

## City of Austin Environmental & Conservation Services Department

### Gas Technologies Program

The City of Austin's Gas Technologies program is a unique DSM program for a number of reasons. It not only promotes energy efficiency but also accomplishes societal and environmental objectives. The program is made up of five programs that result in saved natural gas and two programs that promote the use of natural gas. While this may seem contradictory, Austin's dual goals are to promote thermodynamic efficiency of energy consumption by using the most appropriate fuel to fulfill the desired task, and to mitigate emissions using a cradle-to-grave approach from the power plant or well-head to the end-use.

The Gas Technologies program is based on a complicated, but fundamentally effective, organizational design. While the City of Austin has its own municipal electric utility, the investor-owned Southern Union Gas has the franchise to serve natural gas to customers within the City. In 1988 the City allowed Southern Union to slightly raise rates within the City limits to cover the costs of the newly-required Gas Technologies program. Currently the program is administered by the City's Environmental and Conservation Services Department which provides all DSM services for Austin.

The seven Gas Technologies programs provide a range of gas DSM services for the residential and commercial sectors as well as for the transport sector. The program also offers a range of societal, economic, and environmental benefits. For instance, low income households qualify for free weatherization services including free space heaters if necessary. All residential customers can receive hot water heater wraps and pipe insulation, again at no charge. For customers replacing or planning to install gas furnaces, rebates have been available for high efficiency models and for gas combination heaters.

Conversely, the program features two elements that promote gas use, justified through a full fuel cycle analysis. Prescriptive rebates are promoted for gas engine driven commercial chillers and \$1,000 rebates are provided for customers and corporate fleets that convert gasoline-powered cars to natural gas, providing operating cost advantages while concurrently alleviating urban smog and other forms of pollution.

Finally, the Gas Technologies program represents a delicate balance between thermodynamic goals and political realities. While Southern Union Gas is willing to cut peak demand through societally-desirable gas saving measures, it is also keen on building baseload demand through the promotion of gas engine chillers and natural gas vehicles. And while the per customer use of natural gas has decreased over time in Austin, overall consumption has increased, fulfilling both the City's goal of increased efficiency and Southern Union's goal of increased use of natural gas. Attaining this delicate balance, ironically in a major oil and gas producing state with among the lowest gas prices in the country, represents a pioneering step in DSM and a model that will likely be carefully analyzed by both single and dual-fueled utilities.

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#### CITY OF AUSTIN ENVIRONMENTAL AND CONSERVATION SERVICES DEPARTMENT Gas Technologies Program

**Sector:** Residential, Commercial

**Measures:** Weatherization measures such as insulation, solar screens, caulking, and low flow showerheads; gas combo-heaters; efficient gas furnaces; IIDs; gas engine chillers; water heater wraps; and NGVs

**Mechanism:** Direct installation of gas efficiency measures; rebates on high efficiency natural gas fueled equipment

**History:** In a 20-year franchise agreement with Southern Union Gas Company, the ECSD began implementing the programs in 1988.

#### 1993 PROGRAM DATA

Gas savings: 8,776 MCF  
Lifecycle gas savings: 131,640 MCF  
Cost: \$392,103

#### CUMULATIVE DATA (1989 - 1994)

Gas savings: 185,232 MCF  
Lifecycle gas savings: 765,210 MCF  
Cost: \$1,772,664

The Results Center produced 126 profiles of the most successful energy efficiency and renewable energy programs in the United States and around the world in the early and mid 1990s. With the support of the John D. and Catherine T. MacArthur Foundation, Ted Flanigan directed a research team at Colorado-based IRT Environment to produce and distribute these exceptional examples. Thanks to strong demand for solid case studies, The Results Center was supported by dozens of major utilities and energy associations worldwide. Today, The Results Center is managed again by Ted Flanigan, now at California-based EcoMotion Incorporated, a firm focused on strategic consulting, information dissemination, program design, outreach services, and aggressive implementation. To nominate highly successful programs, contact: The Results Center, c/o EcoMotion, 15375 Barranca Parkway, F-104, Irvine, CA 92618, (949) 450-7155, or [TFlanigan@EcoMotion.us](mailto:TFlanigan@EcoMotion.us)