



marketing mix

TOM JAENICKE

Generating electric power with propane

THIS MARKET IS WAITING FOR YOU TO HOOK YOUR HOSE TO IT

A recent ice storm, the worst on record in northern Michigan, reminded me how much I appreciate having propane as a primary energy source in my home.

During and after the storm, my propane standby generator ran for six days without interruption while providing electricity where needed to allow for the full use of all my propane appliances and other electrical needs. Space heating, water heating, cooking and clothes drying were available to me during the storm as needed. My propane fireplace was an additional comfort in the cold, damp weather and didn't need grid electricity to operate. My portable propane grill was waiting outside for me, too. Propane makes my home a safe and sustainable place to live, no matter how often or for how long the electrical grid fails me.

Propane marketers are begrudgingly accepting that standby generators will only get more popular as power from the electrical grid becomes less dependable and more expensive. At first, marketers didn't like the sporadic and low or no propane usage that generator-only hook-ups provided, and running out of propane during weather events was frequent and seemingly unavoidable. Many propane marketers had coupled discounted or free tank installations and first-fill specials with whole-home use of propane and didn't

have a plan to add standby generator-only propane service to the mix.

As interest in standby generators continues to grow, customers may not be surprised if you include tank monitoring and outright tank purchase with your installation cost for generator-only hook-ups. When dealing with generator-only customers, know what you are doing, act like it and charge appropriately. In addition, you may be able to convince them to put other propane usage points in the home, such as a tankless water heater or a cooktop. These steps can mitigate most propane marketers' concerns about dealing with the standby generator-only market and make customers feel even more secure with their standby generator purchase.

When your current propane customers add a standby generator to their present propane load, it is a bonus about which you should be happy. While it may not happen often, the typical propane standby generator, depending on size, uses 2 to 4 gallons per hour while running. Couple that with the continued propane use of other propane appliances during a grid power outage, and you have a customer who uses even more propane than normal. Don't forget to add a tank monitor when you hook up propane service to that new generator to give further peace of mind to the customer and your delivery scheduler. Your propane customers without standby generators are using little to no propane during grid electricity interruptions. Treat propane standby generator purchasers right, and you will have satisfied and loyal customers for life, with a profit margin

that is sustainable for your propane business.

While residential standby generators are currently the most popular way to create electricity from propane, there are other unique electricity demands that propane can fuel as well. Some of these opportunities are coming about because of the desire to provide a cleaner fuel option for power generation than diesel, and others are due to the increasing awareness of our overloaded electrical grid that is losing capacity due to the gradual conversion to solar- and wind-generated power sources. Go to propane.com/power to learn about towable and portable power for construction sites, standby and off-grid power for commercial businesses and agriculture operations, and electric vehicle charging stations where the grid won't support them.

All you are doing is providing propane for these types of power generation installations. You don't have to be an electrician or an engineer or be involved in any part of installing these systems. In many cases, the properly sized propane tank is already in place as part of the overall installation. Other installations may require you to sell and install the propane supply tanks. You will have zero investment with this type of customer. All you have to do to generate electric power with propane is "hook your hose to it." **LPG**

Tom Jaenicke is known as "the propane guy" and works as an adviser and strategist to the energy industry. Check out his work at atomiksolutions.com. Tom is a propane industry veteran of several decades and can be reached at tom@atomikenergysolutions.com or by calling 810-252-7855.

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