

ALTERNATIVE ENERGY DIVISION

PROPANE ALTERNATIVE FUELS ADVISORY COMMITTEE

December 2, 2009

- Members Present:** Paul Biney, Mike Bodine, Bill Clinkscale, Tony Dale, Lance Davis, Lon Holloway, Don Lewis, Don Paull, Mike Ross, Matt Terry
- Members Absent:** Larry Baty, Marco Cruz, Doug Garrett, Johnny Greenwood, Trini Hernandez, Gary Nelson, Lorraine Urey
- Staff:** Heather Ball, Rayfield Hearne, Steve Jaeger, Dan Kelly, Carmen Ledesma, Jim Osterhaus, Pat Wilson
- Guests:** Doug Maclay, Jackie Mason, John Tintera, Bill Van Hoy

The meeting came to order at 9:00 a.m. in the Railroad Commission's Alternative Fuels Training Center, 6506 Bolm Road, Austin. All present introduced themselves.

Railroad Commission Executive Director John Tintera explained the Commission's creation of the new Alternative Energy Division, the sunset review process and the possibility of future program consolidations under the alternative energy heading. He reiterated that transparency and open communication between the industry and the Executive Director and staff of the Alternative Energy Division are priorities for him and critical to the continued success of the Commission's alternative-fuels agenda.

Approval of Minutes

The committee discussed the minutes of the September 16 meeting. Mr. Holloway moved to amend the last sentence of the first paragraph on p. 1 to read "[John Tintera] responded to a question from Mr. Holloway about the different sources of funding, assessments and grant dollars, for AFRED's programs." On motion of Mr. Dale (second by Mr. Holloway), the minutes were approved as amended.

Director's Report

AFRED Director Dan Kelly reported as follows.

Rule amendments. As a result of the creation of the Alternative Energy Division, the names of some Commission administrative units have changed. The Commission has authorized the division to propose non-substantive amendments to the LP-Gas Safety Rules (16 TAC Ch. 9) and AFRED rules (16 TAC Ch. 15) to reflect these name changes. The amendments will be proposed in January.

House Bill 1731 implementation. Implementation of House Bill 1731 is complete. Administration Division records show that consumer rebate payments exceeded funds available by \$49,732 in fiscal 2009. This amount was paid out of the fiscal 2010 rebate budget. In addition, \$227,550 of fiscal 2010 rebates had been paid as of November 16. These payments leave \$722,718 available in the rebate budget for the rest of fiscal 2010. Staff will continue to track revenue and spending and keep the committee informed as the fiscal year continues.

Delivery-fee collections. Collections for fiscal 2010 through Friday, November 27, totaled \$335,581. This amount is 4 percent less than collections at the same date a year ago. Fiscal 2009 collections were \$1,801,973, the lowest in the division's history. The 18-year average is \$2.1 million. The fiscal 2010 operating budget is based on estimated collections of \$2 million.

HB 963. House Bill 963, 81st Legislature, allows persons who have been convicted of certain criminal offenses to ask a state agency for a preliminary determination of eligibility before they apply for a permit or license. General Counsel is evaluating whether the Commission is affected by this legislation.

DOE grant. A contract is expected this month implementing AFRED's \$12.6 million Department of Energy stimulus grant. The grant will help fund 882 propane vehicles and 35 propane fueling stations.

The committee discussed ways to communicate grant information to marketers. TPGA board and district meetings offer opportunities. AFRED publishes lists of current and potential partner fleets in its monthly *Propane Insider* newsletter. Materials from this year's "Breathe Easy" events are available by calling 800-64-CLEAR. DOE grant coordinator Meghan Lyons can answer questions at (512) 463-6756 or meghan.lyons@rrc.state.tx.

SECO proposal. A decision is still pending on AFRED's \$3.1 million proposal to the State Energy Conservation Office. The proposal requests \$1.6 million for 258 additional propane school buses, 11 dedicated propane "cutaway" transit buses and 13 propane-fueled pickup trucks. The other \$1.5 million is requested to upgrade 19 propane refueling stations on partner fleets' properties. Several partners in the SECO proposal are new to propane.

TSTC propane training. AFRED and Texas State Technical College are developing a training curriculum and class schedule under TSTC's U.S. Department of Energy stimulus grant. AFRED has submitted a proposal to conduct training classes to TSTC's executive director. If approved, work would begin after TSTC and the Department of Energy executed their master grant contract, possibly in January or February.

National Propane Trainer Conference. On January 11 at Bolm Road AFRED will host representatives of several other states who are meeting in Austin to discuss propane training.

Staggered CE due dates. Consideration of this topic is deferred indefinitely. Mr. Clinkscale said the TPGA Board of Directors considered it low priority, and AFRED staff agrees.

Partial credit for 80-hour Category E management course. Dan circulated a draft proposal for discussion. The draft proposes awarding 40 hours' credit for persons who completed five specified RRC courses (2.1, Dispenser Operations; 2.3, Bobtail Operations; 3.1, Residential System Design; 3.2, Residential System Installation; and 3.11, Residential System Inspection) during the two-year period immediately prior to a regular Category E management course.

Under the draft proposal, individuals who completed these five courses within two years, completed the second week of the Category E course and passed the examination would be certified as Category E managers. The fee for the second week would be \$375. Priority for registration would be given to persons attending both weeks of the course.

Mr. Clinkscale moved (second by Mr. Dale) to accept the proposed plan without the registration priority provision. The motion was adopted unanimously. The proposal will be presented to the Commission for review next spring as part of AFRED's next substantive rulemaking.

Research and Technical Services

Research Director Steve Jaeger reported as follows.

Stage-gate process. PERC has adopted a "stage-gate" system of managing research and development projects. The idea is to evaluate projects at key stages of their development and only allow projects that pass muster to proceed to the next stage. Quantitative market analyses are required for new projects.

ICC green building code. The International Code Council is developing a green building code. The current methodology measures emissions only from equipment inside the building, rather than life-cycle. This methodology favors electricity as an energy source. Steve will monitor developments and report back to the committee.

Research Task Force. Mr. Ross described six R&D projects that would benefit the propane industry: (1) develop a hybrid electric/LPG forklift, (2) evaluate the causes of rapid vaporizer gasket and seal deterioration, (3) develop a specialized low-ash LPG engine lubricant, (3) develop a heavy-duty engine for agricultural pumps and stationary generators, (5) develop an approved residue test method, and (6) institute a routine LPG fuel-sampling program.

The committee discussed these ideas. Mr. Ross will chair a task force made up of Tony Dale, Lon Holloway, Steve Jaeger, and Doug Maclay to review the projects further. The task force will report its findings and recommendations by January 15, 2010.

Training

AFRED Director of Training Thomas Petru reported as follows.

STAC dispenser operator video. The PERC Safety and Training Advisory Committee is developing a training video for dispenser operators. The video may be shot in Texas.

Spring 6.1 classes. Staff is developing the agenda for next spring's Regulatory Compliance for Managers classes. The committee suggested including grant information and presentations by the U.S. Department of Transportation, the Texas Department of Agriculture weights and measures office on certifying scales, and a Department of Public Safety truck inspector. AFRED will solicit speakers on these topics.

Event calendar. Members were given an updated AFRED event calendar. The calendar is published in each *Propane Insider* newsletter.

Propane Emergencies. PERC's *Propane Emergencies* manual is an important part of AFRED's training for fire departments. The manual includes additional real-life scenarios beyond those covered in the class. Each fire department attending a class receives a copy.

Advanced class. Thomas is developing an advanced class for fire departments that have already completed an introductory firefighter class.

Certification

Certification Manager Rayfield Hearne reported as follows.

Exam statistics. Since September 1 AFRED has administered 701 exams. Most exams are administered immediately after a training class. The failure rate is 6 percent. So far this fiscal year 44 percent of the exams were given in Austin and 56 percent elsewhere. Ten percent were management level exams and 90 percent were employee level.

Online database. Marketers and certified individuals can now use www.texaspropane.org to verify certification data and continuing-education due dates. A pass code is required to view this information for all of a licensee's employees. Licensees can get their pass codes by calling (800) 64-CLEAR or (512) 463-7110.

Uniform patches. RRC Certified Propane Technician uniform patches are available for certified persons at no charge. Call Andi Chirco at (800) 64-CLEAR or (512) 475-2954.

Marketing and Public Education

Marketing Director Heather Ball reported as follows.

PROCOT/AFRED joint projects. Heather explained staff's ideas for cooperative projects at PROCOT chairman Tony Dale's request. Eleven possibilities were discussed.

- 1) Sponsor fleet seminars
- 2) Sponsor Texas Association of Builders luncheons
- 3) Expand *Texas Propane Builder* from a quarterly to a monthly publication
- 4) Create a short video to accompany each Marketer Safety Meeting Outline
- 5) Create an award for customer safety education
- 6) Purchase a booth at the TPGA convention for award winning marketers
- 7) Purchase PERC *Propane Emergencies* books for fire department training
- 8) Sponsor meals at fire department training classes
- 9) Offer rebates for regulator replacements for customers who do not qualify for LIHEAP
- 10) Offer propane mower rebates
- 11) Sponsor meals for attendees at the 6.1 Regulatory Update for Managers classes

Project 1 was completed under budget in 2009. Bill Van Hoy clarified that the cost of a TPGA convention booth under Project 6 is \$25,000, not \$2,500.

Mr. Holloway moved (second by Mr. Dale) that the committee recommend Project 1 to PROCOT. The budget should include AFRED matching funds or in-kind services and additional details of the proposed seminars. The motion passed unanimously, Mr. Clinkscale abstaining.

Mr. Dale moved (second by Mr. Holloway) to submit projects 3, 4, 5 to PROCOT. The motion passed unanimously, Mr. Clinkscale abstaining.

Heather will provide additional details on projects 9, 10 and 11.

Consumer Rebate and Homebuilder Outreach Programs

Rebate Coordinator Pat Wilson reported as follows.

The new procedure of allowing faxed applications and emailing notices when applications are received is generally working well. Some faxes are hard to read. *Texas Propane Builder* has been received well by the homebuilder industry. TAB seminars have raised propane's profile. A new program to identify propane-friendly homebuilders will begin this month. Propane marketers will nominate builders.

New Business

Mr. Clinkscale moved (second by Mr. Dale) that any material changes in the testing, education, certification, or licensing programs or changes in the procedures within these programs require advisory committee review and comment. The motion was approved unanimously.

Next Meeting; Adjournment

The committee adjourned at 1:14 p.m. The next meetings are set for March 10 and June 9, 2010.



Carmen Ledesma