Council

Finance Report

Executive Summary

2019 Audit Report and Financials

February 2020 Interim Financials

Propane Education and Research Council

Finance Report

Executive Summary

This report provides a summary of the following activities:

- 2019 Audit Report
- 2019 Financial Results
- February 2020 YTD Financial Results

Behind each financial narrative page, please see the financial highlights page that includes key statistics supporting the narrative. [The audit report](#) includes the 2019 audited financials. The February 2020 interim financial reports are [included here](#).

Following are key take-away points extracted from this report.

2019 Audit

- Clean 2020 opinion – Unqualified
- 2019 audit deficiency cleared
 - Inventory control deficiency

Year-End 2019

- Gallons exceeded budget by 1.7B
- Assessment \$ exceeded budget by \$8.6M
- Net Assets increased by \$8.8M

February 2020 (YTD)

- Gallons below budget by 0.4B
- Assessment \$ below budget by \$1.7M

Propane Education and Research Council

Finance Report

2019 Audit Report

The 2019 audit of PERC was completed in March 2020. [The audit report is included here.](#)

PERC received a clean opinion which is referred to as an unqualified opinion. The report noted that PERC cleared its internal control deficiency from the 2019 audit. The 2019 control deficiency related to deficiencies in the inventory control processes used by PERC's previous accounting vendor, Apex. PERC changed its outsourced accounting vendor in 2020 to Marcum LLP and updated its accounting software and inventory procedures.

2019 Year-End Results

PERC ended the year 2019 significantly ahead of budgeted results. Heating degree days during the first and fourth quarters were ahead of recent historical norms resulting in higher than anticipated assessment revenue. Gallons odorized totaled 9.9 billion against a budget of 8.2 billion. The resulting revenue was \$49.6 million versus a budget of \$41.4 million. The increase in assessment revenue led to an increase in state rebates that are calculated at 20% of assessment revenue.

Propane Education and Research Council

Finance Report

Administrative expenses of \$3.0 million were well within the PERA guidelines of 10%. Accounting fees were higher than budgeted as a result of the transition costs associated with changing accounting vendors and systems.

Program expenses were \$28.4 million against a budget of \$30.4 million. During 2019 PERC revamped its Safety and Training team. Along with planning for the purchase of CETP the new team initiated a complete review of the program. During this review, spending was reduced against budgeted program spending for 2019. We also had lower Autogas spending than anticipated in product development, which provides us an opportunity to target strategic opportunities in future years while remaining under the Autogas limit.

The resulting change in net assets (similar to net income in the profit sector) was \$8.9 million versus a break-even budget. The increase in net assessment revenue (assessments minus state rebates) of approximately \$6.8 million and reduced program spend account for most of the positive variance.

The change in net assets plus the beginning balance of \$20.9 million, yields a net asset balance of \$29.7 million. \$17.8 million of that balance is uncommitted.

PERC's cash and investments totaled \$38 million at year-end. The next page outlines significant commitments at 12/31/19 which total \$30.4 million.

Propane Education and Research Council

Finance Report

Financial Highlights

Year-End 2019

Activity

- **Gallons**
 - 9.9 billion gallons (budget - 8.2 billion gallons)
- **Assessment Revenue**
 - \$49.6 million (budget - \$41.0 million)
- **State rebate** (20% of assessment revenue)
 - \$9.9 million (budget - \$8.2 million)
- **Administrative expenses**
 - \$3.0 million (budget - \$2.6 million)
- **Program expenses**
 - \$28.4 million (budget - \$30.4 million)
- **Change in Net Assets**
 - \$8.9 million (budget \$0.1 million)

Balances

- **Cash and Investments** - \$38.0 million
 - Significant Commitments at 12/31/19 - \$30.4 million
 - \$13.3 million - State Rebate Liability
 - \$9.6 million - Docketed Commitments
 - \$4.2 million - Accounts Payable
 - \$2.3 million - Agriculture PERA Commitments
 - \$1.0 million - CTEP Purchase Liability balance
- **Net Assets** - \$29.7 million
 - \$11.9 million - Committed (Dockets / Agriculture)
 - \$ - Dockets
 - \$ - Agriculture PERA Commitments
 - \$17.8 million - Uncommitted (Reserves)

Propane Education and Research Council

Finance Report

February 2020 (YTD)

PERC began the year 2020 behind budgeted results. Heating degree days during January were 741 days, versus 867 days the previous year. This resulted in lower than anticipated assessment revenue in January. Gallons odorized in January totaled 922.4 million against a budget of 1.3 billion. The resulting January revenue was \$4.6 million versus a budget of \$6.4 million. The decrease in assessment revenue also results in a decrease in state rebates that are calculated at 20% of assessment revenue.

Since assessments are reported and remitted a month in arrears, February revenue is booked at budget. In March, the budget will be reversed and the actual is booked. While at this time the actual assessment dollars for February are not scheduled to be received until after March 25th, we do know that the heating degree days for February are lower than the previous year at 689 days versus 726 days.

Administrative and program costs are within budget.

PERC's cash and investments totaled \$43.4 million at February 2020. The following page outlines significant commitments at 2/29/20 which total \$43.3 million.

PERC is evaluating the potential impact of the COVID-19 virus on 2020 operations. Upon review of the impact of the pandemic on our markets, we have summarized below our evaluation of the potential impact on gallons and assessment dollars against the 2020 budget.

Propane Education and Research Council

Finance Report

<u>Market</u>	<u>Gallon Adjustment</u>	<u>Revenue Impact</u>
Residential	93,131,059	\$ 465,655
Commercial	(103,694,536)	\$ (518,473)
Agriculture	-	\$ -
Industrial	(18,504,049)	\$ (92,520)
Cylinder	(15,899,110)	\$ (79,496)
Internal Combustion	(34,421,124)	\$ (172,106)
	<hr/> (79,387,760) <hr/>	<hr/> \$ (396,939) <hr/>

Propane Education and Research Council

Finance Report

Financial Highlights

February 2020 - YTD

Activity

- **Gallons**
 - 2.0 billion (budget - 2.4 billion)
 - January - 922 million gallons (1.3 billion gallons)
 - February - 1.1 million budget booked (remittances due with one-month delay)
- **Assessments**
 - \$10.1 million (budget - \$11.8 million)
 - January - \$4.6 million (budget - \$6.3 million)
 - February - \$5.5 million budget booked (remittances due in March)
- **State rebate** (20% of assessment revenue)
 - \$10.1 million (budget - \$11.8 million)
 - January - \$4.6 million (budget - \$6.3 million)
 - February - \$5.5 million budget booked (remittances due in March)
- **Administrative expenses**
 - \$390K (budget - \$453K)
- **Program expenses**
 - \$2.1 million (budget/open dockets - \$16.7 million)

Balances

- **Cash and Investments** - \$43.4 million
 - Significant Commitments at 2/29/20 - \$43.3 million
 - \$24.9 million - Docketed Commitments
 - \$13.2 million - State Rebate Liability
 - \$2.3 million - Accounts Payable
 - \$1.9 million - Agriculture PERA Commitments
 - \$1.0 million - CTEP Purchase Liability balance
- **Net Assets** - \$35.5 million
 - \$26.8 million - Committed
 - \$24.9 million - Dockets
 - \$1.9 million - Agriculture PERA Commitments
 - \$8.7 million - Uncommitted (Reserves)

**PROPANE EDUCATION & RESEARCH
COUNCIL, INC.**

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

DRAFT

Propane Education & Research Council, Inc.

Table of Contents

	Page
Independent Auditor's Report	1 - 2
Audited Financial Statements	
Statements of Financial Position	3 - 4
Statements of Activities and Changes in Net Assets	5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 20

Independent Auditor's Report

To the Board of Directors of
Propane Education & Research Council, Inc.
Washington, D.C.

We have audited the accompanying financial statements of **Propane Education & Research Council, Inc.** (a nonprofit organization), which comprise the Statements of Financial Position as of December 31, 2019 and 2018, and the related Statements of Activities and Changes in Net Assets, Functional Expenses and Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Propane Education & Research Council, Inc.** as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, on January 1, 2019, **Propane Education & Research Council, Inc.** adopted Accounting Standard Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended. Our opinion is not modified with respect to this matter.

Rockville, Maryland

DATE

Propane Education & Research Council, Inc.

Statements of Financial Position

<i>December 31,</i>	2019	2018
Assets		
Current assets		
Cash and cash equivalents	\$ 4,160,393	\$ 3,849,973
Accounts receivable	18,337	116,718
Investments, current portion	30,058,886	20,294,101
Assessments receivable	7,283,554	6,705,086
Inventory, net	549,085	533,110
Prepaid expenses	194,823	356,619
Total current assets	42,265,078	31,855,607
Property and equipment		
Office equipment	50,911	50,911
Office furniture	183,435	183,435
Computer hardware and software	4,728,065	4,728,065
Leasehold improvements	355,522	355,522
Less: accumulated depreciation and amortization	(5,284,427)	(5,215,542)
Total property and equipment, net	33,506	102,391
Other assets		
Other assets	159,530	426,594
Investments, net of current portion	3,741,342	3,659,307
Intangible assets	1,500,000	-
Total other assets	5,400,872	4,085,901
Total assets	\$ 47,699,456	\$ 36,043,899

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Propane Education & Research Council, Inc.

Statements of Financial Position (Continued)

<i>December 31,</i>	2019	2018
Liabilities and Net Assets		
Current liabilities		
Accrued expenses	\$ 4,345,547	\$ 2,795,995
State rebate obligation	13,280,029	12,025,348
Total current liabilities	17,625,576	14,821,343
Noncurrent liabilities		
Deferred rent	307,979	317,847
Deferred revenue	7,822	12,200
Total noncurrent liabilities	315,801	330,047
Total liabilities	17,941,377	15,151,390
Net assets without donor restrictions		
Undesignated	20,494,522	10,851,904
Designated	9,263,557	10,040,605
Total net assets	29,758,079	20,892,509
Total liabilities and net assets	\$ 47,699,456	\$ 36,043,899

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Propane Education & Research Council, Inc.

Statements of Activities and Changes in Net Assets

<i>Years Ended December 31,</i>	2019	2018
Revenue		
Assessment revenue	\$ 49,608,343	\$ 48,164,580
Less: State rebates	(9,921,669)	(9,632,916)
Net assessment revenue	39,686,674	38,531,664
Other revenue	40,166	-
Investment income, net	751,047	373,138
Fulfillment sales	1,295,061	977,544
Less: Costs of goods sold	(1,648,413)	(2,332,786)
Net fulfillment loss	(353,352)	(1,355,242)
Total revenue	40,124,535	37,549,560
Expenses		
Programs		
Residential and commercial	6,076,411	3,420,548
Safety and training	1,651,078	1,408,849
Consumer education	6,159,361	3,777,115
Research and development	837,977	596,606
Engine fuel	5,937,447	6,399,580
Industry	6,959,326	6,725,327
Agriculture	1,781,935	1,964,973
Total program expenses	29,403,535	24,292,998
Total general and administrative expenses	1,855,430	2,138,172
Total expenses	31,258,965	26,431,170
Changes in net assets	8,865,570	11,118,390
Net assets at beginning of year	20,892,509	9,774,119
Net assets at end of year	\$ 29,758,079	\$ 20,892,509

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Propane Education & Research Council, Inc.

Statement of Functional Expenses

<i>Year Ended December 31, 2019</i>	Residential and Commercial	Safety and Training	Consumer Education	Research and Development	Engine Fuel	Industry	Agriculture	Total Program	General and Administrative	Total
Salaries and payroll taxes	\$ 232,175	\$ 575,793	\$ 1,013,968	\$ -	\$ 668,136	\$ 1,039,523	\$ 276,374	\$ 3,805,969	\$ 726,852	\$ 4,532,821
Professional services	4,154,172	518,445	3,418,691	100,000	2,536,064	2,745,056	759,028	14,231,456	805,352	15,036,808
Equipment maintenance	258,048	293,797	1,193,805	237,277	1,225,404	569,410	433,862	4,211,603	34,845	4,246,448
Travel and meetings	224,840	67,708	145,125	315	719,773	858,507	136,158	2,152,426	34,509	2,186,935
Partnership	-	-	-	500,000	-	1,185,529	-	1,685,529	-	1,685,529
Printing and promotion	1,120,337	2,840	26,253	-	339,224	52,673	79,711	1,621,038	665	1,621,703
Benefits	34,634	85,891	151,254	-	99,666	155,066	41,227	567,738	105,231	672,969
Office expense	13,067	27,625	65,105	-	203,641	175,744	17,904	503,086	27,634	530,720
Rent	22,785	56,506	99,506	-	65,568	102,014	27,122	373,501	71,330	444,831
Dues and training	8,676	3,540	13,226	-	17,578	32,012	1,817	76,849	2,612	79,461
Other	342	741	392	385	41,283	10,948	-	54,091	23,435	77,526
Insurance	3,807	9,442	16,627	-	10,956	17,046	4,532	62,410	11,919	74,329
Depreciation and amortization	3,528	8,750	15,409	-	10,154	15,798	4,200	57,839	11,046	68,885
Total	\$ 6,076,411	\$ 1,651,078	\$ 6,159,361	\$ 837,977	\$ 5,937,447	\$ 6,959,326	\$ 1,781,935	\$ 29,403,535	\$ 1,855,430	\$ 31,258,965

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Propane Education & Research Council, Inc.

Statement of Functional Expenses

<i>Year Ended December 31, 2018</i>	Residential and Commercial	Safety and Training	Consumer Education	Research and Development	Engine Fuel	Industry	Agriculture	Total Program	General and Administrative	Total
Salaries and payroll taxes	\$ 440,650	\$ 369,677	\$ 692,468	\$ 207,866	\$ 628,605	\$ 823,356	\$ 273,498	\$ 3,436,120	\$ 872,515	\$ 4,308,635
Professional services	910,909	779,126	2,457,157	275,538	4,404,054	3,068,462	1,306,276	13,201,522	683,877	13,885,399
Equipment maintenance	85,492	74,256	209,666	40,508	131,118	193,989	54,748	789,777	180,190	969,967
Travel and meetings	67,848	62,967	173,785	7,876	144,087	846,634	27,264	1,330,461	69,192	1,399,653
Partnership	-	-	-	-	1,000	1,208,841	-	1,209,841	-	1,209,841
Printing and promotion	1,327,738	246	51,741	138	402,490	88,078	51,002	1,921,433	860	1,922,293
Benefits	62,481	57,748	66,804	29,252	66,898	120,088	34,857	438,128	141,114	579,242
Office expense	31,579	12,108	27,588	5,817	118,790	122,349	12,836	331,067	58,707	389,774
Rent	44,431	37,448	69,367	21,052	63,102	82,713	27,549	345,662	93,646	439,308
Dues and training	22,942	2,366	4,337	1,302	19,527	54,959	2,944	108,377	5,794	114,171
Other	411,163	-	293	-	398,159	23,380	164,503	997,498	-	997,498
Insurance	5,227	4,405	8,160	2,477	7,423	73,699	3,241	104,632	11,017	115,649
Depreciation and amortization	10,088	8,502	15,749	4,780	14,327	18,779	6,255	78,480	21,260	99,740
Total	\$ 3,420,548	\$ 1,408,849	\$ 3,777,115	\$ 596,606	\$ 6,399,580	\$ 6,725,327	\$ 1,964,973	\$ 24,292,998	\$ 2,138,172	\$ 26,431,170

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Propane Education & Research Council, Inc.

Statements of Cash Flows

<i>Years Ended December 31,</i>	2019	2018
Cash flows from operating activities		
Changes in net assets	\$ 8,865,570	\$ 11,118,390
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	68,885	99,740
Provision for inventory obsolescence and shrinkage	(2,428)	(149,002)
Inventory write-off	-	971,746
Unrealized and realized investment (gain) loss	(13,807)	15,339
(Increase) decrease in		
Accounts receivable	98,381	(8,141)
Assessments receivable	(578,468)	(567,086)
Inventory	(13,547)	(104,883)
Prepaid expenses	161,796	(33,259)
Other assets	267,064	(54,914)
(Decrease) increase in		
Accrued expenses	1,549,552	(1,112,607)
State rebate obligation	1,254,681	2,127,864
Deferred rent	(9,868)	699
Deferred revenue	(4,378)	12,200
Net cash provided by operating activities	11,643,433	12,316,086
Cash flows from investing activities		
Purchase of property and equipment	-	(44,387)
Purchases of investments	(37,084,697)	(31,209,523)
Sales of investments	27,251,684	19,996,188
Purchase of intangible assets	(1,500,000)	-
Net cash used in investing activities	(11,333,013)	(11,257,722)
Net change in cash and cash equivalents	310,420	1,058,364
Cash and cash equivalents, beginning of year	3,849,973	2,791,609
Cash and cash equivalents, end of year	\$ 4,160,393	\$ 3,849,973

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Propane Education & Research Council, Inc.

Notes to Financial Statements

1. Organization and significant accounting policies

Organization: The Propane Education & Research Council, Inc. (the Council) is a non-profit trade organization developed under the Propane Education and Research Act of 1996 (PERA), Public Law 104-284 (15 U.S.C. 6401), legislation passed by the U.S. Congress and signed into law in October 1996. The Council was incorporated on June 26, 1997 and operates in Washington, D.C. The Council was created to develop programs and projects in the following areas: consumer and employee safety and training; research and development of clean, safe and efficient propane utilization equipment; public information and education about safety and other issues associated with the use of propane. The Council's Board of Directors consists of nine retail propane marketers, nine propane producers and three public members.

On December 18, 2014, the "Propane Education and Research Enhancement Act of 2014", P.L. 113-269, (PEREA) became law. PEREA amends PERA, specifying that the Department of Commerce shall utilize "... the refiner price to end users of consumer grade propane, as published by the Energy Information Administration..." to conduct the propane price analysis. PEREA adds to the Council's functions a requirement "...to train propane distributors and consumers in strategies to mitigate negative effects of future propane price spikes."

Basis of accounting: The financial statements of the Council have been prepared on the accrual basis of accounting. Under this method, revenue is recognized when earned and expenses are recognized when incurred.

Basis of presentation: Net assets, revenues and expenses are classified based on the existence or absence of donor imposed restrictions. All of the net assets of the Council are presented as without donor restrictions, as amounts received are reciprocal transactions and are therefore not considered to be restricted receipts. The Council designates net assets for specific program activities.

Propane Education & Research Council, Inc.

Notes to Financial Statements

Recently adopted accounting standard: In May 2014, the Financial Accounting Standards Board (“FASB”) issued guidance Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers* which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. ASC 606 was effective for annual reporting periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Council adopted ASC 606 with a date of the initial application of January 1, 2019, using the modified retrospective method. ASC 606 is applied only to contracts that are not completed at the initial date of application. There were no significant changes that resulted from adoption; however, the presentation and disclosures of revenue has been enhanced. ASC 606 only applies to fulfillment and other revenue and does not apply to assessment revenue.

Cash and cash equivalents: Cash and cash equivalents consist of financial instruments with original maturities of less than three months. The Council invests all assessments and other cash received on a daily basis in money market accounts and interest earning bank deposit accounts. These accounts offer the flexibility of immediately available cash. Interest earning bank deposit accounts are also utilized, with maximum Federal Deposit Insurance Corporation (FDIC) coverage of \$250,000. At times, the Council’s cash balances may exceed federally insured limits. Management does not believe that this results in any significant credit risk.

Investments: PERA restricts the types of investments in which the Council may invest excess funds to obligations of a member bank in the Federal Reserve System, obligations of the United States Government or obligations of any state government. Investments consist of certificates of deposit, municipal bonds, government securities, and treasury mutual funds. Investments are reported at fair value. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized losses include the Council’s gains and losses on investments bought and sold as well as held during the year.

Assessments receivable: An estimate of assessments incurred by the owners of odorized propane, but not remitted to the Council prior to the end of the annual reporting period, is based on remittances after year-end and estimated payments to be received. The estimated payments are considered fully collectible and as such, no allowance for doubtful accounts is deemed necessary.

Propane Education & Research Council, Inc.

Notes to Financial Statements

Inventory: Inventory consists of publications and materials related to safety and training, and is stated at the lower of cost or net realizable value using the First-in First-out method as of December 31, 2019 and the weighted average cost method as of December 31, 2018. Allowances for inventory shrinkage and obsolescence of \$50,000 and \$52,428 are recorded as of December 31, 2019 and 2018, respectively.

Property and equipment: Property and equipment in excess of \$1,500 are recorded at the original cost. Office furniture, office equipment, and computer hardware and software are being depreciated on a straight-line basis over estimated lives of three to ten years. Leasehold improvements are amortized over the life of the assets or the remaining period of the lease, whichever is shorter. Depreciation and amortization expense of \$68,885 and \$99,740 was incurred during 2019 and 2018, respectively. Estimated useful lives by category are:

Office furniture	10 years
Office equipment	5 years
Leasehold improvements	7 years
Computer hardware and software	3 years

Intangible assets: In December 2019, the Council purchased the National Propane Gas Association (NPGA)'s Certified Employee Training Program (CETP) Certification Program. The value was assessed at \$1,500,000 by a third party assessor based on future expected revenues and prior contracts with the NPGA. The main purpose of the purchase is to centralize the certifications and materials for the industry.

State rebate obligation: The state rebate is calculated as 20% of the assessment revenue recognized for the calendar year, as required by PERA. The obligation recorded as of year-end is the calculated rebate less approved amounts previously paid out to states.

Deferred rent: The Council recognizes the minimum non-contingent rents required under operating leases as rent expense on a straight-line basis over the life of the lease, with differences between amounts recognized as expense and the amounts actually paid are recorded as deferred rent on the accompanying Statements of Financial Position.

Propane Education & Research Council, Inc.

Notes to Financial Statements

Assessment revenue: The PERA law requires the owner of odorized propane at the time of odorization, or at the time the odorized propane is imported, to make an assessment based on the volume of odorized propane sold and placed into commerce each month. The monthly assessments are to be remitted to the Council by the 25th of the following month. The assessment rate throughout the years ended December 31, 2019 and 2018 were .50 of one cent per gallon of odorized propane.

Fulfillment and other revenue recognition: The Council adopted Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606), on January 1, 2019. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The five-step model is outlined below:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Fulfillment revenue: The Council records sales of inventory as fulfillment revenue at a point in time when the order is filled. Costs of goods sold are netted against fulfillment revenue for financial statement presentation. Accounts receivable balances are contract assets and relate to fulfillment sales and are recorded when the sales revenue is recognized. There are no associated contract liabilities. The Council has the primary duty and responsibility to fulfill the obligation of providing merchandise and is therefore considered principal to the transaction. The Council has elected to treat shipping as a fulfillment cost.

Other revenue: Other revenue is comprised of registration revenue for the safety training conference and other miscellaneous income. Registration revenue is recognized at the point in time that the conference takes place. There are no contract assets or liabilities associated with this revenue stream.

Tax status: The Council is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code, and therefore has made no provision for federal income taxes. The Council has no unrelated business income.

Propane Education & Research Council, Inc.

Notes to Financial Statements

Uncertainties in income taxes: The Council evaluates uncertainty in income tax positions taken or expected to be taken on a tax return based on a more-likely-than-not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement and is recognized in the Council's financial statements. As of December 31, 2019 and 2018, there are no accruals for uncertain tax positions. If applicable, the Council records interest and penalties as a component of income tax expense. Tax years from January 1, 2016 through the current year remain open for examination by federal and state tax authorities.

Functional allocation of expenses: The Council's expenses have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the areas benefited. Accordingly, certain costs, detailed in the Statement of Functional Expenses, have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

Expenses that are allocated include the following:

Expenses	Method of Allocation
Salaries and payroll taxes	Employee time and effort
Benefits	Employee time and effort
Insurance	Employee time and effort
Rent	Employee time and effort
Travel and meetings	Employee time and effort
Printing and promotion	Employee time and effort
Dues and training	Employee time and effort
Equipment maintenance	Employee time and effort
Depreciation and amortization	Employee time and effort
Office expense	Employee time and effort

Use of accounting estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Propane Education & Research Council, Inc.

Notes to Financial Statements

Subsequent events: Management has evaluated subsequent events for disclosure in these financial statements through **DATE**, which is the date the financial statements were available to be issued.

As a result of the spread of the COVID-19 coronavirus, the Council has experienced disruptions to daily operations. Economic uncertainties have arisen which are likely to negatively impact investment returns and product sales. Other financial impact could occur though such potential impact is unknown at this time.

2. Program descriptions

Residential and commercial: The Council offers training programs for propane marketers and construction professionals on the safe installation and maintenance of propane appliances, including new technologies entering the market.

Safety and training: The Council offers safety information for consumers and provides training to propane industry members, equipment dealers and technicians, and emergency responders to foster the safe use, handling, storage, and transportation of odorized propane.

Consumer education: The Council supports education projects related to the safe use of odorized propane, to increase consumer awareness of propane and its many uses.

Research and development: The Council supports research through projects related to the use of odorized propane and the development of end-use equipment for residential, commercial, on-road, off-road, agricultural, and other markets.

Engine fuel: The Council supports safety, training, and research and development projects to foster the use of propane as a preferred fuel for engine applications.

Industry: The Council engages in strategic as well as other activities and projects to maximize its outreach to the propane industry.

Agriculture: The Council supports safety, training, and research and development programs and awards contracts designed to increase the use of propane as a preferred fuel in agricultural applications. The Council also coordinates its activities with agriculture industry trade associations and other organizations representing the agriculture industry.

Propane Education & Research Council, Inc.

Notes to Financial Statements

3. Investments

The Council investments are managed in accounts safeguarded in the Council's name. The individual certificates of deposit are purchased from separate institutions, and are insured by the FDIC. Municipal bonds are invested in general obligations of any state or subdivision thereof. The treasury mutual funds are invested exclusively in U.S. treasury obligations. Investments are presented in the financial statements at fair market value. The following is a summary of the investments as of December 31:

	2019	2018
Certificates of deposit	\$ 10,083,714	\$ 4,648,151
Municipal bonds	2,538,316	2,237,580
Treasury mutual funds	21,178,198	17,067,677
Total	\$ 33,800,228	\$ 23,953,408

The investment strategy for fixed income instruments is to purchase an investment and hold until maturity. This may generate unrealized gains and losses which may reverse if the investments are held to their maturity.

4. Fair value

The Council values certain investments at fair value in accordance with a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1. Observable inputs such as quoted prices in active markets for identical assets or liabilities;

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Propane Education & Research Council, Inc.

Notes to Financial Statements

The fair value of investments is as follows:

		Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
December 31, 2019	Total				
Certificates of deposit	\$ 10,083,714	\$ -	\$ 10,083,714	\$ -	
Municipal bonds	2,538,316	-	2,538,316	-	
Treasury mutual funds	21,178,198	21,178,198	-	-	
Total	\$ 33,800,228	\$ 21,178,198	\$ 12,622,030	\$ -	

		Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
December 31, 2018	Total				
Certificates of deposit	\$ 4,648,151	\$ -	\$ 4,648,151	\$ -	
Municipal bonds	2,237,580	-	2,237,580	-	
Treasury mutual funds	17,067,677	17,067,677	-	-	
Total	\$ 23,953,408	\$ 17,067,677	\$ 6,885,731	\$ -	

Propane Education & Research Council, Inc.

Notes to Financial Statements

Level 2 values for municipal bonds were developed utilizing quoted prices for similar assets in active markets for substantially the full term of the financial instrument. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flow approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks. Level 2 values utilized the current interest rates for certificates of deposit with similar time to maturity, discounting the future payment to present value at year end. Certificates of deposit bear interest ranging from 1.46% to 3.4% at December 31, 2019 and 1.20% to 3.80% at December 31, 2018 and have maturities ranging from 22 to 36 months, with penalties for early withdrawal. There have been no changes to Level 2 valuation methodologies for the years ended December 31, 2019 and 2018.

- 5. Operating lease** The Council is obligated under a lease agreement for office space which expires on August 31, 2025 for 8,757 square feet and has an annual escalation of 2.5%. Starting March 2020, the annual rent will increase by \$2.00 per rentable square foot in lieu of the 2.5% increase. The minimum payments required under the lease are expensed on a straight-line basis over the term of the lease. The Council also leases office equipment under operating leases.

The following is a schedule by years of future minimum rental payments required under the operating leases that have an initial or remaining non-cancelable lease term in excess of one year as of December 31, 2019:

Year Ending December 31	Total
2020	\$ 449,569
2021	461,915
2022	473,463
2023	485,299
2024	497,432
Thereafter	339,218
Total	\$ 2,706,896

Total rent expense for the years ended December 31, 2019 and 2018 was \$444,831 and \$439,308, respectively.

Propane Education & Research Council, Inc.

Notes to Financial Statements

-
- 6. Line of credit** The Council has a revolving line of credit of \$5,000,000. The purpose of this facility is to provide short term funding for either investment opportunities or liquidity shortfalls when operating funds are found to be insufficient. The line of credit bears a fluctuating interest rate of LIBOR plus 1.00%. The line of credit was not used at any time during 2019 or 2018. There is no expiration date and the credit line may be cancelled by either the Council or the lender at anytime without cause. The line contains a covenant requiring the Council to maintain a certain level of tangible net worth any time there are funds drawn.
- 7. Retirement plan** The Council established a 401(k) plan (the Plan) for all eligible employees. Employees are eligible to enroll on the first entry date after commencing employment. The Council's contributions to the Plan totaled \$220,485 and \$195,913 for the years ended December 31, 2019 and 2018, respectively.
- The Council established a 457(b) Private Deferred Compensation Plan for the President of the Council to meet the requirements outlined under U.S. Department of Labor Regulations. The 457(b) plan is funded by a contribution in the amount of \$15,000 per year. Plan administration and other expenses are charged to the Council. The Plan's assets are invested in Level 1 investment funds, including government money market funds and mutual funds, approved by the Council and chosen by the participant. Plan assets totaled \$99,891 and \$256,837 at December 31, 2019 and 2018, respectively. The related assets and matching liability are recorded within other assets and accrued expenses on the Statements of Financial Position.
- 8. Appropriations** **Agricultural appropriations:** The Council is required under PERA to commit not less than five percent of the collected assessments to programs and projects intended to benefit the U.S. agriculture industry. The minimum 2019 and 2018 commitments totaled \$2,480,417 and \$2,408,229, respectively. In addition, cumulative amounts committed but not yet appropriated to projects totaled \$1,456,504 and \$1,124,919 as of December 31, 2019 and 2018, respectively.
- Over-the-road motor fuels:** PERA states that a percentage of funds collected through assessments relating to the use of propane as an over-the-road motor fuel shall not exceed the percentage of the total market for odorized propane that is used as a motor vehicle fuel, based on the historical average of such use over the previous three year period. The historical average was 6.02% and 6.81% in 2019 and 2018, respectively. As of December 31, 2019, the Council was \$5,838,792 below this appropriation limit compared to \$4,117,453 below at December 31, 2018.

Propane Education & Research Council, Inc.

Notes to Financial Statements

9. State rebates PERA requires 20% of the assessment revenue recognized for a calendar year to be paid to the appropriate state propane education and research council created by state law or regulation, or similar entity within each state. Each state's share of the total rebate is based on their percentage of national sales of odorized propane in the preceding year of the ICF International Inc.'s statistical survey on national propane sales. The state rebate commitment for 2019 and 2018 was \$9,921,669 and \$9,632,916, respectively. The Council has recorded the funds required by PERA and administers the funds in accordance with policies and procedures promulgated by the Council.

10. Designated net assets Designated net assets represent funds which have been appropriated by the Council, but not fully spent. These amounts include amounts not yet earned by the contractors and other parties to be paid with these funds. Net assets have been designated for the following programs as follows as of December 31:

	2019	2018
Residential and commercial	\$ 2,561,364	\$ 789,370
Safety and training	1,181,886	715,785
Consumer education	839,058	3,033,403
Research and development	285,158	179,831
Engine fuel	1,200,129	1,699,943
Industry	1,188,025	2,296,943
Agriculture	2,007,937	1,325,330
Total	\$ 9,263,557	\$ 10,040,605

11. Administrative expense cap The Propane Education and Research Act of 1996 (PERA), Public Law 104-284 (15 U.S.C. 6401), requires that the Council limit expenditures for "Administrative" expenses to 10% of gross revenue generated by assessment remittances and other income. The Council's percentage of administrative expense was 6.09% and 6.15% for the years ended December 31, 2019 and 2018, respectively. The calculation is based on administrative costs before the allocation of costs to the programs.

Propane Education & Research Council, Inc.

Notes to Financial Statements

12. Liquidity and availability of resources

The Council strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. As of December 31, 2019 and 2018, the Council's financial assets available to meet the general expenditures within one year of the Statement of Financial Position date consist of:

	2019	2018
Cash and cash equivalents	\$ 4,160,393	\$ 3,849,973
Accounts receivable	18,337	116,718
Investments, current portion	30,058,886	20,294,101
Assessment receivable	7,283,554	6,705,086
Total financial assets at year end	41,521,170	30,965,878
Less: board designated appropriations	(9,263,557)	(10,040,605)
Financial assets available to meet cash needs for general expenditures within one year	\$ 32,257,613	\$ 20,925,273

Note 10 shows the breakdown of the board designated appropriations by program. The Council does not have any financial assets that are not available for general expenditures due to contractual obligations.

Propane Education and Research Council
Statement of Financial Position
February 29, 2020

	<u>Current YTD</u>
Assets	
Current Assets:	
Cash and cash equivalents	\$ 3,114,461
Assessment receivable	5,457,284
Inventory, net	527,111
Prepaid expenses and other assets	356,395
Total Current Assets	<u>9,455,251</u>
Non Current Assets:	
Long term investments, net current portion	40,298,783
Property and equipment, net	26,887
Intangible assets	1,500,000
Other non current assets	117,698
Total Non Current Assets	<u>41,943,368</u>
Total Assets	<u>\$ 51,398,619</u>
Liabilities and Net Assets	
Liabilities	
Current Liabilities:	
Accounts payable and other accrued expenses	\$ 2,333,959
State rebate obligation	13,204,872
Total Current Liabilities	<u>15,538,831</u>
Deferred rent	306,040
457 plan liability	58,059
Total Liabilities	<u>15,902,930</u>
Net Assets	
Net assets without donor restriction	
Undesignated	8,707,995
Undesignated but committed	1,890,566
Undesignated	<u>10,598,560</u>
Designated	<u>24,897,129</u>
Total Net Assets	<u>35,495,689</u>
Total Liabilities and Net Assets	<u>\$ 51,398,619</u>

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them. The accompanying note is an integral part of these financial statements.

Propane Education and Research Council
Statement of Activities
For the Two Months Ended February 29, 2020

	Actual	YTD Budget*	Favorable/ (Unfavorable)	Annual Budget
Revenue				
Assessment revenue	\$ 10,069,330	\$ 11,829,221	\$ (1,759,891)	\$ 41,854,183
State rebate	(2,013,866)	(2,365,844)	351,978	(8,370,837)
Net assessment revenue	8,055,464	9,463,377	(1,407,913)	33,483,346
Investment income, net	114,688	33,333	81,355	200,000
CETP Certification/ LMS Fees	-	101,667	(101,667)	610,000
Fulfillment, net	(16,726)	-	(16,726)	-
Other revenue	110,024	-	110,024	-
Total revenue	8,263,450	9,598,377	(1,334,927)	34,293,346
Expenses				
General and administrative				
Salaries and payroll taxes	127,342	134,434	7,092	806,602
Benefits	18,799	20,948	2,149	125,685
Accounting and bank fees	62,529	62,339	(190)	374,034
Computer maintenance & services	5,690	33,213	27,523	199,277
Dues and training	909	7,333	6,424	44,000
Equipment maintenance	5,818	333	(5,485)	2,000
Insurance	14,160	10,000	(4,160)	60,000
Rent expense	72,992	77,265	4,273	463,590
Legal fees	-	4,167	4,167	25,000
Travel and meetings	21,898	25,250	3,352	151,500
Other	1,138	1,667	529	10,000
Taxes and licenses	-	2,833	2,833	17,000
Office expenses	1,053	4,167	3,114	25,000
Postage and shipping	6,613	1,500	(5,113)	9,000
Printing and promotions	810	1,000	190	6,000
Professional services	19,058	24,333	5,275	146,000
Subscriptions and reference materials	-	833	833	5,000
Telephone services	8,494	8,133	(361)	48,800
Video, audio, and photography	-	8,167	8,167	49,000
Assessments & collections	16,297	15,000	(1,297)	90,000
Depreciation	6,619	10,000	3,381	60,000
Total general and administrative expenses	390,219	452,915	62,696	2,717,488
Program				
Indirect program expenses				
Program salaries and payroll taxes	642,956	761,202	118,246	4,567,213
Program benefits	96,302	125,040	28,738	750,240
Program IT support	158,059	116,294	(41,765)	697,766
Total indirect program expenses	897,317	1,002,536	105,219	6,015,219
Direct program expenses				
Residential and commercial markets	269,439	7,295,000	7,025,561	7,270,000
Propane industry	76,183	2,761,696	2,685,513	3,508,500
Technical research	76,784	600,000	523,216	1,230,000
Safety and training	108,126	1,120,720	1,012,594	3,878,000
Autogas	47,866	1,200,000	1,152,134	3,521,000
Outdoor power equipment	158,355	-	(158,355)	1,350,000
Material handling	26,654	1,070,000	1,043,346	1,570,000
Agriculture	69,405	1,440,000	1,370,595	2,093,000
Business development	56,050	575,000	518,950	650,000
Corporate communications	189,979	650,000	460,021	2,050,000
Presidential discretionary	-	-	-	300,000
Unallocated program costs	159,465	-	(159,465)	-
Total direct program expenses	1,238,306	16,712,416	15,474,110	27,420,500
Deobligations**	-	-	-	(500,000)
Total program expenses	2,135,623	17,714,952	15,579,329	32,935,719
Total expenses	2,525,842	18,167,867	15,642,025	35,653,207
Total change in net assets	5,737,608	(8,569,490)	14,307,098	(1,359,861)
Net assets, beginning of period	29,758,081	29,758,081	-	29,758,081
Total net assets, end of period	\$ 35,495,689	\$ 21,188,591	\$ 14,307,098	\$ 28,398,220

*YTD Budget is comprised of year-to-date budgeted revenue, administrative expenses, program expenses and 2020 commitments (approved funding) for programs.

**Deobligations has no effect on income and as such shown as zero in this financial statement.

As of February 29, 2020 it amounted to \$0. Refer to Docket Funding Report for the details.

Propane Education and Research Council
Note to the Financial Statements
For the Two Months Ended February 29, 2020

Departures from U.S. Generally Accepted Accounting Principles (GAAP)

For the annual audit, Propane Education & Research Council, Inc. prepares financial statements and disclosures in compliance with generally accepted accounting principles (GAAP). For interim reporting, management has determined that the additional cost to prepare fully GAAP compliant interim financial reports outweighs the benefits and prefers to use the savings to support programmatic and operational expenditures. As a result, certain GAAP requirements are not incorporated in the interim financial statements. This is an acceptable and common practice used for the purpose of interim financial reporting for nonprofit organizations. The following lists the significant departures from GAAP for this set of interim financial statements:

1. Substantially all disclosures have been omitted
2. The Statement of Cash Flows has been omitted
3. The Statement of Functional Expenses has been omitted

If the above departures from U.S. GAAP were included in the financial statements, they might influence the users' conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.
The accompanying note is an integral part of these financial statements.

Supplemental Reports
For the Two Months Ended February 29, 2020

Propane Education and Research Council
Docket Funding
For the Two Months Ended February 29, 2020

	Approved Funding	January 1, 2020 Balance	2020 Approved Funding	2020 Approved Deobligations	2020 Amount Spent	YTD Remaining Funding	Percent Remaining
Docket Payable and Council Appropriations							
21267-Rinnai HP	75,000	2,211	-	-	-	2,211	2.95 %
21375-18 ResCom Mkt	2,149,800	141	-	-	-	141	0.01 %
21493-18ConProIncntv	275,000	50,325	-	-	-	50,325	18.30 %
21600-SmartWatt	45,000	26,541	-	-	-	26,541	58.98 %
21663-Res GHP	200,000	200,000	-	-	-	200,000	100.00 %
21710-ST Indust/Comm	212,910	183,154	-	-	600	182,554	85.74 %
21769-Nat Builder	1,200,000	1,200,000	-	-	3,000	1,197,000	99.75 %
21770-19 ResCom Mkt	3,120,000	62,241	-	-	49,534	12,707	0.41 %
21944 Technical and Market Analysis for Residential and Commercial Micro-CHP	25,000	25,000	-	-	51	24,949	99.80 %
21957 Hydronic Air Handler	200,000	200,000	-	-	-	200,000	100.00 %
21988 2019 Integrated Marketing Campaign – Homeowner Outreach	3,000,000	548,751	-	-	24,600	524,151	17.47 %
22097-Wtr Htr Sitling Compress	63,000	63,000	-	-	-	63,000	100.00 %
22098-2020 Res Const Mkt Out	2,140,000	-	2,140,000	-	187,631	1,952,369	91.23 %
22103-2020 Commercial Mkt Out	905,000	-	905,000	-	3,561	901,439	99.61 %
22113-2020 Res Consum Mkt Out	4,250,000	-	4,250,000	-	462	4,249,538	99.99 %
Total Residential & Commercial Markets	17,860,710	2,561,364	7,295,000	-	269,439	9,586,925	53.68 %
21633-18 Homeowner	3,100,000	33,239	-	-	-	33,239	1.07 %
Total Homeowner	3,100,000	33,239	-	-	-	33,239	1.07 %
22315-Emissions Testing Ultra Low NOx Engine on Renewable Propane	10,500	1,500	-	-	-	1,500	14.29 %
Total Presidential Discretionary	10,500	1,500	-	-	-	1,500	14.29 %
21039-17 Partnrshp	1,394,500	159,680	-	-	-	159,680	11.45 %
21355-18 Ind Outrch	440,000	1,177	-	-	30	1,147	0.26 %
21356-18 PWS	1,500,000	183,943	-	-	(17,029)	200,972	13.40 %
21436-18 AC/Programs	490,000	8,149	-	-	7,500	649	0.13 %
21437-18 NPGA/GPA Partnership	1,319,500	184,748	-	-	-	184,748	14.00 %
21441-18 Stratas	305,000	747	-	-	-	747	0.24 %
21461-17 Sales Rpt	299,547	500	-	-	-	500	0.17 %
21547-WFRecruitPilot	500,000	45,050	-	-	-	45,050	9.01 %
21638-18 MST	450,000	40,018	-	-	-	40,018	8.89 %
21723-19 Industry	505,000	-	-	-	(16,062)	16,062	3.18 %
21725-19PWS	1,000,000	112,215	-	-	29,217	82,998	8.30 %
21740-18 WF Recruit	250,000	45,196	-	-	-	45,196	18.08 %
21792-NCTEC Pilot	250,000	62,021	-	-	-	62,021	24.81 %
21801-18 Sales Rpt	212,696	72,696	-	-	-	72,696	34.18 %
21802-19 Stratas	105,000	20,000	-	-	-	20,000	19.05 %
21814 A-19 NPGA/GPA Partnership Propane Industry	669,500	62,391	-	-	(2,954)	65,345	9.76 %
21815-19 AC/Programs	490,000	53,922	-	-	8,753	45,169	9.22 %
21866-Digital Strategy and Enhancement - Phase 2	330,759	-	-	-	4,000	(4,000)	(1.21) %
21869-Marketer Can-Do Marketing Program	248,000	96,689	-	-	(84)	96,773	39.02 %
21943 Impact of Propane Industry on U.S. and State Economies (2018)	70,000	70,000	-	-	-	70,000	100.00 %
22082-2020 Industry Eng	454,000	(5,802)	454,000	-	7,763	440,435	97.01 %
22106-2020 Marketer Training	605,000	(15,658)	605,000	-	9,509	579,833	95.84 %
22213A-2020 NPGA GPA Part Ind	895,000	-	895,000	-	451	894,549	99.95 %
22214-2020 Adv Committee	450,000	(11,078)	450,000	-	30,226	408,696	90.82 %
22215-2019 Retail Sales Rpt	212,696	-	212,696	-	-	212,696	100.00 %
22216-2020 Market Research	145,000	-	145,000	-	14,863	130,137	89.75 %
Total Propane Industry	13,591,198	1,186,604	2,761,696	-	76,183	3,872,117	28.49 %
20876-ACME Hose	75,000	26,869	-	-	-	26,869	35.83 %
20893-WVU-CAFEE Test	199,200	11,341	-	-	-	11,341	5.69 %
21257-Fuel Smplng 17	110,400	30,745	-	-	-	30,745	27.85 %
21817-Fuel Sampling	50,000	43,327	-	-	-	43,327	86.65 %
22016 Carbon Management Information Center Consortium 2019	75,000	14,976	-	-	-	14,976	19.97 %
22030 Chassis Dynamometer Evaluation of Propane Powered MD to HD Vehicles	197,000	157,900	-	-	76,700	81,200	41.22 %
22213B-2020 NPGA GPA Part Tech	600,000	-	600,000	-	84	599,916	99.99 %
Total Technical Research	1,306,600	285,158	600,000	-	76,784	808,374	61.87 %
20778-Fundamentals of Propane Liquid Transfer	85,650	85,650	-	-	-	85,650	100.00 %
20884-Autogas Fuel Tank	59,650	56,508	-	-	-	56,508	94.73 %
20888-Autogas Facil Safety	39,650	44,029	-	-	-	44,029	111.04 %
21310-Prog Ind Train Con	30,000	685	-	-	-	685	2.28 %
21385-LMS	157,410	50,842	-	-	36	50,806	32.28 %
21630-ST Mats Updt	42,250	17,169	-	-	-	17,169	40.64 %
21658-19 Train Conf	47,800	947	-	-	-	947	1.98 %
21707-WF Dev Consult	205,000	27,136	-	-	-	27,136	13.24 %
21783-19 CETP	490,095	326,877	-	-	108,986	217,891	44.46 %
21933 Dispensing Propane Safely Technical and Market Revisions	298,354	255,795	-	-	(896)	256,691	86.04 %
21996 Entry Level Driver Training	310,000	310,000	-	-	-	310,000	100.00 %
22157-CETP Captivate	270,000	6,246	-	-	-	6,246	2.31 %
22395-2020 CETP Support	304,850	-	304,850	-	-	304,850	100.00 %
22396-2020 Learning Center	305,500	-	305,500	-	-	305,500	100.00 %
22397-CETP Modularization	485,370	-	485,370	-	-	485,370	100.00 %
22405-Propane Emerg Strat	25,000	-	25,000	-	-	25,000	100.00 %
Total Safety and Technical Training	3,156,579	1,181,884	1,120,720	-	108,126	2,194,478	69.52 %

Propane Education and Research Council
Docket Funding
For the Two Months Ended February 29, 2020

	Approved Funding	January 1, 2020 Balance	2020 Approved Funding	2020 Approved Deobligations	2020 Amount Spent	YTD Remaining Funding	Percent Remaining
20016-ICOM JTGhp	600,000	299,989	-	-	-	299,989	50.00 %
20905B-HEHP Engine AutoGas	2,237,188	86,879	-	-	-	86,879	3.88 %
21301-Online Autogas	71,900	61,815	-	-	-	61,815	85.97 %
21357-18 Autogas TT	107,446	53,291	-	-	-	53,291	49.60 %
21765-19 Autogas Mkt	1,200,000	5	-	-	10,698	(10,693)	(0.89) %
22111-2020 Autogas Mkt Out	1,200,000	(18,214)	1,200,000	-	37,168	1,144,618	95.38 %
Total Autogas	5,416,534	483,765	1,200,000	-	47,866	1,635,899	30.20 %
21670-19 MIP	375,000	203,224	-	-	152,380	50,844	13.56 %
21761-B&S EFI Engine	90,000	89,511	-	-	-	89,511	99.46 %
21764-19 OPE Mkt	1,200,000	13,287	-	-	5,975	7,312	0.61 %
Total Outdoor Power Equipment	1,665,000	306,022	-	-	158,355	147,667	8.87 %
21115-Hybrid Forklift	97,527	72	-	-	-	72	0.07 %
21763-19 MH Mkt	980,000	12,269	-	-	13,137	(868)	(0.09) %
21984B Advanced Technology Medium-Duty Propane Engine	398,000	398,000	-	-	-	398,000	100.00 %
22085-2020 MH Mkt Out	1,070,000	-	1,070,000	-	13,517	1,056,483	98.74 %
Total Material Handling/Industrial	2,545,527	410,341	1,070,000	-	26,654	1,453,687	57.11 %
18126-CNH Tractor	965,000	714,748	-	-	-	714,748	74.07 %
20896-OffRd Eng Dev	515,000	179,691	-	-	1,620	178,071	34.58 %
20987-17 FIP	300,000	27,341	-	-	9,810	17,531	5.84 %
21377-18 Ag Mkt	1,100,000	166,758	-	-	1,373	165,385	15.04 %
21664-IIS Engine	250,000	195,121	-	-	2,017	193,104	77.24 %
21722-Soil Steaming	35,000	5,000	-	-	-	5,000	14.29 %
21768-19 Ag Mkt	950,000	122,278	-	-	45,745	76,533	8.06 %
21984A Advanced Technology Medium-Duty Propane Engine	597,000	597,000	-	-	-	597,000	100.00 %
22095-2020 FIP	400,000	-	400,000	-	-	400,000	100.00 %
22104-2020 Ag Mkt Out	1,040,000	-	1,040,000	-	8,840	1,031,160	99.15 %
Total Agriculture	6,152,000	2,007,937	1,440,000	-	69,405	3,378,532	54.92 %
22090-2020 Bus Dev Eng	575,000	(79)	575,000	-	56,050	518,871	90.24 %
Total Business Development	575,000	(79)	575,000	-	56,050	518,871	90.24 %
22112-2020 Corp Comm	2,050,000	805,819	650,000	-	189,979	1,265,840	61.75 %
Total Corporate Communications	2,050,000	805,819	650,000	-	189,979	1,265,840	61.75 %
Total Docket Payable and Council Appropriations	\$ 57,429,648	\$ 9,263,554	\$ 16,712,416	\$ -	\$ 1,078,841	\$ 24,897,129	43.35 %

Propane Education & Research Council
Docket Funding Summary
For the Two Months Ended February 29, 2020

	Approved Funding	Beginning Balance	2020 Approved Funding	2020 Approved Deobligations	2020 Amount Spent	Remaining Funding	Percent Remaining
Residential & Commercial Markets	\$ 17,860,710	\$ 2,561,364	\$ 7,295,000	\$ -	\$ 269,439	\$ 9,586,925	53.68 %
Homeowner	3,100,000	33,239	-	-	-	33,239	1.07 %
Program Support	-	-	-	-	-	-	#DIV/0!
Presidential Discretionary	10,500	1,500	-	-	-	1,500	14.29 %
Propane Industry	13,591,198	1,186,604	2,761,696	-	76,183	3,872,117	28.49 %
Technical Research	1,306,600	285,158	600,000	-	76,784	808,374	61.87 %
Safety and Technical Training	3,156,579	1,181,884	1,120,720	-	108,126	2,194,478	69.52 %
Autogas	5,416,534	483,765	1,200,000	-	47,866	1,635,899	30.20 %
Outdoor Power Equipment	1,665,000	306,022	-	-	158,355	147,667	8.87 %
Material Handling/Industrial	2,545,527	410,341	1,070,000	-	26,654	1,453,687	57.11 %
Agriculture	6,152,000	2,007,937	1,440,000	-	69,405	3,378,532	54.92 %
Business Development	575,000	(79)	575,000	-	56,050	518,871	90.24 %
Corporate Communications	2,050,000	805,819	650,000	-	189,979	1,265,840	61.75 %
Total Docket Payable and Council Appropriations	\$ 57,429,648	\$ 9,263,554	\$ 16,712,416	\$ -	\$ 1,078,841	\$ 24,897,129	43.35 %

Propane Education & Research Council
2020 Program Budget Analysis
April-20

FUNDING INITIATIVES	Budget Amount	2020 Dockets Approved	22494	22495	22500	April 2019 Dockets	Funding Remaining
Agriculture							
Consumer Outreach	\$475,000	(\$475,000)				\$0	\$0
Incentive Programs	\$0	(\$400,000)				\$0	(\$400,000)
Industry Outreach	\$90,000	(\$90,000)				\$0	\$0
Influencer Outreach	\$475,000	(\$475,000)				\$0	\$0
Product Development	\$1,103,000	\$0				\$0	\$1,103,000
Total	\$2,143,000	(\$1,440,000)				\$0	\$703,000
Autogas							
Consumer Outreach	\$750,000	(\$750,000)				\$0	\$0
Industry Outreach	\$50,000	(\$50,000)				\$0	\$0
Influencer Outreach	\$725,000	(\$225,000)				\$0	\$500,000
Market Research	\$75,000	(\$75,000)				\$0	\$0
Product Development	\$1,821,000	\$0				\$0	\$1,821,000
Strategic Partnerships	\$100,000	(\$100,000)				\$0	\$0
Total	\$3,521,000	(\$1,200,000)				\$0	\$2,321,000
Business Development							
Program Support	\$575,000	(\$575,000)				\$0	\$0
Strategic Partnerships	\$75,000	\$0				\$0	\$75,000
Total	\$650,000	(\$575,000)				\$0	\$75,000
Commercial							
Consumer Outreach	\$230,000	\$0				\$0	\$230,000
Industry Outreach	\$25,000	(\$40,000)				\$0	(\$15,000)
Influencer Outreach	\$590,000	(\$835,000)				\$0	(\$245,000)
Product Development	\$250,000	\$0				\$0	\$250,000
Strategic Partnerships	\$10,000	(\$20,000)				\$0	(\$10,000)
Total	\$1,105,000	(\$895,000)				\$0	\$210,000
Corporate Communications							
Digital Strategy & Analytics	\$400,000	(\$200,000)				\$0	\$200,000
Industry Outreach	\$350,000	(\$250,000)				\$0	\$100,000
Program Support	\$400,000	(\$200,000)				\$0	\$200,000
Thought Leadership	\$900,000	\$0				\$0	\$900,000
Total	\$2,050,000	(\$650,000)				\$0	\$1,400,000
Material Handling/Industrial							
Consumer Outreach	\$300,000	(\$300,000)				\$0	\$0
Industry Outreach	\$50,000	(\$50,000)				\$0	\$0
Influencer Outreach	\$550,000	(\$550,000)				\$0	\$0
Market Research	\$50,000	(\$50,000)				\$0	\$0
Product Development	\$550,000	\$0				\$0	\$550,000
Strategic Partnerships	\$70,000	(\$70,000)				\$0	\$0
Total	\$1,570,000	(\$1,020,000)				\$0	\$550,000
Outdoor Power Equipment							
Consumer Outreach	\$200,000	\$0				\$0	\$200,000
Incentive Programs	\$300,000	\$0				\$0	\$300,000
Industry Outreach	\$100,000	\$0				\$0	\$100,000
Influencer Outreach	\$500,000	\$0				\$0	\$500,000
Market Research	\$30,000	\$0				\$0	\$30,000
Product Development	\$150,000	\$0				\$0	\$150,000
Strategic Partnerships	\$70,000	\$0				\$0	\$70,000
Total	\$1,350,000	\$0				\$0	\$1,350,000
Presidential Discretionary							
	\$300,000	\$0				\$0	\$300,000
Total	\$300,000	\$0				\$0	\$300,000
Propane Industry							
Industry Outreach	\$929,000	(\$909,000)				\$0	\$20,000
Market Research	\$570,000	(\$357,696)				\$0	\$212,304
Program Support	\$490,000	(\$450,000)				\$0	\$40,000
Strategic Partnerships	\$719,500	(\$895,000)				\$0	(\$175,500)
Workforce Outreach	\$800,000	\$0	(\$250,000)	(\$400,000)	(\$196,337)	(\$846,337)	(\$46,337)
Total	\$3,508,500	(\$2,611,696)				(\$846,337)	\$50,467
Residential							
Consumer Outreach	\$4,000,000	(\$4,000,000)				\$0	\$0
Incentive Programs	\$500,000	(\$400,000)				\$0	\$100,000
Industry Outreach	\$25,000	(\$85,000)				\$0	(\$60,000)
Influencer Outreach	\$1,230,000	(\$1,380,000)				\$0	(\$150,000)
Market Research	\$235,000	(\$130,000)				\$0	\$105,000
Product Development	\$150,000	\$0				\$0	\$150,000
Strategic Partnerships	\$25,000	(\$20,000)				\$0	\$5,000
Total	\$6,165,000	(\$6,015,000)				\$0	\$150,000
Safety & Technical Training							
Autogas Safety & Technical Training	\$300,000	\$0				\$0	\$300,000
Commercial Safety & Tech Training	\$50,000	(\$10,000)				\$0	\$40,000
Residential Safety & Tech Training	\$425,000	(\$400,000)				\$0	\$25,000
OPE Safety & Technical Training	\$50,000	\$0				\$0	\$50,000
Material Handling Safety & Technical Training	\$50,000	(\$50,000)				\$0	\$0
Industry Safety & Technical Training	\$2,953,000	(\$1,245,720)				\$0	\$1,707,280
Total	\$3,828,000	(\$1,705,720)				\$0	\$2,122,280
Technical Research							
Technical Research	\$630,000	\$0				\$0	\$630,000
Strategic Partnerships	\$600,000	(\$600,000)				\$0	\$0
Total	\$1,230,000	(\$600,000)				\$0	\$630,000
Grand Total	\$27,420,500	(\$16,712,416)				(\$846,337)	\$9,861,747

APRIL 2020 COUNCIL MEETING

Presidential Approval Monitoring



PROPANE
education & research
COUNCIL

Chief Executive Officer's Report

March 26, 2020

Meeting. The Council will convene by conference call April 9 from 10 a.m. Eastern Daylight Time to about noon.

Coronavirus Response. To support propane marketers in this unprecedented situation, we created [a new landing page](#) on propane.com that includes a video message from me and a variety of materials that offer recommendations for companies to consider when addressing daily operations, employees, and customers regarding COVID-19. We also posted a statement for consumers on the [home page of propane.com](#) that includes information about how the propane industry is responding to the crisis, and links to our consumer safety resources.

Propane Markets Summit. We are pleased to report that the Propane Markets Summit in Orlando, Feb. 25-26 was a success. Ninety-five attendees (manufacturers, dealers, end-users, marketers, state executives, and industry partners) participating in market breakouts (residential commercial, agriculture, on-road, and off-road) discussed strengths and opportunities in the marketplace and identified strategies, partnerships, and actions that support the ideal future for each market. Each market sub-group produced a list of 3-5 growth ideas that might achieve the desired future. We'll bring these ideas to the Advisory Committee for further discussion and planning. Initial post-event survey results show 98% of participants were satisfied/very satisfied with the quality of discussion and 97% are likely/extremely likely to recommend this type event to an industry colleague.

Environmental Messaging. At the Council meeting, we will provide an update on the work by the three subgroups of the Council's Task Force on Environmental Messaging and show you how we have taken the suggested themes and developed a framework for how we move forward with environmental messaging. We will also have an update on a new thought leadership campaign with a 2020 implementation plan and timeline. You will learn about a new idea of how this thought leadership and environmental messaging could live on propane.com and how we will equip and train the industry to talk about the many environmental benefits of propane.

Region Meetings. We conducted two meetings in the first quarter, the SE/SC regions in Memphis on January 22 and the New England region in Providence on March 10. We decided to postpone the remaining region meetings and we will keep you updated on any that may be rescheduled when the time is appropriate. In the meantime, we will continue our outreach and engagement with the state executives and industry members, focusing on PERC's priorities and addressing their local needs.

Driver Story Goes Viral. Actions by a Dead River Company delivery driver in Maine went viral when it touched an emotional chord with millions of viewers across the country. After Casey Cramton first alerted us to the story, we created a new video with interviews by the driver and customer that we re-posted to our social media channels. We also used the video to successfully pitch the story to FOX News, which wrote a new article for its website that was promoted on its homepage, and conducted a live interview with the driver on the FOX and Friends morning show. It's stories like these that set our industry apart as neighbors serving neighbors with a clean, American fuel.

Business Development Team Update. During the first quarter, staff met with UC Davis, Soil Steam International, Sierra Cascade Nursery — the largest berry producer in the U.S., the U.S.

Postal Service, the American Trucking Association, Algas, Reliable Horsepower, Pacific Ag Rentals, Daimler North America, RegO, PSI, Cavagna, Anova, Brash Power, Bobcat, Gladstein, Case IH, New Holland, Kubota, John Deere, Agrothermal Systems, Husker Power, Industrial Truck Association, Doosan, Clark, Caterpillar, Kohler, Kurtz Truck Equipment, Zenith Power, Valley of the Sun Clean Cities Coalition, IC/Navistar, Delta Liquid Energy, Industrial Irrigation, Air-O-Fan, VRAD, Valley Power, Valley Irrigation, Oxbow, Sukup, GSI, Brock, McCormick, National Egg Board, National Pork Producers Council, and the National Corn Growers; attended shows including the International Builders Show, the R & K Pivot Grower Meeting, NTEA Work Truck Show, CMA Shipping Conference, World LPG Innovation for Growth Summit, Great Energy Gathering, World Ag Expo, American Rental Association Tradeshow, Ohio PGA Association quarterly meeting, Commodity Classic, National Farm Machinery Show, Georgia irrigation meeting, Energy Independence Summit, Union County Hospital meeting, School Bus Summit, Con Expo, the Manufactured Housing Industries Winter Board Meeting, a roundtable discussion on the electrification-of-everything movement as a guest of Rinnai, Hearth Patio and BBQ Expo, the ACEEE water heater forum, and MODEX 2020; and developed campaigns including the USDA REAP Grant promotion, and National FFA Week outreach.

Advisory Committee Appointments. Chairman Rob Freeman has made one new appointment to the Advisory Committee since the February meeting.

To the Safety & Technical Training Working Group: Donald Houde from Erisk Solutions in Oshkosh, WI.

Presidential Approval. Since our February meeting I have exercised my presidential authority to approve one no cost change order to extend a project's timeline:

- **Docket 20905** — High Efficiency, High Performance, Ultra-Low NOx Medium Duty Propane Engine, March 31, 2021.

I look forward to speaking with you.

Tucker Perkins

To: Tucker Perkins

From: Greg Kerr

Re: No change order to Docket 20905 – High Efficiency, High Performance, Ultra-Low NOx Medium Duty Propane Engine

Date: January 27, 2020

Cummins developed and built two prototype high efficiency propane direct injection engines that obtained tremendous results. The results were presented at the 2019 World LP Gas Association World Forum and the Society of Automotive Engineers will publish a paper. The direct injection fuel system is the first of its kind and there were challenges with the durability of some of the components in the test cell and on the demonstration vehicle. To ensure a successful demonstration, Cummins replaced the direct injection fuel system with vapor port injection (VPI) system at their cost. The test results were nearly as good as the direct injection system and the VPI system uses proven components. These events have caused delays in the project and Cummins requests a no-cost extension through March 31, 2021 to allow for a twelve-month vehicle demonstration



PROPANE
education & research
COUNCIL

To: Tucker Perkins
From: Bridget Kidd
Re: Workforce Outreach Strategic Plan
Date: March 17, 2020

For discussion at the April Council Meeting, please find the enclosed documents for review, discussion and consideration:

- Workforce Outreach Strategic Plan
- Roles & Responsibilities
- Current Workforce Outreach Resources
- Memo regarding creation of a joint task force
 - Resolution for adoption by PERC & NPGA to create a Workforce Outreach Task Force
- Funding Requests to Implement Strategic Plan
 - Docket 22494: Workforce Outreach Support
 - Docket 22495: Technical School Grant Program
 - Docket 22500: PERC Region 2 Military Education & Recruitment Program
 - Docket 22511: Training Tablets (AL)

Overview:

The PERC 2020-2022 Strategic Plan identifies workforce outreach as a key priority. Specifically, the plan calls for PERC to develop professional, informed, and skilled workforce and trade allies through world-class safety and technical training. This plan outlines the ways in which PERC will work toward that key objective.

Meeting the objective outlined above will be completed through three key areas: Propane Industry Workforce Safety & Sales Training, Workforce Outreach, and External Market (trade allies) Training.

- 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
 - Audience: Operations, sales, service, delivery and customer service personnel
 - Promote cross selling opportunities (to be included in training)
- Workforce Outreach
 - Support for vocational and technical school curriculum development.
- External Market (trade allies) Training
 - Drive awareness utilizing career and vocational education course curriculum development & packaging.
 - Train influencers & allied trades with CEU accredited training & increase awareness on the benefits of propane applications (modify language to allow for inclusion of first responders)
 - Assist states in the deployment of external audience training support (deployment) at the local level

Workforce Outreach can be defined as those activities to create and leverage content, education, partnerships and resources to bridge the gap between a market-based need for trained and capable employees and the community, education system, or organizations where those individuals reside.

To be successful in achieving the objectives set forth in the strategic plan, it's imperative to implement the Workforce Outreach plan industry-wide with reasonable consistency while building collaboration between the State Entities, PERC, and NPGA.

This plan will aim to align current program activities with productive and meaningful outputs. As such, the plan will identify the best strategic initiatives to impact change at the intersection of cost, effort, and results.

Strategies:

1. Provide a comprehensive overview and structure for priority industry workforce outreach activities.
2. Define positions and milestones in the career path for industry employees
3. Address multiple states of careers and career advancement:
 - i. Secondary Education
 - ii. Post-Secondary Education
 - iii. Professional Development
 - iv. Career Transitioning

v. Supplemental Employment

4. Build awareness of and deploy accessible and affordable educational programs and resources for use in classrooms, online, in labs, and through apprenticeship programs.
5. Integrate into military transition programs for veterans seeking employment.
6. Facilitate State Associations and interested propane industry professionals working with each other to share ideas, best practices and resources.

Plan Detail and Tactics:

Overview of Workforce Outreach Activities, In progress

Several programs and activities are already underway. The immediate effort will be to leverage, consolidate, and communicate the availability of existing resources to encourage and inspire action at the state and local level. Simultaneously, these programs will provide national “air cover” on generating awareness and encouraging action in several areas. In areas where PERC & NPGA do not have programs in place, recommendations and guidance will be provided for consideration. To this end, the overall workforce outreach strategic initiatives, across all business segments, include:

- I. **Outreach to schools/curriculum developers/influencers to increase awareness of the available curricula and certifications to students:** PERC, NPGA and State Associations will provide materials and resources to generate awareness at the technical school/college levels. These activities are done through the market outreach and industry engagement programs and include:
 - a. Available Curriculum:
 - i. Overview of Propane Distribution Systems (Completed)
 - ii. HVAC and Plumber Technical Training with Certification (Completed)
 - iii. Autogas Technician Training
 - iv. Sales Training (Completed)
 - v. FFA Lesson Plans (Completed)
 - b. Outreach Resources (Completed): Introductory materials (letter, email, PPT), four job specific videos (English/Spanish), overview brochure and fact sheet, landing page, and Career Day resource bundle.
- II. **Outreach to technical school and industry trainers and instructors through Train the Trainer events:** PERC will host four Train the Trainer events in 2020. Promotion of these events will be through a contest targeting all school instructors, curriculum developers, and other educators. This program will engage interested participant to increase their awareness of the available *Overview of Propane Distribution Systems curriculum* while encouraging them to submit to win a trip and in-person training on the curriculum.
 - i. This program will train between 100-120 instructors in 2020.
 - ii. Outreach included paid advertising, communication with past participants, industry outreach, and a program-dedicated landing page.
 - iii. At the close of the 2020 events, distribute a survey to all past train the trainer participants (this program is in its fourth year) asking them to provide feedback on if they are using the curriculum in their classes and

any feedback they have about it. These results will be considered for future updates to the curriculum and other training content.

III. Provide tools and resources to the propane industry to be better positioned to attract the next generation of workers.

- a. Provide updated Certified Employee Training Program through the modularization and modification of the CETP program through 2020.
 - i. Develop task-based training
 - ii. Develop educational programs to support career development.
 - iii. Develop specific learning paths leveraging CETP training programs that support career pathways in the propane industry.
 - iv. Provide customizable educational programs to meet specific needs and requirements of employers.
- b. Update training to include training that compliments a variety of learning styles and platforms (audio, visual, hands on, and blended).
 - i. This initiative will be completed through the transition and updating of CETP materials and other PERC educational programs.
- c. Develop, maintain and deploy sales training for propane workforce through online training in the Learning Center and in-person training as part of Sales Summits.
 - i. Conduct 5 Sales Summits in 2020 to engage marketers with regionally specific tools and resources to leverage growth opportunities at the local level.
 - ii. Train at least 1,500 sales professionals, annually, through the online Propane Sales Training.
 - iii. Expansion of the CSR offerings in both Safety & Sales training
 - iv. Expansion of all tracks to include environmental messaging.

IV. Outreach to Plumbing/HVAC/Autogas Technicians to increase their awareness of propane and likelihood to specify, maintain, and service propane equipment

- a. Expand partnerships with professional associations and existing training networks to leverage PERC resources.
 - i. This initiative is supported by outreach efforts in the Residential & Commercial Business Development program through digital outreach, trade show participation, and other communications.
 - ii. Updated and modularized educational materials will be deployed at local and state levels to embed propane specific materials into existing HVAC/Plumbing programs.

V. Develop Entry Level Driver Training Program: this training program will allow the propane industry to be best positioned to comply with federal mandates and more expeditiously train employees.

- i. This program can be incorporated into existing industry apprenticeship programs.
- ii. Program can be utilized by driving schools or by individual employers.
- iii. Provides a platform to bring inexperienced employees into the industry and can be coupled with existing industry specific training programs.

VI. Apprenticeship Program (PERC & NPGA)

- a. Develop compliance documents and guidance documentation (April 2020)
- b. State Outreach
 - i. Establish Registered Apprenticeship Program at state level
 - ii. Partner with Workforce Boards Awareness Program/Workforce Investment Boards
 - iii. Funding/Grant procurement (NPGA/States)
 - 1. This initiative will be operated and maintained by NPGA with funding provided in the NPGA/PERC partnership agreement.

VII. Pilot Workforce Outreach Program: The PERC workforce outreach pilot program provided for \$500,000 in the form of individual grant applications to state approved entities. While some of those programs are in the final phase of completion, three key programs provided the most tangible benefits: Vets2Techs partnership, direct engagement with technical schools, and the communications and marketing-based programs.

VIII. Partnership funding for the establishment of NC TEC.

These programs have been developed and will be deployed to achieve the best impact on the industry's current needs but also looking to the future. However, to best accomplish the goals outlined in the Strategic Plan and provide a solid foundation for continued growth and engagement in this critical effort, the programs below are proposed.

Based on what's been learned through the deployment of ongoing programs and the initial modifications to current programs (CTEP, outreach, train the trainer programs, pilot programs, etc.), the proposed programs and activities are the priority elements to compliment the above outlined activities to most successfully impact meaningful change on behalf of the industry.

Workforce Outreach Activities, Proposed:

- I. Collect workforce data and information through research for future programs and engagement:** Engage with a research vendor to develop, implement, and evaluate a survey to best quantify the workforce components of the propane industry. This will allow PERC to better understand the opportunity for market penetration of the training and educational programs and use of outreach materials. The goal would be to better understand size and scope of the propane industry employment status to include the number and types of job categories, current employee population, employee demographics, estimate industry fleet. If possible, this study would explore the potential service needs of the market, too. This work would provide a written report with statistically significant data for national, regional, and state specific use.
- II. Create and coordinate a Virtual Workforce Outreach Summit:** This initiative will use PERC staff, partners and existing technology to provide platforms for engagement, conversation, and idea sharing regarding a multitude of topics related to workforce outreach. The goal would be to empower individual marketers, state associations, and other interested parties in leveraging tools and resources to most

effectively recruit, retain, and train employees. This program could begin with a 6-month program with the option to expand these activities based on demand.

- i. The summit would have a variety of speakers like trade school instructors, curriculum developers, administrators, allied partners that can share information and new ideas with attendees.
- ii. Involve representatives of national and federal workforce development organizations like National Association of workforce Boards, federal Department of Labor, American job centers, Department of Defense, veteran affairs and other related organizations.
- iii. Topics of interest: Human Resources best practices like recruiting and retaining employees in a competitive market, career path models and purpose, Veteran outreach, competitive compensation packages, How to work with a trade school (State execs & Marketers), Partnering with equipment manufacturers, Apprenticeship Programs/DOL, successful engagement programs to highlight (8th grade job fairs, Career Day, FFA)
- iv. The summit would be promoted to the propane industry through standard PERC and NPGA communication channels.

III. **Develop an Engagement User Guide:** This comprehensive tool would enable and encourage states and individual companies to engage in workforce outreach activities to increase awareness of the opportunities in the propane industry and best understand how to use resources, materials, and programs that have already been developed.

- i. The comprehensive user guide would be developed as a booklet that is easy to reference and clearly outlines the opportunities and resources.
- ii. It would include an overview about the current state of the industry's workforce and the issue at hand (aging workforce and labor shortage); as the data collection effort is completed, this overview would be updated with relevant numbers and content to present a more holistic story.
- iii. The guide would include information about the apprenticeship program, technical school outreach and available curriculum, grant programs, how to get involved with a local technical school (using a case study as an example), resources available, and an outline of the career paths available in the propane industry and the training programs available for each.

IV. **Develop a workforce outreach awareness campaign:** drive interested and prospective employees to better understand opportunities in the propane industry and connect them with available opportunities through industry accepted platforms on propane.com.

- i. Target potential job seekers primarily online and serve them with digital ads promoting the job opportunities and benefits of working in the propane industry.
- ii. Paid media would be focused on Vets and other technical school audiences and would send interested users to the Propane Careers page on propane.com for more information about the available jobs.
- iii. Monitor and review performance of the campaign to ensure it is gaining traction and driving awareness and action.

- iv. Provide marketers and state associations with digital assets to promote propane careers on their own as a supplement to the PERC campaign.

V. Write and promote a technical school grant program: leverage the relationships with technical schools and bridge the gap between demand for propane specific curriculum and updating labs and equipment to support the training. Eligibility in the program would require incorporation of propane training, identification of a “propane advisor” for instructor/school, and encouragement to seek certification within the PERC Learning Center.

- i. To be Developed:
 - 1. Required lab materials/equipment list and partnership contact list (OEMs, Distributors)
- ii. Outreach would include targeted promotion (paid and non-paid PR outreach) to technical school advisors and instructors and promotion to past and current train the trainer event participants. If these past participants are already using the curriculum in their classrooms, consider them as a strong target to receive the grant to allow them to further expand their propane teaching.
- iii. Resources specific to the grant program would be developed for marketers and state associations to use when speaking with local schools.
- iv. Use grant program recipients for future content development.
 - 1. Follow a handful of students throughout their training and into the workforce to highlight how their propane-specific training in school provided them with more employment opportunities and success.
 - 2. Capture photography and video footage of classrooms where propane curriculum and equipment is being used to enhance student learning.

VI. Seek Accreditation of industry educational and training programs through 3rd party organizations. Work with NC3 and others to secure adoption by schools of the Plumber/HVAC course & Autogas Technician training.

- i. This initiative will be led through the modifications and improvements made with the Safety & Technical Training Working Groups efforts.
- ii. Work with NC3 and others to secure adoption by schools of the Plumber/HVAC course and Autogas technician training.
- iii. PERC will investigate 3rd party accreditation of the CETP program by The International Association for Continuing Education and Training (IACET) or ANAB which is the **ANSI** National Accreditation Board.

VII. Expand the Autogas service technician network: currently working with partners to understand their training programs and how those could fit together with one another and with training materials PERC has developed with NAFTC.

- a. Budget allocation is expected in 2021.

VIII. Assist in developing partnerships with Veterans Organizations to leverage transitioning workforce.

- i. PERC is seeking the ability to partner with Vets to Tech based on the success of the program with the PGANE pilot program and roll out a second region, assuming there's support in both funding a volunteer time at the state and local level.
- ii. As these partnerships are developed, use them as PR opportunities for the propane industry.

IX. Identify other partners to leverage existing activities to expand the reach, frequency, and impact of the Propane Industry response to workforce needs.

- a. The workforce shortage is not unique to the propane industry. This has been described as a national crisis. As such, PERC/NPGA will work to partner with other organizations to engage in broader and even more impactful initiatives.

Metrics:

I. Propane Industry Workforce Safety and Sales Training

- a. **Metric** (*identified in the strategic plan*): 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*)

II. Workforce Outreach

- a. **Metric** (*identified in strategic plan*): 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*

III. External (market allies) Training

- a. **Metric:** (*identified in strategic plan*) Develop and implement expanded HVAC training (online and instructor led, identify 2 new program areas and package for distribution, obtain 3,500 CEU trained influencers, Partner with states to provide 50 allied audience trainings annually/31y, with at least 2,500 first responders trained)

IV. Service and maintenance network, trained individuals (utilizing partnerships)

- a. **Metric:** Launch Autogas service training program

Program/Tactic	PERC	NPGA	States	Marketers
Industry Data Collection (Industry Relations)				
Curriculum Development				
Expanded Plumber/HVAC & Cert (ST)				
Autogas Technician Training (BD & ST)				
Entry Level Driver Training				
Sales Training (IR)				
School Outreach Material Development				
Comprehensive How to Manual				
Videos				
Introductory Communications				
Landing Page				
Brochure/Fact Sheets				
Lab List				
Partnership (OEM) Contact Lists				
Lessons Learned/Best Practices				
Educational Institution Outreach				
Train the Trainers (Plumber/HVAC), 4 in 2020 (IR & ST)				
Outreach to Schools, WFD Boards, Dep of Eds.				
Incorporation of Curriculum (IR, ST)				
Grants for Lab Expansion (IR)				
FFA Curriculum & Outreach (BD)				
Professional B2B Outreach				
Plumbers, Technicians, etc.				
CEUs for Builders, AIA, USGBC				
Accreditation of curriculum (ST)				
Partnership with Vetrans Organizations	TBD	TBD	TBD	TBD
Apprenticeship Program				
Approval of Driver Program				
Approval of Technician Program				
Develop Program Templates for promotion				
Develop Program Templates for participation				
Establish State Level incorporation of apprenticeship				
Administration of Apprenticeship Program				
Promotion of Apprenticeship Program				
Facilitation of connection between States and Programs				
Career Path Development				
Definitions & Milestones (ST)				
Generational Outreach & Recruitment best practices (IR, ST)				
Additional Resources for Industry				
Comprehensive Toolkit				
Virtual Workforce Summit				
Develop Career Paths and Complimentary Training				
Improve Autogas Service Technician Network				

	To Do
	Completed
	In progress
**	pending funding



PERC Workforce Materials

Feb 2020

Workforce Development Outreach - Delivery Driver (Spanish)

Workforce Development Outreach - Transport Driver :30s Teaser Video

Workforce Development Outreach - Customer Service Rep :30s Teaser Video

Workforce Development Outreach - Delivery Driver :30s Teaser Video

Workforce Development Outreach - Service Tech :30s Teaser Video

Workforce Development Outreach - Overview Video

Workforce Development Outreach - Service Tech Video

Workforce Development Outreach - Transport Driver Video

Workforce Development Outreach - Delivery Driver Video

Workforce Development Outreach - Customer Service Rep Video

Workforce Development Outreach - Brochure (Spanish)

Workforce Development Outreach - Brochure

Workforce Development Outreach - Benefits Card (Spanish)

Workforce Development Outreach - Benefits Card (A handout that highlights in-demand careers in the propane industry and their benefits. This can be shared at various events to high school students, trade school students, CDL students, transitioning vets and more.

Workforce Development Outreach Materials (Pictures, graphic and other materials that Marketers can use to customize their own workforce outreach materials)

Workforce Development Research Handout (Gray, Gray and Gray survey) This goes over the main points from the survey, we can also make the entire survey available if requested.

<https://propane.com/about/careers/careers-in-the-propane-industry/> - PERC website that links to Propane jobs.com and vets to techs as well as the outreach materials above.



1140 Connecticut Ave. N.W., Suite 1075 • Washington, DC 20036 • tel. 202 452 8975 • fax. 202 452 9054

To: Tucker Perkins
From: Bridget Kidd
Re: Joint Industry Workforce Outreach Committee
Date: March 6, 2020

After conducting a review of options to create a joint group of NPGA and PERC to provide oversight and guidance for staff, PERC Council, and NPGA Board of Directors, PERC & NPGA Staff recommend that the Joint Officers seek their respective organizations' approval of resolutions that would allow for an industry taskforce composed of the PERC Workforce Outreach Taskforce and the NPGA Workforce Outreach Taskforce. In order to do so, we'd suggest:

- Establishment of one group, the Propane Industry Workforce Outreach Taskforce.
- Agreement upon a chair and vice-chair for the group with 1-year terms.
- The groups will meet in conjunction with each PERC Advisory Committee Meeting and each NPGA BOD Meetings or as deemed appropriate.
- The membership of this group would be open to members of the propane industry.
- The taskforce will remain in operation until the Joint Officers agree that the group is no longer necessary.

**RESOLUTION
OF THE
PROPANE EDUCATION AND RESEARCH COUNCIL, INC.**

WHEREAS, NPGA and the Council recognize the importance of the propane industry possessing a robust workforce to ensure that the industry continues to provide clean, secure energy and jobs for Americans;

WHEREAS, NPGA and the Council's Joint Officers Committee recognizes that both organizations have roles in ensuring the propane industry has a robust workforce;

WHEREAS, the Propane Education and Research Act of 1996, as amended, mandates that the Council coordinate its activities with industry trade associations and others as appropriate to provide efficient delivery of services and to avoid unnecessary duplication of activities;

WHEREAS, NPGA and the Council's Joint Officers Committee recommends the establishment of a Propane Industry Workforce Outreach Taskforce;

NOW, THEREFORE BE IT RESOLVED, that the Council establishes, in coordination with NPGA, the Propane Industry Workforce Outreach Taskforce;

BE IT FURTHER RESOLVED, that Taskforce membership shall include the Council's Workforce Outreach Taskforce and the NPGA Workforce Taskforce, and members of the propane industry at-large;

BE IT FURTHER RESOLVED, the Taskforce shall select from among the its members a chair and vice-chair, each of whom shall serve one-year terms;

BE IT FURTHER RESOLVED, the Taskforce will remain in operation until the Joint Officers agree that the Taskforce is no longer necessary.

IN WITNESS WHEREOF, I have hereunto affixed my hand (and the seal of the Corporation).

Randall Doyle, Secretary

Date: April _____, 2020.



PROPANE
education & research
COUNCIL



Propane Education & Research Council Funding Requests April 2020

Each of the below dockets will be considered individually at the meeting.

Propane Industry
2020 Budget: \$3,508,500

Remaining as of 3/2020: \$896,804

Project Title:	22494: 2020 Workforce Outreach Support		View Executive Summary
Applicant / Primary Partner:	Swanson Russell		
Funding Requested:	\$250,000	Total Project Cost:	\$250,000
Project Summary:	<p>The 2020 Workforce Outreach Support docket will include activities to support increased awareness and education on the benefits of the propane industry as a viable career choice for students, veterans, and individuals transitioning careers.</p> <p>This project will focus on creating awareness of the propane industry as a viable career choice for several segments of the potential workforce (students, veterans, and those transitioning) through partnerships with states and marketers and creating the tools and resources to best implement the program at a local level. The three key elements of the program will be:</p> <ol style="list-style-type: none"> 1. Development and deployment of a manual on how to use programs and resources that are available from PERC and NPGA. 2. Creation of an awareness campaign to drive prospective students to propane.com and the related resources and job boards. 3. Conduct research on the totality of employment opportunity in the propane industry for technicians, drivers, CSRs, etc. 4. Creation of a virtual workforce outreach summit to identify key issues facing the industry, identify subject matter experts, and establish a monthly webinar series. Should there be enough interest, this could be transitioned to an in-person meeting. <p>The preliminary messages of this program are to encourage prospective employees to consider the propane industry for employment and education. Secondly, this program will strive to encourage and enable state entities and marketers to engage in outreach activities to promote the propane industry and build relationships to increase recruitment and retention opportunities.</p>		
PERC Project Leader:	Bridget Kidd	Working Group:	Workforce Task Force

Project Title:	22495: 2020 Technical School Grant Program		View Executive Summary
Applicant / Primary Partner:	Propane Education & Research Council		
Funding Requested:	\$400,000	Total Project Cost:	\$400,000

Project Summary:	This program would provide up to \$10,000 in grants to upgrade and expand the labs of technical schools and career centers interested in teaching propane curriculum to current and future students. Additionally, this program will provide the marketing and communications support necessary to promote the program.		
PERC Project Leader:	Bridget Kidd	Working Group:	Workforce Task Force

Project Title:	22500: PERC Region 2 Military Education & Recruitment Program		View Executive Summary
Applicant / Primary Partner:	Vets 2 Techs		
Funding Requested:	\$196,337	Total Project Cost:	\$293,040
Project Summary:	<p>Veteran Education & Transition Services (V.E.T.S.) proposes to partner together and help Region 2 (NPGA state associations of NY, PA, NJ, VA, DE & MD) with the education, training and outreach necessary to increase military recruitment into the propane industry. V.E.T.S. will provide education to propane companies and associations on the many federal and state funded programs available to both veterans and their employers. Examples of benefits include but are not limited to:</p> <ol style="list-style-type: none"> 1. Federal continuing education funding sources and how to access them. 2. Federal sponsored health insurance. 3. Housing and/or food allowance stipends for veterans, and how it plays into propane company compensation plan for veteran new hires and current employees. 4. Federal tax credits for hiring / employing veterans. 5. Career and self-development training. <p>Overwhelming majority of propane companies are unfamiliar with the availability of veteran education and training benefits or how to ask their veteran employees about their benefits. Education and training benefits may be utilized to cover in whole or in part the costs for technical training, licensing certification, and professional development. Our training with propane companies will expose all these benefits and provide a pathway for professional development and employee improvement.</p> <p>V.E.T.S. will work collaboratively with Region 2 organizations to train on best practices to increase the number of qualified veterans working with propane. V.E.T.S. training will focus on how to attract and interact with the military community, while supporting propane marketer's approach to hiring, recruiting, and retention programs toward military candidates.</p> <p>V.E.T.S. will work with local state associations to develop outreach material specific to the region aimed at veteran groups, to educate the military community about the benefits of fulfilling careers in the propane industry. V.E.T.S. outreach will help establish connectivity with the military and veteran community by forging relationships with local military units, as well as nonprofits supporting veterans. Engagement will include open table job fairs, Reserve and military unit speaking events, industry awareness campaigns, and social media outreach.</p> <p>Deliverables will include webinars to propane membership, speaking engagements with veteran groups, access to the propane recruitment portal, live seminars at industry events, employer training guides, brochures aimed at military units extolling the benefits of careers in our industry, newsletters, and ongoing support. Additionally, V.E.T.S. will</p>		

	<p>educate and support propane marketers and associated businesses on the many trait benefits of hiring veterans, which include communication skills, flexibility, teamwork, planning, problem solving, and work ethic. In addition to the ability and work ethic benefits above, this engagement will help propane marketers identify, hire, and retain U.S. military service members at a far lower cost than typical civilian applicants. This workforce development resource is vital to the survival and growth of the propane industry.</p> <p>The V.E.T.S. recruiting program is an existing, functioning entity and has demonstrated sustained performance in 2019 with over 56 military hires in the regional pilot program. V.E.T.S. will utilize its National Network to provide connectivity with a skilled, trainable, and loyal workforce that the propane industry needs. The audience this program serves will be the propane industry, regardless of the member/ non-member status.</p> <p>The transition phase of this project is the most crucial piece to its success. We understand the financial requirement to run this program as an annual service is not financially sustainable for the industry. Therefore, this program includes a 3-month transition phase that will encompass handing the program in its entirety to the associations active in each region. This project will begin in Region 2 as soon as approved and will include the deliverables listed on slide 11 of the expansion PPT, which will be scheduled over the course of 15 months. We anticipate a three-month delay between activation of each region to guarantee a successful phase 1 operation with a potential time for complete national adoption within 39 months of program start.</p>		
PERC Project Leader:	Bridget Kidd	Working Group:	Workforce Task Force

State Rebate

Project Title:	22511: Training Tablets		View Executive Summary
Applicant / Primary Partner:	Propane Education Foundation of Alabama		
Funding Requested:	\$12,230	Total Project Cost:	\$12,230
Project Summary:	<p>The Propane Education Foundation of Alabama on behalf of Alabama PGA is requesting funds to purchase 26 Samsung Galaxy Tablets for in-class training and exam purposes. This is a cost benefit to the industry since online exams do not have exam fees. Students will be able to get their results immediately. PERC will have a better database since students will have to create an account on the LMS. Students will be able to keep up with their training documents through the LMS. The Alabama Propane Gas Association will secure the equipment, manage the equipment, and ensure adequate internet service is available at its training facility.</p>		
PERC Project Leader:	N/A	Working Group:	N/A



PROPANE
education & research
COUNCIL

Environmental Messaging & Thought Leadership Program Executive Summary

The Assignment

At the February 2020 meeting, council directed staff to distill the message options from its Environmental Messaging Task Force and coordinate with NPGA to develop a strategic environmental message and plan to distribute to the propane industry. This work is to be completed by March 31, 2020.

At the same time, PERC's Industry Outreach team is equipping marketers with an environmental communications toolkit containing sample letters to the editor, op/ed pieces, news releases, event planning guides and other tools for use at the local level. This work, and the council's directive for a national Thought Leadership program, forms a two-pronged strategy.

Challenges

Why now? Despite its federal designation as a clean fuel, propane faces mounting challenges from environmental activists seeking to minimize or eradicate the use of fossil fuels. NPGA reports tracking about 600 proposals – legislation, resolutions or ordinances – at the state and local levels to limit/ban gas or force electrification. Our research (Stratacomm report) indicates that our current environmental messaging lacks sufficient emotional appeal to counter those trends.

Reviewing Themes and Message

The Task Force generated dozens of directionally sound message options. To review them, and to account for the content of more than a dozen previously created documents, our team developed a database populated with 103 unique messages. Our analysis sorted the messages into three complementary categories or “pillars” to include: Application messages – how propane is used; Attributes messages – benefits and features of propane; and Environmental messages – the planet-friendliness of propane.

These pillars naturally lent themselves into three message categories:

- Applications — “Propane Can Do That”
- Attributes — “Propane Power”
- Environment — “Propane Protects”

Sorting these messages with an emotional appeal in this way will help us frame the environmental messages that we create specific to the appropriate audience.

Thought Leadership Program

One of the objectives of the Thought Leadership Program is to feature and highlight propane into thought leadership conversations about energy and the environment. This objective is supported by two interdependent strategies:

- 1) Weave propane's applications and attributes together with strong environmental messages to elevate propane's prominence as an environmentally friendly energy.
- 2) Create and amplify content to consistently answer questions on the minds of our target audiences.

A key to the plan is the creation of an editorial calendar that identifies strong environmental concepts and shows how they can be turned into content – videos, articles, social media posts. The calendar also integrates both energy and environmental influencers into the plan to serve as amplifiers of propane's messages.

We also will create a database of vital energy and environmental influencers with an outreach and engagement strategy critical to the success of the program. This is included in the timeline and strategy for 2020.

Next Steps

With Council approval, our team will develop the plan to produce and distribute strong environmental messaging about propane.

##



PROPANE
education & research
COUNCIL

Staff Approved Replicated State Rebate Requests

Docket #	Project Title	Grantee	State	Function	Rebate \$ Awarded	Partnership \$ Awarded	Total \$ Awarded
22318	2020 AZ Propane Safety Day & Spring Training Meeting	Arizona Propane Education & Research Foundation	Arizona	Safety, Training, Consumer Education	\$ 18,000.00		\$ 18,000.00
	<p>The 2020 Arizona Propane Safety Day will be held on Monday, March 30th, 2020. The goal of this Safety Day is to promote propane safety to consumers and decision makers. Propane vehicles and equipment will be displayed to demonstrate the safety of propane used in various applications. Consumer safety and associated materials will be distributed. Lunch will be served to approx. 400 people. Propane marketers from across Arizona will participate in this event.</p> <p>This will be the first year that we're going to combine our 2020 Arizona Propane Safety Day with our annual Spring Training meeting. From feedback from attendees and association members, we believe this will maximize interest and participation in both events. We will host the Spring Training meeting immediately after the Propane Safety Day luncheon is completed.</p>						
22361	CETP & Safety Training	North Dakota Propane Gas Foundation	North Dakota	Safety, Training	\$ 112,000.00		\$ 112,000.00
	<p>ND Propane Gas Foundation has CETP, refresher, hazardous materials, dispensing propane safely, customer service representative and cylinder requalification courses scheduled. The courses would provide a formal structure for training, and CETP courses would provide testing to assure that workers in the propane industry have the necessary knowledge and skills to perform their work safely and effectively. The rebate dollars will be used to reduce registration fees for all in the propane industry. This should allow marketers to cost effectively provide proper training to all of their employees.</p>						
22371	2020/2021 Safe Installations of Water Heaters Program	Oklahoma Propane Education and Safety Council	Oklahoma	Safety	\$ 14,650.00	\$ 14,650.00	\$ 29,300.00
	<p>This application is to fund a Water Heater Safe Installation Rebate Program for Oklahoma propane consumers in 2020-2021. This request replicates docket numbers 20996, 20573, 19319, 20352 and others. A third party sales receipt will be required as proof that a new propane water heater was purchased. Additionally, a copy of the Form 4 (Safety Check) will be required as proof that the propane system and water heater's installation were examined and approved following the installation of a new water heater.</p>						
22377	Partnership Consumer Awareness Funding Program	Nebraska PERC	Nebraska	Safety, Consumer Education	\$ 6,089.00	\$ 5,911.00	\$ 12,000.00
	<p>The Partnership Consumer Awareness Funding Program will further advance the mission of allowing marketers to educate consumers about propane energy and its many uses. NPERC will order PERC brochures on behalf of marketers to distribute to their customers. Most of the funds will be spent on "Propane Safety for You and Your Family", but will also include other materials, including safety tags, produced by PERC.</p>						
22378	Husker Harvest Days 2020	Nebraska PERC	Nebraska	Safety, Consumer Education	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00
	<p>This year will be the 25th year NPERC will participate in the Husker Harvest Days. The show was selected because it's the largest irrigated agricultural show of its kind in the country, drawing over 250,000 attendees. Located in Grand Island, the show has more than 2 million square feet of exhibit space with more than 1,500 exhibitors displaying products, technology and supplies for the farm, dairy, ranch, and construction industries.</p>						
22399	Safe Installations of Appliances Program Phase 14	Propane Foundation of Kansas	Kansas	Safety	\$ 50,000.00		\$ 50,000.00

Staff Approved Replicated State Rebate Requests

Docket #	Project Title	Grantee	State	Function	Rebate \$ Awarded	Partnership \$ Awarded	Total \$ Awarded
	The Kansas Propane Gas Association has requested funds from the Foundation to provide a Safe Installations of Appliances Program to propane marketers/consumers. This program will increase safety in the industry. This program is designed to help increase safety and safety awareness in the industry. The participating propane marketer will have to provide documentation that a safety inspection of the installation is performed before the rebate will be distributed.						
22401	2019 Montana Employee Training	Rocky Mountain PERC	Montana	Safety, Training	\$ 25,056.26		\$ 25,056.26
	This project funds employee training classes in Montana.						
22404	Reimbursement of 2019 Audit Fees - 990	Iowa Propane Education and Research Council	Iowa	Foundation Costs	\$ 1,250.00		\$ 1,250.00
	Auditor fees for 2019 Pre- Audit						
22410	Safety Training Courses 2020	New Jersey Propane Education and Research Foundation	New Jersey	Safety, Training	\$ 55,755.00		\$ 55,755.00
	A selection of 5 Certified Employee Training Program (CETP) courses, one 1-day CETP refresher course, and 2 non-CETP courses would be provided in NJ to both members and non-members of the NJPGA in 2020. The courses would provide a formal structure for training, and CETP courses would provide testing and documentation to assure that workers in the propane industry have the necessary knowledge and skills to perform their work safely and effectively. Not only is employee training mandated by DOT and NFPA, but the New Jersey Administrative Code N.J.A.C. 5:18 - Liquefied Petroleum Gas requires that employees of propane marketers be certified through CETP. All updated CETP materials would be used. Books would be ordered from PERC and CETP exams would be ordered from ITS.						
22411	2020 Wisconsin Consumer Safety Mailing Program	Wisconsin PERC	Wisconsin	Consumer Education, Safety	\$ 23,625.00		\$ 23,625.00
	This project will allow Wisconsin propane retailers to order select PERC produced consumer safety brochures for only the cost of shipping.						
22412	2020 Wisconsin Emergency Response Training Program	Wisconsin PERC	Wisconsin	Safety, Training	\$ 48,200.00		\$ 48,200.00
	Since 2003, WiPERC has been holding an annual training program that educates local, volunteer fire departments how to safely handle propane emergencies. There are over 700 fire departments in the state, most of which are rural and have limited resources for training. These areas are typically high propane usage areas and many of the emergency responders are not familiar with propane or the marketers in their area. This program offers no cost training to these departments and also helps build a positive relationship with the industry. It is also a great opportunity to educate consumers on the safety of propane.						
22413	2020 Wisconsin Regulator Replacement Rebate Program	Wisconsin PERC	Wisconsin	Safety, Consumer Education	\$ 33,900.00		\$ 33,900.00
	The Wisconsin Regulator Replacement Rebate Program encourages licensed, participating marketers to take old regulators out of service, thus reducing the likelihood of regulator failures and safety related incidences. As a result of this program, consumers and propane industry employees will be safer. The program is monitored and evaluated through application forms and safety reports filed by participating propane marketers. A safety inspection/leak check must be submitted with each application in order to receive a rebate. All rebates are paid directly to the propane marketer, not the customer.						
22415	2020 Propane Appliance Safe Installation Rebate Program	Kentucky Propane Education and Research Council	Kentucky	Safety	\$ 110,000.00		\$ 110,000.00

Staff Approved Replicated State Rebate Requests

Docket #	Project Title	Grantee	State	Function	Rebate \$ Awarded	Partnership \$ Awarded	Total \$ Awarded
	<p>The 2020 Safe Installation of Propane Appliances and Heating Systems program is designed to reimburse homeowners or contractors for the safety audit of the safe installation of propane appliances and or primary heating systems in new construction or replacing electric, gas, oil or older inefficient propane appliance/water heater/heating system with a new propane appliance/water heater/heating system. This program is designed to educate and inform the consumer and the residential construction industry about the importance of installing a propane water heater/appliance/primary heating system safely and correctly by requiring the participating Kentucky Propane Marketer to perform a gas check/safety inspection.</p>						
22419	2020 Ohio Safety, Training & Education Projects	Ohio Propane Education & Research Council	Ohio	Safety, Training, Consumer Education, Foundation Costs	\$ 354,850.00		\$ 354,850.00
	<p>For 2020, OPERC plans to pursue projects covering education and training for industry personnel; propane emergency training for first responders; autogas education and promotion with Clean Fuels Ohio; on-road consumer rebates to incentivize the expansion of propane autogas; and duty to warn safety and consumer education materials promotion using available resources developed by PERC.</p>						
22420	2020 Michigan Safety, Training and Education Programs	Michigan PERC	Michigan	Safety, Training, Consumer Education, Foundation Costs, Other	\$ 515,000.00		\$ 515,000.00
	<p>For 2020, MIPERC plans to pursue projects covering education and training for industry personnel; propane emergency training for first responders and industry volunteer leaders who assist first responders; construction profession education; propane consumer education and awareness; and autogas education and promotion through on-road consumer incentive rebates.</p>						
22423	2020 On-Road Vehicle Data Collection Incentive Program	Wisconsin PERC	Wisconsin	Research & Development	\$ 73,950.00		\$ 73,950.00
	<p>The funding requested will offer financial incentives to end users for the purchase or conversion of propane powered on-road vehicles in exchange for data collection. The program will last for a duration of two years or until all funding is exhausted. Incentive recipients must complete an initial and final survey for each vehicle they have received an incentive for. The performance data will be used to analyze and advance the technology, safety and adoption of autogas in Wisconsin. This program will provide additional funding towards the already existing vehicle incentive program, docket #21522 and 21881.</p>						
22424	2020 Wisconsin District Meetings	Wisconsin PERC	Wisconsin	Safety, Training	\$ 24,275.00		\$ 24,275.00
	<p>Each year the Wisconsin Propane Gas Association partners with the Wisconsin Propane Education & Research Council to hold a meeting in each of the WPGA's four districts. The purpose of the meetings is to provide marketers with the opportunity to get together with other companies in their area and address issues of concern. Training is also provided at the meetings as well as a national and state PERC update. This year's meetings will be held in the spring and will focus on safety issues relating to more technical topics. Specific topics will be determined as we get closer to the meetings.</p> <p>This program is open to the entire industry regardless of membership status with the WPGA.</p>						
22425	2020 WI Propane Industry Training Program	Wisconsin PERC	Wisconsin	Safety, Training	\$ 145,000.00		\$ 145,000.00

Staff Approved Replicated State Rebate Requests

Docket #	Project Title	Grantee	State	Function	Rebate \$ Awarded	Partnership \$ Awarded	Total \$ Awarded
	The purpose of this project is to provide high quality, low cost training to propane employees in Wisconsin. The WIPERC's annual training program has been offering training for twenty years and trains an average of 350 people each year. By subsidizing majority of the costs, WiPERC gives propane companies the opportunity to train their employees for a minimal fee which ensures that they are getting regular, proper training. This in turn ensures that our industry and our customers are as safe as possible!						
22426	2020 Virginia Safety and Training	Virginia Propane Research and Education Foundation	Virginia	Safety, Training	\$ 125,000.00		\$ 125,000.00
	Virginia's 2020 Education, Safety and Training Program is designed to provide persons in the propane industry in Virginia with access to certified safety and training programs, thus maintaining and enhancing the reputation of propane as a safe, reliable energy source.						
22427	2020 Virginia Safe Appliance Rebate Program	Virginia Propane Research and Education Foundation	Virginia	Safety	\$ 95,000.00		\$ 95,000.00
	The Virginia Propane Association requests funds to provide a Safe Installation of Propane Appliances Program to Virginia propane consumers. This program is designed to help increase safety and safety awareness in the industry. Rebates will be for a flat rate of \$300 per appliance, to include: propane clothes dryer, cooktop range, vented heaters, wall furnaces, water heaters, and vented/direct vented whole house heating systems (must be at least 40,000 BTU and 90+% efficient; gas logs are excluded) used in new or existing construction. Installations in travel trailers, mobile or manufactured homes not in permanent residential or commercial use are ineligible.						
22434	New Home Builders Rebate Program	Mississippi Propane Education and Research Council	Mississippi	Consumer Education, Safety	\$ 75,775.80		\$ 75,775.80
	Mississippi is a rural state and many homes that are built in the country use either natural gas or all electric. This project is designed as an incentive for builders to use propane in new builds and receive a proper safety inspection upon installation of the appliance(s). The propane dealers know the builders in their area and this will give them an opportunity to explain the benefits of propane and with the rebate hopefully entice them to use propane. A copy of the completed gas check type form showing a completed pressure test must accompany the release form.						
22441	2020 Alaska Safety, Training & Education Projects	Pacific Propane Education and Research Foundation	Alaska	Safety, Training, Consumer Education, Foundation Costs	\$ 19,000.00		\$ 19,000.00
	For 2020, Alaska plans to pursue safety and education projects that cover safe appliance rebates for consumers and education to support the Western Propane Gas Convention. Alaska will also pursue financial support of the overall PPERF overhead expenses.						
22456	Propane Education Foundation of Florida Operating Expense Reimbursement	Propane Education Foundation of Florida	Florida	Foundation Costs	\$ 3,563.35		\$ 3,563.35
	The Propane Education Foundation of Florida (PEFF) conducted a detailed review of its general operating expenses for 2019 and is seeking reimbursement from our Florida PERC Rebate funds.						
22461	Travel Reimbursement for PERC 2020 National Trainer's Conference	North Dakota Propane Gas Foundation	North Dakota	Safety, Foundation Costs	\$ 1,364.43		\$ 1,364.43
	Reimbursement for the travel expenses for the 2020 National Trainer's Conference.						
22469	PERC Innovation for Growth Summit	Iowa Propane Education and Research Council	Iowa	Foundation Costs	\$ 371.47		\$ 371.47
	Expenses to attend the WLPGA Innovation for Growth Summit						
22470	2020 Virginia Propane On-Road Vehicle Purchase/Placement	Virginia Propane Research and Education Foundation	Virginia	Research & Development	\$ 52,250.00		\$ 52,250.00

Staff Approved Replicated State Rebate Requests

Docket #	Project Title	Grantee	State	Function	Rebate \$ Awarded	Partnership \$ Awarded	Total \$ Awarded
	The propane industry has supported the use of propane fueled on-road vehicles. Over the road vehicles represent great future opportunities for the propane industry given overall market interest in viable competing fuel alternatives and the demonstrated success of existing fleets. This project will track vehicle performance in the field, and create a database of propane end users that can aid in evaluation of on-road vehicles and in further refinement of the technology.						
22478	Nevada Propane Education and Research Foundation 2020 Expenses	Nevada Propane Education and Research Foundation	Nevada	Foundation Costs	\$ 1,580.00		\$ 1,580.00
	The Nevada Propane Education and Research Foundation seeks funding to defray reasonable operating and administrative expenses of Nevada's state foundation.						
22480	Travel Reimbursement for WLPGA Meeting and PERC Trainers Conf.	North Carolina PERF	North Carolina	Foundation Costs	\$ 1,890.32		\$ 1,890.32
	Reimbursement for the travel expenses incurred in relation to the attendance of NCPERF Executive Director and or Staff to the PERC SE Regional Meeting / Trainers Conference (Memphis) and WLPGA Innovation for Growth Summit (Washington DC)						
22491	2020 Hawaii Safety, Training & Education Projects	Pacific Propane Education and Research Foundation	Hawaii	Safety, Training, Consumer Education, Foundation Costs	\$ 81,000.00		\$ 81,000.00
	For 2020, Hawaii plans to pursue projects covering education and training for industry personnel; safe appliance rebates for consumers; propane emergency training for first responders; duty to warn safety and consumer education materials promotion; and education support to the Western Propane Gas Convention. Hawaii will also pursue financial support of the overall PPERF overhead expenses. Additionally, Hawaii plans to pursue two new safety programs replicated from other previous projects. One new project will focus on DOT education and compliance replicated in large part from a portion of Michigan rebate 21938. The other new project for Hawaii is a safe regulator installation rebate replicated from Wyoming rebate 21548.						
29 Projects Awarded					\$ 2,073,395.63	\$ 25,561.00	\$ 2,098,956.63



PROPANE
education & research
COUNCIL