2022 Membership Categories and Dues
Frequently Asked Questions (FAQ)

Q: **What are the category changes and why is NPGA making them?**

A: There are no changes to categories for marketers. There are several changes in the non-marketer ("affiliate member") categories, primarily collapsing Supplier 1 and Supplier 2 into one category and adding a category for propane dispensers (fill- and refill-only outlets). The two former supplier categories are being combined for parity of dues payments across all such members.

Q: **Why is NPGA increasing dues?**

A: NPGA is fighting the electrification movement on all fronts. Offensively, NPGA is working with state and regional associations to promote state-level legislation prohibiting local jurisdictions from banning gas. In 2020 and 2021, the industry was successful in getting 15 states (as of mid-May) to sign these bills into law and to put them on the table in many additional states. Efforts include bill sponsor coordination, drafting bill language, securing testimony, coalition forming, digital campaigns, letter writing campaign, petitions, and media outreach. On the defensive front, we are often battling the Democratic-controlled White House, both chambers of Congress, and top regulatory agency appointees favoring electrification, as well as codes and standards bodies, state energy code overhauls, hundreds of local policymaking bodies, and international forums all favoring electrification. Since Inauguration Day we have seen federal proposals to allocate tens of billions of dollars to electrifying everything from buildings to appliances to school buses.

In addition, the very successful state engagement fund to fight natural gas expansion and public utility commission overreaches needs replenishing and NPGA recognizes the need to expand work around areas such as supply & logistics, renewable propane and blends, Autogas, and combined heat and power.

NPGA last increased dues 6 years ago.

Q: **Why isn't NPGA cutting its expenses instead?**

A: NPGA has made significant cuts. Last fiscal year, NPGA parted ways with numerous vendors, restructured staff in multiple areas lowering overall compensation, and cemented a deal with PERC for office space that will save NPGA significant expense starting in 2022. During the past fiscal year, NPGA expended 18% under budget, and even without savings due to not hosting Expo or traveling significantly, NPGA was 12% under budget through cost cutting measures. However, revenue also has declined primarily in the conventions/meetings and education areas because of Covid and the sale of CETP, respectively. NPGA has budgeted in the red for three straight years, which is not a recipe for success.

Benchmarking also demonstrates that NPGA's expense per employee is 17.5% better than average against comparable trade associations, salaries are 5% lower than average, and G&A (general and administrative) expense is 10% lower than average.

Q: **How much are the increases in 2022 NPGA dues?**
A: Marketer dues will increase by the following amounts:

	2022 Increase
0-2 Total Bulk Plants (or HQ)	$52
3-5 Total Bulk Plants	$82
6+ Total Bulk Plants	$82 + $29 per additional bulk plant

Marketer increases are an average of 10.75%, less than 2% per year since last increasing dues 6 years ago.

Non-marketer (affiliate member) dues will increase by an average of 8% in 2022 and 13% by 2025 after a grandfathering period for certain former Supplier 2 members (see below).

Q: **Is there an easy-to-understand chart of dues?**
A: Yes.

Marketers:

	0-2 Total Bulk Plants (or HQ)	**3-5 Total Bulk Plants**	**6+ Total Bulk Plants**
2022 NPGA Dues	$550 total	$850 total	$850 + $285 per additional bulk plant

Affiliate Members:

	Producers/Brokers/ Wholesalers	**Dispensers**	**Suppliers**	**2022 NPGA Dues**
	States of Propane Operation	Retail Outlets with Propane Sales	Annual Propane Industry Gross Revenue	
Class 1	N/A	1-5 outlets	$1M or less	$1,350
Class 2	1-2 states	6-15 outlets	Over $1M - $3M	$1,500
Class 3	3-6 states	16-100 outlets	Over $3M - $5M*	$3,750
Class 4	7-12 states	101-350 outlets	Over $5M - $9M*	$7,500
Class 5	N/A	351-600 outlets	Over $9M - $12M*	$11,500
Class 6	13+ states	> 600 outlets	Over $12M*	$18,500
International	All operations outside of U.S.			$450
Retired	Individual retired member			$160

** Limited grandfathering for former Supplier 2 members now in Classes 3-6 (see below).*

Q: How do NPGA dues compare to those of other associations?

A: NPGA's dues are still lower than most of its peers. In 2021, dues represented approximately 40% of NPGA's budgeted annual revenue; with these changes in 2022, it will represent approximately 44%.

Benchmarking analyses conducted by NPGA demonstrated that other national energy trade associations collect an average of 65-70% of annual revenue from dues, and non-energy national associations that are close in size to NPGA and represent industries that are comprised of a work force roughly similar to the propane industry collect an average of 58-59% of annual revenue from dues.

Q: Were my views represented when making these decisions?

A: NPGA believes they were as best as possible. These changes have been made over a 9-month process. Much of the work was done by an NPGA member-based task force that included representation from marketers (inter-state and intra-state), non-marketers (wholesaler and supplier), and a state executive. These changes were also approved by the NPGA Executive Committee, members of whom are elected by the NPGA membership to represent the industry as a whole. NPGA also worked with the state and regional executives to make modifications to the original proposal.

Q: I used to be a Supplier 2 member – now that there is only one Supplier category, my dues are going up more than everyone else's. Can NPGA alleviate some of this impact?

A: Yes. Former Category 2 Suppliers that are now in Classes 3-6 of the Suppliers category will see the greatest increases (on a percentage basis) under the new dues structure. Accordingly, these members alone (provided they were NPGA members as of December 31, 2021), will be entitled to the following step-up "grandfathered" dues for the first three years under the new dues structure:

2022: 65% of dues that would otherwise apply.

2023: 75% of dues that would otherwise apply.

2024: 85% of dues that would otherwise apply.

2025 and beyond: 100% of dues that would otherwise apply.