



# DegreeDays

News from the Virginia Propane Gas Association

## Spring Meeting in Winchester a Success!



Kicking off the 2022 meeting season, VAPGA members and guests came together April 3-5 at The George Washington Hotel in historic Winchester, VA for the 2022 Spring Meeting. The Shenandoah Valley provided an idyllic setting for the meeting which had over 65 Marketer and Supplier attendees representing 43 different companies!

Sunday began with a Captain's Choice golf tournament at nearby Rock Harbor Golf Course. Despite the chilly and gusty conditions—"WINDchester" seemed to be the prevailing joke of the day—we had a good turnout of seven teams with a total of 27 golfers participating. Congratulations to the team of **Adam Martin, Clayton Pridgen, Mark Zimora, and Trent McKenzie** on their first-place victory! Special thanks to the Suppliers Committee who sponsored the beverage cart during the tournament.

Current VAPGA President, **Colin Wood-Bradley**, began the meeting on Monday by welcoming everyone to Winchester and providing some opening remarks. Featured speakers throughout the morning included Darryl "Big Mac" McDonald from Metro Plumbing Pro Consulting, LLC. Darryl provided an update on his work with the Associated Builders and Contractors (ABC) – Virginia Chapter, who recently added propane curriculum to their plumbing and gas-fitter

continued on page 5>

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## 2022 Meetings



### SUMMER MEETING July 10–13, 2022

**Marriott Resort Virginia Beach  
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Join us in sunny Virginia Beach for the Virginia Propane Gas Association's 2022 Summer Meeting. We have a great event planned, including a golf tournament, industry updates, and networking/meal events with clients and colleagues!

**[BOOK YOUR ROOM HERE](#)**

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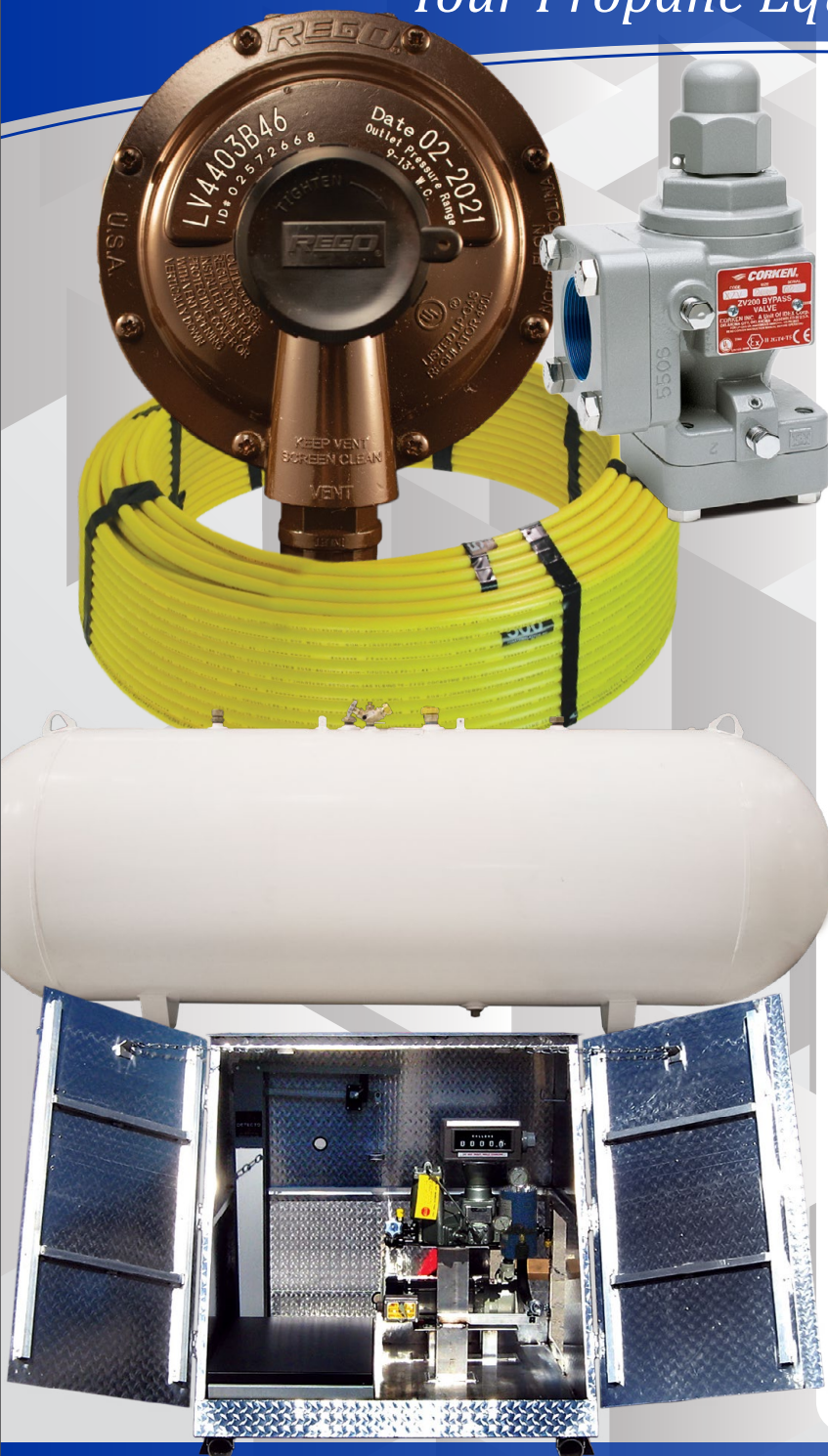
### FALL MEETING October 2–4, 2022

**The Hotel Roanoke & Conference  
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# | President's Message



## Good Day Everyone!

I trust this short note finds everyone well and coping as best we all can under the challenging times that we live in right now.

What a cool town Winchester is! Cool as in "fun and different" and, yes, cool as in, "that was one chilly, chilly wind on the golf course"! It was memorable, that's for sure! Another very lovely hotel steeped in history and character. Certainly would have been nicer if we had been further afield post-Covid with a full staff in place, but I thought the staff who were helping us did work valiantly to try and make our stay as pleasant as possible.

I am sure a number of you attended the recent NPGA show in Nashville, TN. A delightful city with a lot to offer and I am sure everyone had a wonderful time – oh, yes, and worked hard!! It is nice to have the worst of the pandemic behind us and be able to attend industry trade shows in person again.

Just a quick update to let you know that your Association is being constantly vigilant in regard to the recent push to

**"There are so many elements to consider in running a successful propane business. One has to be constantly trying to stay a step ahead."**

"electrify everything"; this issue having recently reared its ugly head in the Building Code world. This is an area that is monitored by Mike O'Connor and Dennis Cruise and they have successfully lobbied to ensure that no progress has been made by our opponents in the current review process. I know that it is sometimes difficult to see where and how your Association Dues are spent but I can assure you that the money spent on these endeavors is money well invested in the future of our industry. Thank you to these gentlemen for their diligence.

Although it is a time of year where degree days are negligible and our phones don't ring quite as much, it is an ideal time to visit your supply plans for next winter. It is especially important to ensure that you review how broad your network is and ensure that you are protected as much as possible if one of your supply chains is compromised (for whatever reason). Small cost differentials should be considered an insurance cost and an investment in your business. The price per gallon to a user is meaningless when the marketer has no propane to deliver!

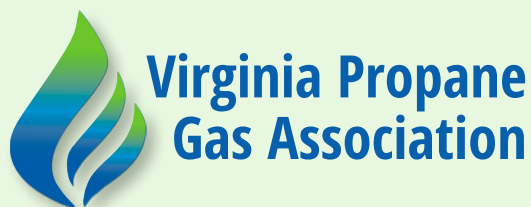
Similarly, this is an excellent time to be planning for off-season training, compliance administration, needs analysis, system readiness and adaptation, etc., etc.. There are so many elements to consider in running a successful propane business. One has to be constantly trying to stay a step ahead.

As you are reading this, I expect that the rooming link has been sent out for our Summer Meeting in July at Virginia Beach. Please remember that the beach is very busy at that time of year and being proactive will only help all of us. Please book your rooms and register as early as you reasonably can. We don't want anyone disappointed (regarding room availability) and early registration really helps us in the planning process.

As always, stay safe and stay well.

*Colin Wood-Bradley*

President



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training. VAPGA lobbyist, **Mike O'Connor**, gave an update on the 2022 General Assembly session and his thoughts on what to expect in the year ahead, and **Randy Doyle** and **Steve McCoy** provided an overview of the PERC hydronics program they have been working on.

Committee meetings followed, with each committee updating members on their current initiatives. Following lunch and some downtime to catchup with friends and colleagues, the meeting resumed with Michal Baker, Vice President of Federal Legislative Affairs at NPGA, who provided a broad update on NPGA's current legislative efforts on Capitol Hill. **Brian Atwood** followed with his quarterly NPGA State Director update to the membership, and Safety & Training Coordinator **Dennis Cruise** provided some insight on new developments in the safety and training space. The final speaker of the day was Susan Ralston, the founder of Citizens for Responsible Solar. Susan's eye-opening presentation provided attendees with a glimpse of her efforts at combating industrial-scale

solar development and the negative impact that the push for solar energy can have on everyday citizens and their communities. The meeting culminated with a special meeting of the membership, which was called to approve bylaw amendments updating membership categories and procedures, which had been submitted and approved by the Board.

As Monday began to wind down, attendees and guests convened for a final reception and banquet dinner to cap off another successful Spring Meeting. The food and drinks were flowing as attendees were treated to a dinner buffet of BBQ chicken, ribs, and blackened Mahi-Mahi complete with all the usual bar-b-que sides and desserts. After dinner, many attendees retreated to the Supplier's hospitality suite to watch the UNC Tar Heels take on the Kansas Jayhawks in the NCAA basketball national championship game.

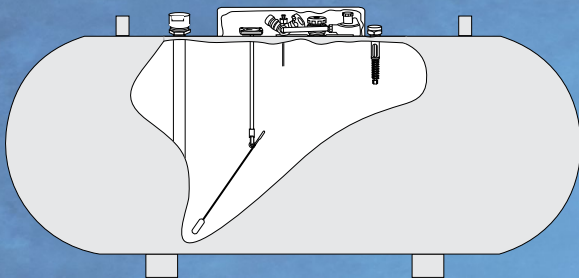
The event concluded with the VAPGA and VPREF board meetings on Tuesday morning. Overall, it was a great meeting and VAPGA would like to thank all attendees,

We look forward to seeing everyone this summer!  
**Mark your calendars for our 2022 Summer Meeting, July 10-13, 2022 at The Marriott Virginia Beach Oceanfront!**



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Worried how you will comply? Here's where NPGA comes in. NPGA's Administrative Compliance Experts (ACE) service can complete the regulatory requirements, filing paperwork, and submitting information to the FMCSA. While you focus on your day-to-day business, NPGA's ACE navigates the regulatory red tape. Through ACE, the more than 30 steps mandated by ELDT can become just five simple steps with NPGA guiding you from start to finish.

And using ACE can help your state association! NPGA is offering a special revenue sharing program for Virginia Propane Gas Association members. **Just enter code VA10 at checkout so the association gets 10 percent of your purchase.**

For additional information on ACE, including frequently asked questions, fee struc-

tures, and a sample of the educational modules, click [here](#).

Questions? Email [eldt@npga.org](mailto:eldt@npga.org).



## Focus on the road ahead.



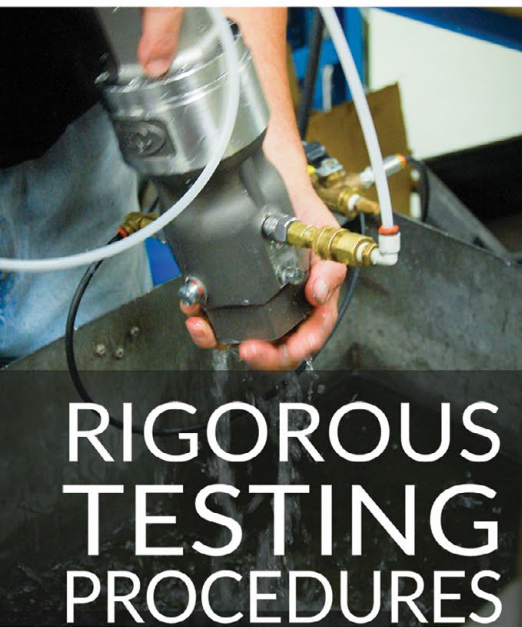
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### Electrify Everything Zealots Back at It

While most attention on the Government Relations activities of your association is focused on the General Assembly, an important part of our efforts on your behalf also focuses on the rulemaking process undertaken by state agencies. Currently the Department of Housing and Community Development is engaged in a stakeholder process examining possible changes to both the statewide building code and the state's fire code.

The Electrify Everything lobby has been hard at work, attempting to prohibit the combustion of fossil fuels in residences and offices while mandating the installation of heat pumps. Advocates are also trying to pass proposals that they couldn't get through the General Assembly – such as mandating more restrictive future building and fire code standards while limiting public input in the process.

This stakeholder review consists of lengthy, sometimes all-day zoom meetings where proposals are explained by their supporters and then vetted by all participants. The process utilizes a single exception rule meaning that proposals are labeled as non-consensus if any participant objects.



To date we have been successful in holding off the electrification at all costs agenda. The stakeholder process will continue thru June with consensus proposals scheduled to go to the Board of Housing and Community Development for September consideration. We will continue monitoring this process and will update the membership should the need arise.

*Mike O'Connor*  
VAPGA Lobbyist

## Make a PAC Donation Today!



The mission of VAPGA's PAC is to distribute contributions to candidates for the state legislature who, by their acts, demonstrate support of the propane industry and the private enterprise system. Your donations help VAPGA gain visibility and leverage access to promote our industry. Now more than ever, we need your support to combat the electrification and fuel ban efforts that threaten our industry. Please consider making a donation to the PAC today.

If you'd like to make an investment in the future of Virginia's propane industry, contact **Zach Eisenman**, Executive Director, at [zach@eameetings.com](mailto:zach@eameetings.com), or **John Phillips**, VPAC Committee Chair, at [jphillips@peifuels.com](mailto:jphillips@peifuels.com).

In addition to PAC donations, please let us know if you would be interested in hosting and/or meeting with a legislator this fall.

## Scholarship Opportunities



### Young Gassers

The VAPGA Young Gassers Scholarship Application closes today, May 31, 2022. The VAPGA YG Scholarship is offered to current VAPGA members and their dependents who are enrolled full-time in an accredited two- or four-year academic institution or trade school (as of Fall 2022).

Scholarship recipients will be announced in late-June/early-July.



## 2022 Rebates

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# Advocating for Propane in Unfriendly Territory

By Ellen Kriz, LPGas Magazine

Leslie Anderson, president and CEO of the Propane Gas Association of New England (PGANE), anticipates a difficult year on the advocacy front.

She's busy testifying about propane's contributions to energy security, environmental justice and decarbonization, but she's meeting stiff resistance.

The electrification push is intensifying in New England as legislators try to accomplish as much as they can before the next election, she explains. Votes are cast on party lines in a way she hasn't seen before.

"I think we're going to be less successful than years past," she says. "It's either black or white. People are not listening."

In this antagonistic environment, major compromises are on the table for propane.

"A win in Vermont today is being able to sell product with a carbon credit requirement in order to avoid being excluded completely," says Anderson.



Still, Anderson resolves to keep fighting, citing success in passing a freedom of energy choice bill in New Hampshire last year.

"We've been successful in defeating the worst bills," she says. "Right now, we're just staying above water."

*continued on page 12 >*

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## Core Messages

The propane industry's core messaging pillars of energy equity and decarbonization have drawn varying degrees of interest in New England. Here are some of the arguments Anderson has been making in the region's state-houses:

**Energy security:** Russia's invasion of Ukraine attests to the value of propane in a crisis. Thanks to propane's portability, nonprofits like World Central Kitchen have been able to establish mobile cooking sites to support evacuees.

**Back home,** propane is the "perfect partner for renewables," supplying energy when sun and wind power are unavailable, says Anderson.

But propane can't supply these key services by powering backup generators alone, Anderson emphasizes. The industry's core residential market must remain intact for businesses to survive, which is why she opposes gas bans in new construction.

**Environmental and social justice:** Propane is a better partner for renewables than battery storage because pro-

pane doesn't rely on heavy metals like cobalt, nickel and lithium. Mining for these metals causes environmental degradation in some of the world's most disadvantaged economies, and can involve child labor, says Anderson.

Despite volatile energy prices due to the war in Ukraine, prices for propane have proven relatively stable, remaining affordable for economically depressed communities in New England, she adds.

**Decarbonization:** Anderson testified against a bill in Connecticut that would incentivize zero-emissions vehicles, measured by tailpipe emissions alone, even though a full lifecycle comparison would show that a propane bus emits less than an electric bus.

In some cases, says Anderson, state agencies are projecting emissions data under the assumption that future electrification goals will be met and then comparing those projections to emissions from propane today, says Anderson. She proposes, instead, comparing those projections to the propane of the future, including lower-carbon renewable propane.

*continued on page 14 >*

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# Deadline Extended for PERC's Annual Retail Sales Report

PERC has extended the deadline to submit your 2021 retail propane sales report to June 15th! Please submit your survey by June 15 to help ensure Virginia receives an accurate amount of state rebate funding from 20 percent of PERC's annual revenues, and to see that your assessment dollars are used in the most efficient way to support market trends.



For the first time, propane retailers this year are asked to respond to the annual retail propane sales report directly on PERC's website, [propane.com/salesreport](https://propane.com/salesreport).

Individual responses are kept confidential and anonymous. Only summary statistics are presented in the final report, and data is never disclosed to third parties.

The final report is shared on [propane.com/salesreport](https://propane.com/salesreport) and incorporated into the National and State Propane Profiles, showing market trends by state and region.

To date, 23 Virginia marketers have submitted their annual report, which is 34% of our instate marketers! Help us increase that number and ensure we have an accurate reporting of Virginia's gallons by filing the report with PERC today!

If you're unsure which person at your company is responsible for submitting, email us at [salesreport@propane.com](mailto:salesreport@propane.com).

## Welcome to New Members

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**Advocating**, *continued from page 12 >*

The fact-based arguments aren't carrying much weight: "When you say propane has lower emissions, all of the data on that doesn't get any questions," observes Anderson.

But the emotional appeals are resonating better: "Everything is emotional when you go to the legislature. They aren't considering the facts," she says.

Thus far, says Anderson, the arguments about how battery metals are mined have been the most powerful, sparking conversation and debate in committee. She considers the possibility of partnering with environmental groups that oppose battery usage in the future.

Anderson deems the political landscape in New England five or 10 years ahead of many areas of the country, and urges industry members nationwide to spread the messages attached to the "Energy for Everyone" campaign.

She recommends propane's feel-good stories, in particular.

"If we can start to change thinking in other areas where they're not battling for their lives, it's going to help them down the road," says Anderson. "We're almost too late in our states. There's such a bias. We should have educated consumers and policymakers about propane's environmental benefits years ago."



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# Workforce Development Update



Virginia Department of Veterans Services  
**Virginia Values Veterans V3 Program**

VAPGA leadership has made the decision not to continue its partnership with Vets2Techs and GenerationNext in 2022. We appreciate their work and all of their efforts over the past year to assist our members. However, the Workforce Development Task Force,

led by **Trent Johnson** and **Randy Doyle**, has reached out to the Virginia Values Veterans Program (V3) as a new partner in workforce development. V3 is a program run by the state's Department of Veterans Services. As a state funded program, V3 is completely free to use and enrollment is as easy as 1...2...3!

1. Employer enrolls in program by submitting [application](#) online.
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V3 certification is valid for 5 years. Certified employers can proudly display their V3 Certified Seal and V3 program logo to highlight their commitment to military employment.

Read the Executive Summary [here](#).

Learn more [here](#).

## VAPGA CETP Training

Training for 2022 will continue with the current model of trainings being conducted on a request basis. We are exploring options to resume a more structured, centralized training schedule, but for now please continue to reach out to Dennis Cruise to organize trainings. We also encourage members to reach out to **Trent Johnson**, Chair of the Education & Safety Committee and **Dennis Cruise** to make them aware of your needs. Please take a moment to advise the committee of all specific training or safety programs that will deliver the most value to you this year. If you would be willing to host a VAPGA training at your company, please let them know that as well.

**Trent Johnson**  
[trent.johnson@bergquistinc.com](mailto:trent.johnson@bergquistinc.com)

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# New Report Examines Consolidation Patterns, Future Implications

By Ellen Kriz, LPGas Magazine

Consolidation patterns affect not only individual propane marketers gauging whether to buy or sell a business but also the structure of the industry at large and its competitiveness in a changing energy landscape.

The report "Consolidation Carousel in the U.S. Propane Industry: A Historical Perspective & Outlook," published by independent investment bank Matrix Capital Markets Group and contributing industry expert Randy Doyle, explores these questions:

Has the propane industry consolidated over the 2000-20 period?

Have select consolidators gained and retained market share based on gallon figures?

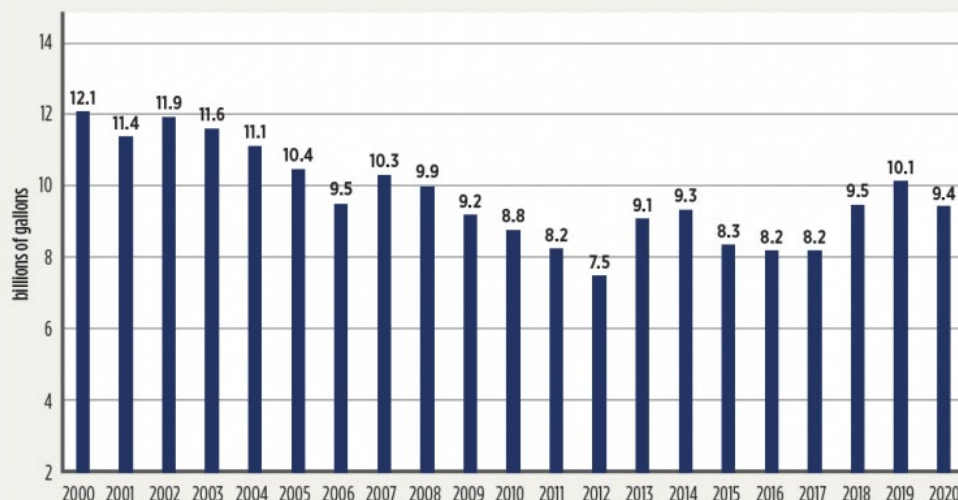
It also shares insights from past and present industry leaders on consolidation and provides an outlook on future consolidation.

## Measuring consolidation

The report measures industry consolidation as the annual percentage of total retail propane gallons sold by the top 10 companies, as self-reported in LP Gas' Top Propane Retailers ranking. It defines retail/odorized propane on the same basis as the Propane Education & Research Council: propane sold to the residential, commercial, industrial, agricultural, cylinder, forklift, autogas and off/non-road markets.

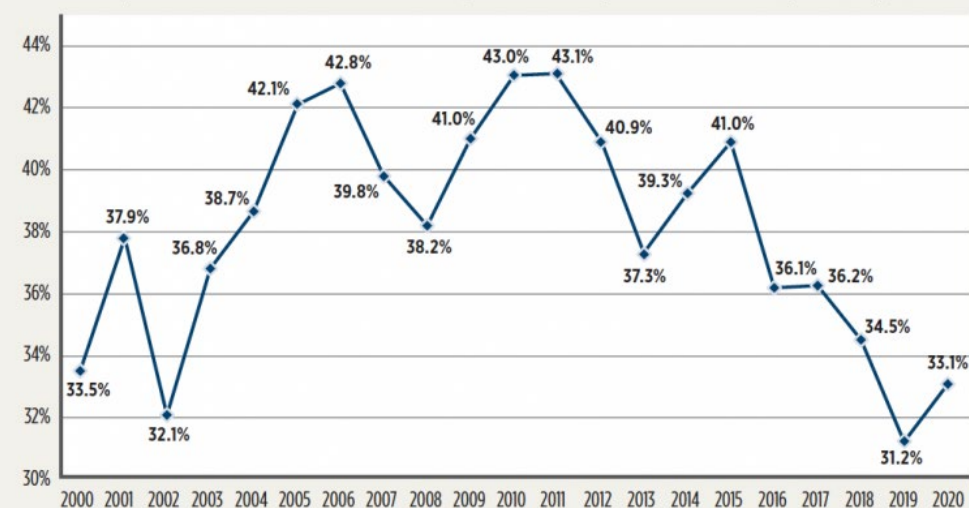
The report shows that the top 10's share of the propane industry's topline gallon sales in 2020 – 33.1 percent – remains relatively unchanged from the share in 2000 – 33.5 percent. The top 10's share peaked in 2011 at 43.1

U.S. Odorized (Retail) Propane Gallons by Year (2000–20)



Source: Matrix Capital Markets Group; PERC, industry gallon data (2009–20); API, industry gallon data (1999–2008)

Top 10 Retailers % of Total U.S. Retail/Odorized Propane Gallons Sold (2000–20)



Source: Matrix Capital Markets Group; LP Gas Top Propane Retailers

percent but has since declined. Most notably, the share during each year of the 2016-20 period ranks below the 20-year average of 38 percent, according to the report.

These results suggest the propane industry is not consolidating in the way a mature industry is expected to consolidate – with the largest companies gaining share over time.

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## Consolidation and industry health

LPG0522\_mergers-and-acquisitions-feature According to the report, consolidation tends to increase for industries during the mature life cycle phase because it enhances economies of scale that should, in theory, lower operating cost structure, make operations more efficient, enhance returns for companies remaining in the industry and improve the customer experience.

In the propane industry, many business functions have grown more complex in just the past 10 years, and that complexity motivates consolidation, explains propane industry veteran Randy Doyle in an interview with LP Gas about the report's findings. Larger companies have more resources to hire specialists in information technology, human resources, finance, marketing, legal, logistics, safety, propane supply and fleet management.

Healthy consolidation should also help the industry grow as large companies can invest in new markets: "With autogas, for example, smaller companies have a hard time

having the resources necessary to have somebody out there to sell it or with the technical expertise to support it," explains Doyle.

So if the largest retail propane companies generally have not gained market share in volume terms over the past 20 years – as the report illustrates – the industry should consider whether consolidators have reaped the purported benefits of consolidation, says Doyle.

## A personalized utility

Historically, consolidation and industry maturity have helped improve technology, safety and marketing, but consolidators, in general, must do more to enhance public perception and the overall customer experience, according to longtime industry leaders cited in the report.

The propane industry's local, personal relationships with customers set it apart from other utilities like water, electricity and internet service. As such, customer service proves paramount post-acquisition, especially since propane plays an essential role.

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The propane business involves more frequent engagement of a highly emotional product, explains Spencer Cavalier, co-head of Downstream Energy & Convenience Retail Investment Banking at Matrix Capital Markets Group, in an interview with LP Gas: "If you run out of gas to cook with or heat your house, people are more apt to change providers than with another product, good or service that you don't need as much."

The report references several causes of customer attrition post-acquisition – such as raising prices to achieve higher margins, and centralizing pricing and customer service centers – as well as capital structures that could hamper a customer-centric approach.

Cavalier expects these findings to heighten sensitivity among propane marketers about how they operate and structure their companies, as those choices can affect how well the marketer retains customers after an acquisition.

## Outlook

Report authors agree consolidation and mergers and acquisitions will remain active forces in the propane

market going forward. The industry is fragmented, with a large pool of potential sellers, and offers stable and recurring cash flow.

Consolidators that are structured properly to manage a personalized utility can access an "incredible opportunity" and lead the industry in its effort to promote propane's clean attributes and remain an integral part of national energy policy, according to the report. If consolidators focus on retaining customers and growing volumes, the industry should attract investment during this pivotal moment in the energy sector.

"There's going to be consolidation because it's a great industry," says Cavalier. "But it's part of the national discussion of energy policy. We have to be good. We have to give good customer service."

## Learn more

Read the full report here: [Consolidation Carousel in the U.S. Propane Industry: A Historical Perspective & Outlook](#).

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## A team approach keeps propane plants safe and secure

By Stuart Flatow

It's not easy being a plant manager.

You are required to do so many things – from maintaining supply and complying with government regulations to ensuring that customers get what they need – not to mention the safety and security of the plant, employees and neighbors, all while meeting monthly performance expectations.

Plant safety and security is more effective using a team approach that views safety as an integral part of all activities, including a plant manager's performance metric.

## See something, say something

At New Hampshire-based Palmer Gas & Oil, safety is integral to all company operations, including its propane plants, says Chris Gagnon, safety director.



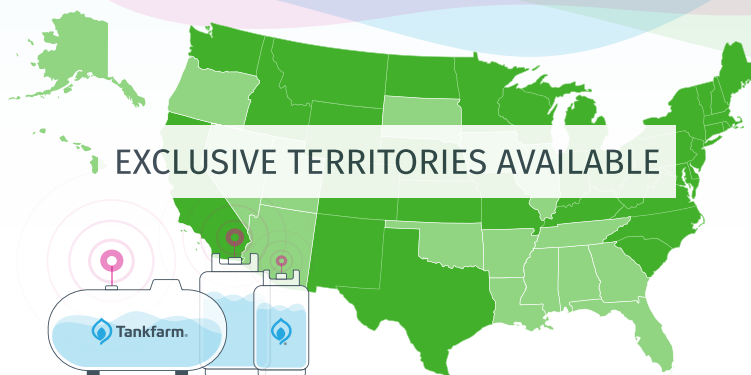
*Eastern Propane & Oil's bulk storage facility in Winchendon, Massachusetts, during the fall of 2021. (Photo by Nathan McShinsky)*

Through its “See Something, Say Something” program, Palmer Gas & Oil trains employees to keep a critical eye on the safety and security of its propane plants and to report anything that appears out of place. It also implements necessary systems and protocols to ensure the safety and security of the plants.

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"We have worked extensively with the Department of Homeland Security to add extra levels of security to our facilities, including automated gates, 24/7 monitoring cameras with artificial intelligence for after-hours notification, and propane and electrical bulk plant emergency shutdown, including a complete electrical shutdown of all electricity in and around bulk plant tanks," explains Gagnon.

## Community outreach

A critical component of Palmer Gas & Oil's plant and emergency response readiness and safety is community outreach to the local, state and federal agencies that are so important for a variety of reasons.

The company meets regularly with local municipal departments throughout its footprint to review propane plant safety and emergency response readiness. It also coordinates propane safety training with local first responder teams to ensure they have the knowledge necessary to protect themselves and residents when responding to a propane emergency.

"Because Palmer Gas & Oil is a locally owned business whose owners, employees and customers live and work in the local community, we always want to do everything we can to ensure that our emergency responders are prepared," says Gagnon.

## Design and planning

Plant safety begins in the design and build phase to ensure the site is appropriate and the project is completed to the

standards of local, state and federal regulators, says Evan Bonney, assistant vice president of risk management at Eastern Propane & Oil.

"Pre-planning for the unexpected is critical: training your employees, working with local emergency responders and having a plan in place," he adds.

NFPA 58 (2014 edition) requires unattended plants to close internal valves and emergency shutoff valves for the containers when the facility is not in use, unless the valve is required to be open to maintain a process or system.

Bonney recommends propane plant operators consider adopting this procedure even if their state fire codes aren't operating on the 2014 or newer code version.

Bonney also stresses ensuring bulk storage facilities are well secured and processes are well protected from potential cyberthreat actors.

In the propane industry, we don't compete on safety. That is one of the reasons why coordinating with fellow safety professionals like Gagnon and Bonney is so valuable. They, like so many others in the industry, are always willing to share their experiences, successes and even failures in a continuous effort to ensure the safety of their employees, companies and property.

*Article from lpgas.com. Stuart Flatow spent 18 years as the Propane Education & Research Council's vice president of safety and training before stepping down in February 2019. He can be reached at sflatow@aol.com.*