

2014 CONSERVATION PROGRAM ANNUAL REPORT



**Texas
Gas Service™**
A Division of ONE Gas



MAKING A DIFFERENCE

Since 2006, the Texas Gas Service Conservation Program has consistently achieved its goals to educate customers about the benefits of natural gas and help them make smart energy choices.

The results of these efforts are reflected in our continued growth – this fiscal year we saw record participation and record dollars distributed to customers. While these numbers reflect the success of the program offerings, the real-world impact of these results is much deeper.

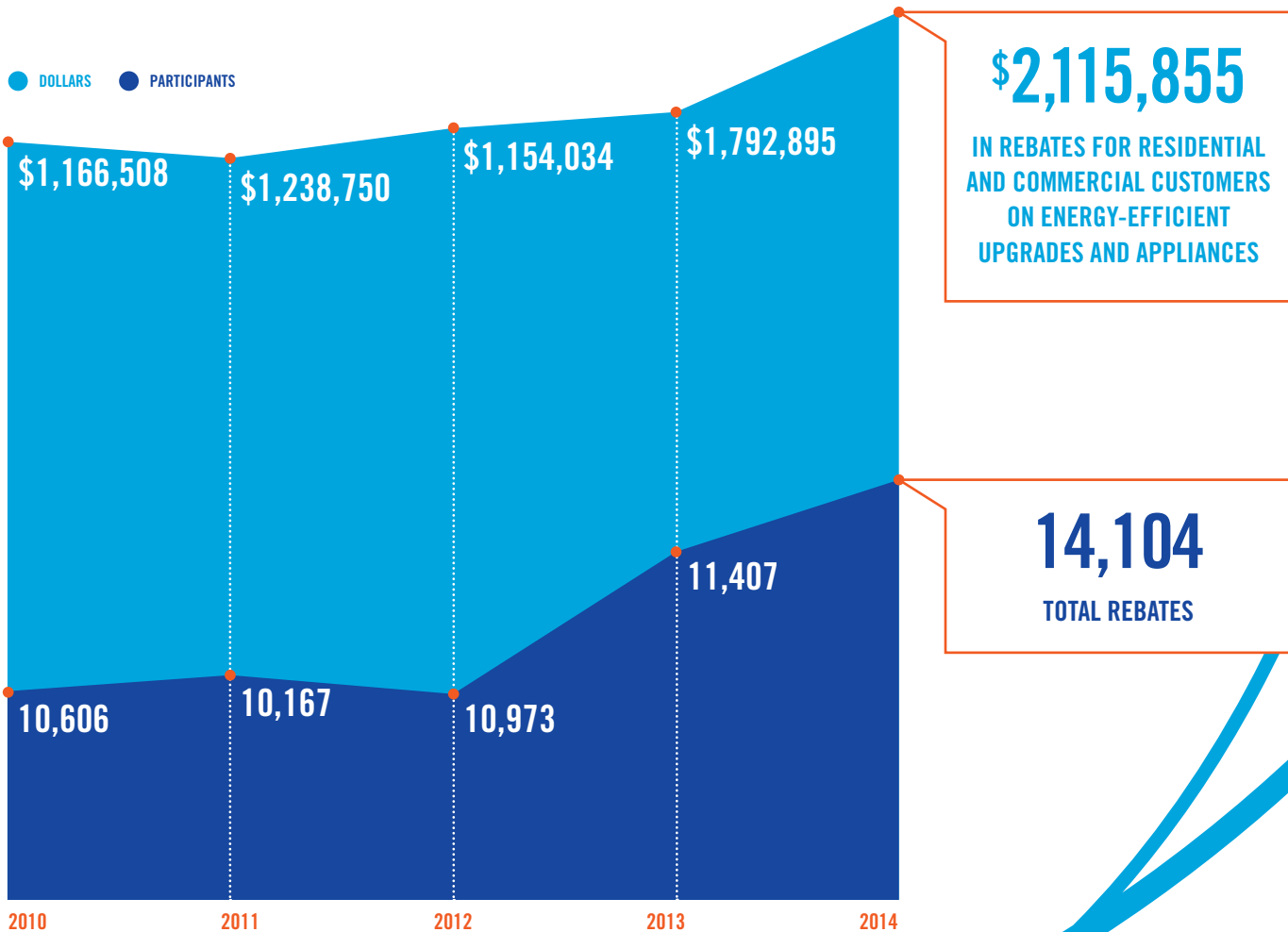
As part of a larger climate protection resolution, the City of Austin set a goal to reduce demand on the already overburdened electric grid by 900 megawatts by 2025. Meeting this goal requires managing the demand for electricity, and natural gas plays a major role in decreasing this demand without placing the burden on customers.

Our contributions include:

- Providing free high-efficiency natural gas equipment to low-income, elderly and mobility-challenged customers, eliminating the up-front costs and lowering their utility bills in the long-term
- Educating customers about the benefits of natural gas and available appliance rebates
- Working with builders and developers to construct efficient natural gas homes so customers have options for smart energy use
- Partnering with organizations like Pecan Street Energy Lab and Austin Energy to better understand energy consumption and trends

Through these efforts, the Texas Gas Service Conservation Program is enabling the City of Austin to meet or exceed its energy goals while making a difference in long-term energy efficiency, affordability and reliability for Austinites.

FY 2014* OVERALL PROGRAM RESULTS



**To adjust to a calendar fiscal year, the program had a 15-month fiscal year running from Oct. 2013 to Dec. 2014.*



EASY ON THE WALLET

Consumers would pay about **75 to 150 percent more** by using the electric version of an appliance instead of the natural gas version.

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

WEATHERIZATION

ATTIC INSULATION AND DUCT SEALING TO PREVENT ENERGY WASTE

3,803 weatherization rebates awarded in conjunction with Austin Energy's Home Performance with ENERGY STAR® Program

3,803
weatherization
rebates awarded

FURNACE / FURNACE TUNE-UP

\$195,450

total furnace rebate
dollars awarded

114 percent increase in
total furnace tune-up rebates
awarded vs. FY 2013



EASY ON THE WALLET

Residents' total energy costs for electric heating are often **nearly 100 percent higher** than they would be if the residents had natural gas central heating and water heating.

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

NEW CONSTRUCTION

1,834

rebates distributed to
builders and developers
for the installation of
energy-efficient natural
gas appliances in
approximately 700
newly constructed homes

Once built, switching a home's fuel source is a significant time and cost investment. By working with builders and developers in the planning phases of construction to plumb for natural gas, we help provide the homeowner with an affordable and energy-efficient fuel source for the life of the home.

DRYERS 1,312

natural gas dryer
rebates distributed



EASY ON THE GRID

Tankless natural gas water heaters use **less electricity** than a single 60-watt light bulb.

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

TANKLESS WATER HEATERS

158%

increase in
tankless natural
gas water heater
rebates distributed
vs. FY 2013



EASY ON THE GRID

All-electric apartments used 2.38 times more electricity per square foot on cold winter days than did single family houses with gas heating and appliances.

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



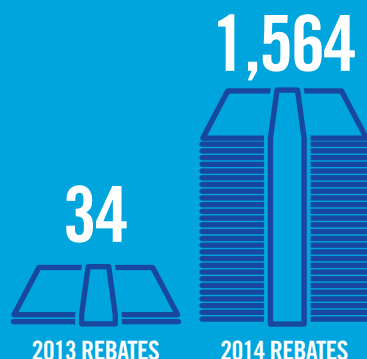
EASY ON THE WALLET

Consumers who use natural gas dryers instead of electric dryers can expect to **save up to \$50 per year** in utility costs.

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

COMMERCIAL REBATES

Participation in commercial rebate categories jumped to 1,564 in 2014 from just 34 rebates distributed in 2013.



Through a partnership with CLEAResult's Direct Install program, qualified commercial rate customers learned about natural gas food service equipment and water heating rebates while receiving energy- and water-saving faucet and spray-valve devices for their businesses, improving their overall efficiency.

FREE EQUIPMENT AND WEATHERIZATION PROGRAM

This fiscal year, the Free Equipment Program replaced 105 natural gas appliances for low-income, mobility-challenged and elderly customers. Over the last five years, the Free Equipment Program has provided and installed more than 750 free natural gas water heaters, furnaces, and ranges to Austinites in need.



LOOKING AHEAD

In 2015, we will continue to make strides in energy efficiency and affordability for our customers:

1. New rebate for super high-efficiency natural gas furnaces
2. Increased rebate amount for high-efficiency and super-high efficiency tank and tankless water heaters
3. Increased outreach and engagement with commercial rate customers and food service customers



WE PROUDLY COLLABORATE WITH THE FOLLOWING ORGANIZATIONS:

Austin Board of Realtors

Austin Energy

Austin Hotel and
Lodging Association

Austin-area appliance retailers

CLEAResult

Home Builders Association of
Greater Austin

Housing Authority of
the City of Austin

Meals on Wheels and More

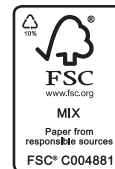
Pecan Street

Real Estate Council of Austin

FY 2014 CONSERVATION PROGRAM FINANCIALS

PROGRAM	Participants	Actuals	Budget	Variance	FY 15 Budget*
COMMERCIAL					
Equipment and Weatherization (includes CLEAResult)	1,564	\$91,910	\$49,625	-\$42,285	\$83,000
Natural Gas Vehicle Rebates	21	\$63,000	\$150,000	\$87,000	\$80,000
Commercial Rebate Totals	1,585	\$154,910	\$199,625	\$44,715	\$163,000
RESIDENTIAL					
Water Heating Rebates	1,020	\$494,400	\$190,625	-\$303,775	\$927,480
Retrofit					
Tank	13				
Tankless	512				
New Construction					
High-efficiency Tank	197				
Tankless	298				
Heating and Weatherization Rebates	9,742	\$923,170	\$1,043,438	\$120,268	\$711,225
Retrofit					
Furnace	1,924				
Furnace Tune-Up	818				
Hydronic Heating	228				
Weatherization Measures	3,803				
Green Saver	2,007				
New Construction					
Furnace	682				
Hydronic	280				
Dryer Rebates	1,637	\$381,175	\$448,750	\$67,575	\$361,000
Retrofit					
Dryer	1,235				
Dryer Stub in Laundry Area	26				
Washwise	6				
New Construction					
Dryer	77				
Dryer Stub in Laundry Area	293				
Natural Gas Vehicle Rebates	8	\$18,000	\$18,750	\$750	\$18,750
NGV Conversions	7				
Refueling Station	1				
Free Equipment Program	105	\$141,925	\$156,250	\$14,325	\$193,500
Whole Home Rebate	7	\$2,275	\$0	-\$2,275	\$8,125
Residential Rebate Totals	12,519	\$1,960,945	\$1,857,813	-\$103,132	\$2,220,080
PECAN STREET PROJECT		\$25,000	\$31,250	\$6,250	\$25,000
EDUCATION (Commercial, Industrial, Residential)		\$392,002	\$421,875	\$29,873	\$412,500
OPERATION EXPENSES		\$459,170	\$454,713	-\$4,457	\$468,627
TOTALS	14,104	\$2,992,027	\$2,965,276	-\$26,751	\$3,289,207

*FY 2015 budget includes new rebates and rebate amounts



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