

2015

CONSERVATION PROGRAM

ANNUAL REPORT

AFFORDABILITY FOR TODAY AND TOMORROW

Save money, save energy – it's not just a tagline. The Texas Gas Service Conservation Program has been helping the Austin community save money and energy for more than a decade. Each year, more customers are choosing energy-efficient natural gas appliances thanks to the help of rebates, and those appliances continue to save them money on their utility bills each month.

An ongoing increase in the cost of living in the Austin area has significantly affected those who wish to call Austin home. It will take time and cooperation across organizations and agencies to help address the larger problem, but there are smaller-scale changes that can help in the meantime.

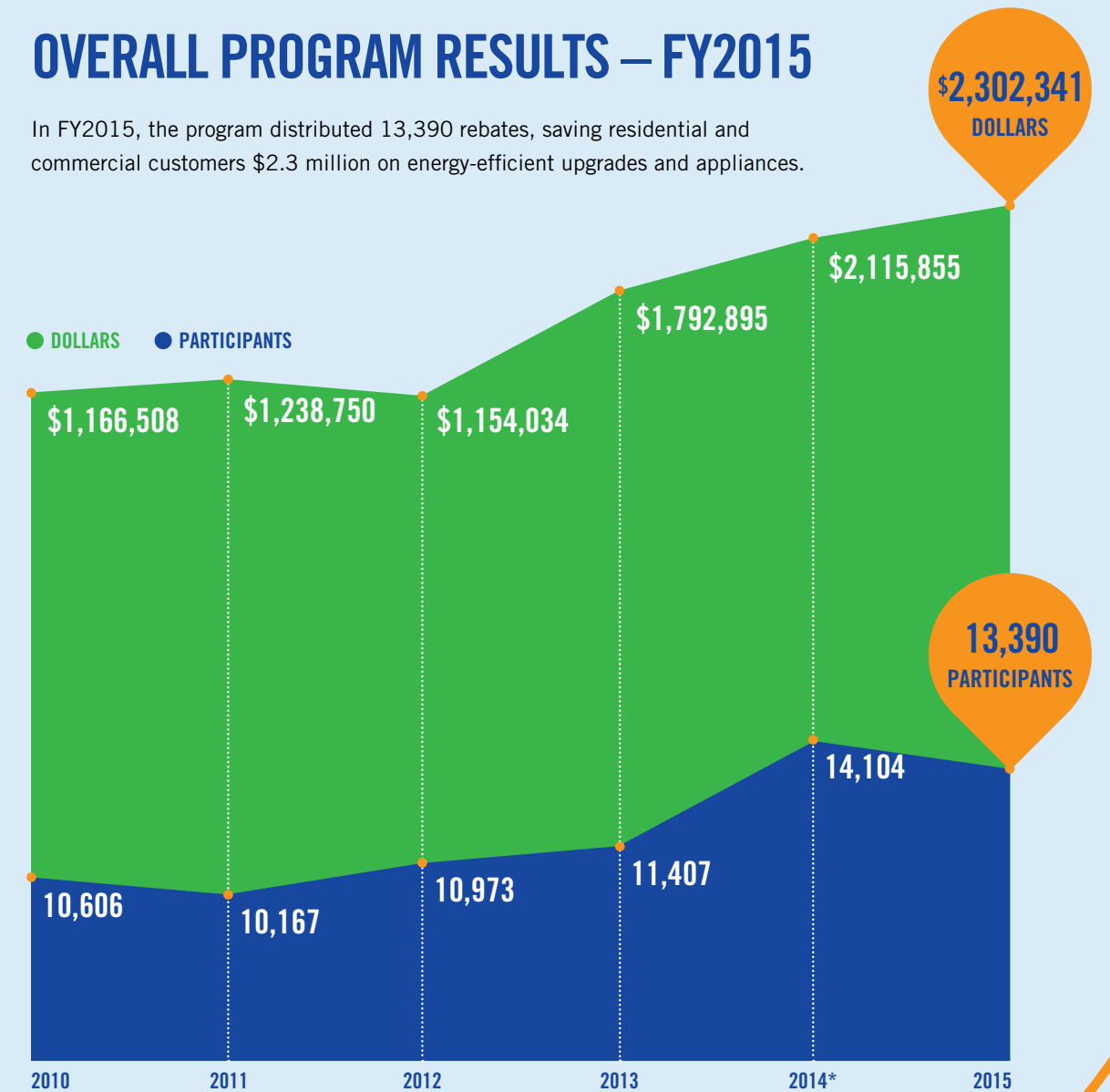
Texas Gas Service's Conservation Program is committed to being a part of the affordability solution by:

- Bridging the gap between natural gas appliance and electric appliance purchase costs. Rebates help customers afford a more efficient appliance than they may have purchased otherwise, leading to lower utility bills in the long run.
- Encouraging builders to offer natural gas as a fuel choice option. By building homes and apartments with natural gas plumbing and efficient appliances, the builder provides the homebuyer or renter the opportunity to save money on their utility bills long-term.
- Assisting low-income customers through the Free Equipment Program. Many Austinites struggle to make ends meet and simply cannot afford to purchase a more efficient natural gas appliance. The Free Equipment Program addresses this growing concern in the Austin community and makes it possible for those in need to have a more energy-efficient and affordable home.

Texas Gas Service's Conservation Program rebates and Free Equipment Program help customers offset the up-front cost of purchasing efficient natural gas appliances and encourage the most efficient use of energy for cooking, heating and drying.

OVERALL PROGRAM RESULTS – FY2015

In FY2015, the program distributed 13,390 rebates, saving residential and commercial customers \$2.3 million on energy-efficient upgrades and appliances.



*2014 was a 15-month fiscal year

AFFORDABLE TODAY:

Builders receive rebates that make building energy-efficient homes with natural gas appliance connections more cost-friendly.

AFFORDABLE TOMORROW:

Consumers pay approximately 75 to 150 percent less by using the natural gas version of an appliance compared with the electric version. And with the natural gas connections built in from the start, homeowners have the option to save on their utility bills throughout the entire life of the home.

Source: Pecan Street, Vol. 2, No.6

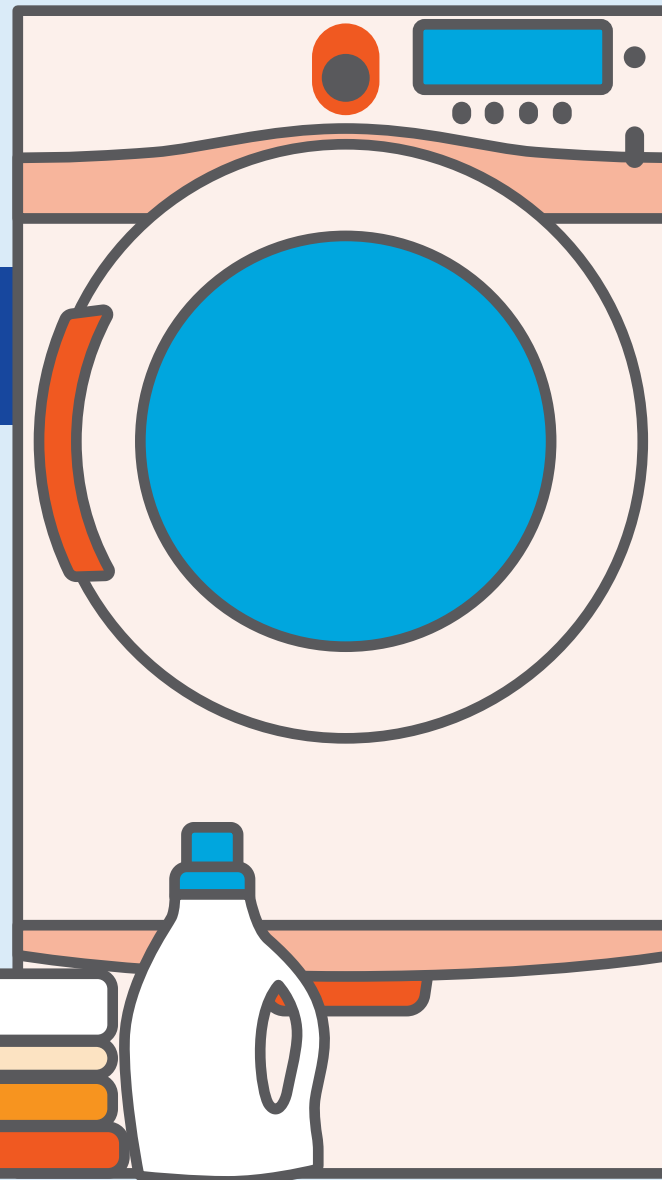
New Construction – Natural Gas Dryers and Laundry Room Connections

192

new natural gas dryers installed in new homes in FY2015 (vs. 77 in FY2014)

614

new homes built with connections for natural gas dryers in FY2015



AFFORDABLE TODAY:

Texas Gas Service customers get a \$225 rebate when they purchase a new natural gas dryer.

AFFORDABLE TOMORROW:

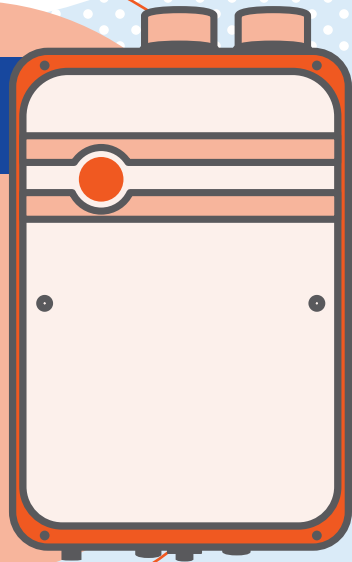
Texas Gas Service customers who installed natural gas dryers in FY2015 will save a combined total of more than \$350,000 over the life of the dryers compared with using an electric dryer.

Source: 2015 TGS Energy Measurement and Verification (EM&V) Analysis, EnergyTools, Inc.

New Construction – Tankless Water Heaters

176%

increase in tankless water heater rebates distributed in FY2015



1,187

natural gas dryer rebates distributed in FY2015

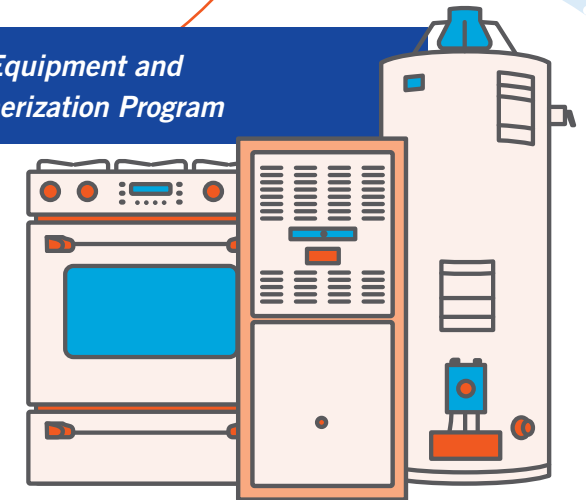
196%

increase in natural gas dryer connections in the laundry room in FY2015



Retrofit – Natural Gas Dryers and Laundry Room Connections

Free Equipment and Weatherization Program



134

natural gas appliances replaced for low-income, mobility-challenged and elderly customers and more than 880 free natural gas water heaters, furnaces, and ranges installed over the last six years of the program

COMMERCIAL REBATES

4,034 energy- and water-saving devices were installed for qualified commercial customers in FY2015

1,564
FY2014

4,034
FY2015

AFFORDABLE TODAY:

Texas Gas Service partners with CLEARresult to provide free installation of energy- and water-saving sink aerators, spray valves and showerheads for commercial customers, including local restaurants, hotels and other businesses.

AFFORDABLE TOMORROW:

These improvements can save small and medium businesses up to \$500 annually in addition to saving more than 6 million gallons of water each year.

LOOKING AHEAD

Texas Gas Service will continue to focus on efficiency and affordability in 2016. We plan to:

- Increase outreach for the Free Equipment Program to help customers in need of efficient appliances
- Educate contractors so they can help their customers choose natural gas appliances that lower their monthly utility bills
- Encourage builders and multi-family developers to create the infrastructure that allows for natural gas appliances and long-term savings

TEXAS GAS SERVICE COLLABORATES WITH THE FOLLOWING ORGANIZATIONS:

Austin-area appliance retailers
Austin Board of Realtors
Austin Energy
Austin Hotel and Lodging Association

CLEARresult
Home Builders Association of Greater Austin
Housing Authority of the City of Austin
Meals on Wheels and More

Pecan Street
Real Estate Council of Austin
SPEER
(South-Central Partnership for Energy Efficiency as a Resource)
Sustainable Food Center

	FY15 Participants	FY15 Actuals	FY15 Budget	Variance	FY16 Budget
COMMERCIAL		\$87,369	\$163,000	-\$75,631	\$183,650
Equipment and Weatherization (includes CLEARresult)	4,034	\$82,369	\$83,000	-\$631	\$119,650
Natural Gas Vehicle (NGV) Rebates	2	\$5,000	\$80,000	-\$75,000	\$64,000
RESIDENTIAL		\$2,169,972	\$2,220,080	-\$50,108	\$2,779,605
Water Heating Rebates		\$739,485	\$927,480	-\$187,995	\$960,450
Retrofit					
High-efficiency Tank	67				
Tankless	326				
New Construction					
High-efficiency Tank	67				
Tankless	822				
Heating and Weatherization Rebates		\$614,032	\$711,225	-\$97,193	\$921,185
Retrofit					
Furnace	1,018				
High-efficiency Furnace	234				
Furnace Tune-Up	541				
Hydronic Heating	42				
Weatherization Measures	1,813				
Green Saver	1,828				
New Construction					
Furnace	210				
High-efficiency Furnace	31				
Hydronic	0				
Dryer Rebates		\$531,675	\$361,000	\$170,675	\$634,900
Retrofit					
Gas Dryer	1,187				
Gas Dryer Stub to Laundry Room	77				
Extra \$100 Dryer Rebate Voucher	144				
New Construction					
Gas Dryer	192				
Gas Dryer Stub to Laundry Room	614				
NGV Rebates		\$4,000	\$18,750	-\$14,750	\$32,000
NGV Conversions	2				
Refueling Station	0				
Free Equipment Program	134	\$278,805	\$193,500	\$85,305	\$227,820
Whole Home Rebate	5	\$1,975	\$8,125	-\$6,150	\$3,250
PECAN STREET PROJECT		\$25,000	\$25,000	\$0	\$25,000
EDUCATION (Commercial, Industrial, Residential)		\$447,829	\$412,500	\$35,329	\$455,000
OPERATION EXPENSES		\$337,912	\$468,627	-\$130,715	\$366,209
TOTALS	13,390	\$3,068,082	\$3,289,207	-\$221,125	\$3,809,464



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