



Natural Gas Utility Rebate Survey

Survey Description

Natural gas utility Web sites were surveyed between August 4 and September 10, 2023. Followup phone calls were made in a few cases to clarify information. Many utilities were chosen based on the American Gas Association's top 50 utilities for the number of Residential customers. Other larger utilities were added to this list due to their large number of customers found in the Energy Information Administration National Gas Annual Respondent Query System. 2021 Ranking of Companies By Residential Sales Customers: <https://www.aga.org/wp-content/uploads/2023/01/1002RESCUST.pdf>
National Gas Annual Respondent Query System for 2021 from the Energy Information Administration: <https://www.eia.gov/naturalgas/ngqs/#?year1=2018&year2=2021&company=Name>
Various utility holding companies operate gas utilities in several states or regions of a state. Rebate levels often vary between these states and regions, so they are all included separately. Texas Gas Service (TGS), and to a minor extent Oklahoma Natural Gas, are the focus of comparison because they are both owned by the same parent company, OneGas.
Only two divisions of TGS give rebates. More than half of its TGS customers do not receive them. They are treated here as a separate utility.
Often rebate levels are in ranges based on varying levels of efficiency in water heaters and furnaces. In these cases, the average of these ranges was used in the Average Cost Worksheet to estimate a rebate cost for that utility.
Heating Degree Days are included here to show that efficient furnaces are going to be more cost effective in states that are colder than Texas (almost all of them). Average from 1901 to 2000 is used.
In a few localized places such as Austin and San Antonio, county or regional data (as opposed to state data) is used.
From National Oceanic and Atmospheric Administration (NOAA) Climate at a Glance Statewide Mapping: <https://www.ncei.noaa.gov/access/monitoring/climate-at-a-glance/statewide/mapping/110/hdd/202212/12/mean>
Ground water temperatures are included here to show that tankless water heaters are going to be more cost effective in states that are colder than Texas (almost all of them).
From Hydroflow USA: <https://www.hydroflow-usa.com/City-temperature-map>
Number of customers was either derived from Residential customer number posted online in annual utility reports reflecting 2021 and 2022, or the National Gas Annual Respondent Query System for 2021 from the Energy Information Administration. Many of the calculations in this analysis are based on weighted average for the number of customers in various utilities.

 Color designates existing TGS programs
 Color designates programs TGS does not have that are worthy of consideration in the future

Findings

Utilities and Customers Represented in Survey

110 Number of comparative natural gas utilities contrasted to OneGas utilities.
59,603,206 Number of natural gas customers represented by these comparative utilities.
83% Percent of U.S. natural gas utility customers in 2021 represented by these comparative utilities.

Clothes Dryer Connection (Stub) Rebate

The survey found only OneGas utilities give rebates for clothes dryer hookups (stubs) in all the utilities searched.

Clothes Dryer Rebate

17 Number of the comparative utilities that give rebates for clothes dryers.
15% Percentage of the comparative utilities that give rebates for clothes dryers.
30% Percentage of the customers in the comparative utilities eligible for rebates for clothes dryers.
\$93 The weighted average rebate for comparative utilities that grant rebates for gas clothes dryers.
\$275 TGS clothes dryer rebate amount.
34% Weighted average percentage of the TGS clothes dryer rebate given by comparative utilities.
\$28 The weighted average clothes dryer rebate if spread over all comparative utilities.
10% The percentage of TGS clothes dryer rebate if spread over all comparative utilities.

Tankless Water Heater Rebate

72 Number of the comparative utilities that give rebates for tankless water heaters.
65% Percentage of the comparative utilities that give rebates for tankless water heaters.
61% Percentage of the customers in these comparative utilities eligible for rebates for tankless water heaters.
\$325 The weighted average rebate for comparative utilities that grant rebates for tankless water heaters.
\$463 TGS tankless water heaters rebate amount.
70% Weighted average percentage of the TGS tankless water heater rebate given by comparative utilities.
\$200 The weighted average tankless water heater rebate if spread over all comparative utilities.
43% The percentage of TGS tankless water heater rebate if spread over all comparative utilities.
Almost all utilities that give tankless water heater rebates have cooler water temperatures than Austin.
So units installed by these other utilities will be more cost effective than in Austin.
28% Weighted average of cooler water temperature in comparative utilities that give tankless water heater rebates.
\$234 TGS tankless water heater rebate reduced to compensate for comparative utilities that give water heater rebates and warmer temperature.
\$144 TGS tankless water heater rebate reduced to compensate for all comparative utilities and warmer temperature.

Furnace Rebate

70 Number of the comparative utilities that give rebates for furnaces.
64% Percentage of the comparative utilities that give rebates for furnaces.
65% Percentage of the customers in the comparative utilities eligible for rebates for furnaces.
\$391 The weighted average rebate for comparative utilities that grant rebates for furnaces.
\$675 TGS tankless furnace rebate amount.
58% Weighted average percentage of the TGS furnace rebate given by comparative utilities.
\$256 The weighted average furnace rebate if spread over all comparative utilities.
38% The percentage of TGS furnace rebate if spread over all comparative utilities.
Almost all utilities that give furnace rebates have much cooler temperatures than Austin, so these units will be more cost effective than in Austin.
186% Weighted average of colder weather due to heating degree days in comparative utilities that give furnace rebates.
\$210 TGS furnace rebate reduced to compensate for utility benchmarks and warmer temperature.
\$137 TGS furnace rebate reduced to compensate for all comparative utilities warmer temperature.
In contrast to TGS, the vast majority of comparative utilities with furnace rebates give graduated amounts based on increased levels of efficiency.

Combo Heaters

22 Number of the comparative utilities that give rebates for combo heaters.
20% Percentage of the comparative utilities that give rebates for combo heaters.
21% Percentage of the customers in the comparative utilities eligible for rebates for combo heaters.
\$803 The weighted average rebate for comparative utilities that grant rebates for combo heaters.
\$168 The weighted average combo heater rebate if spread over all comparative utilities.

Several utilities offer small rebates to upgrade HVAC motors to efficient ECMs (Electronically Commutated Motors). Utility names not in other tabs.

Income-Qualified Rebates

Several utilities grant increased rebates to income-qualified customers. These are specifically highlighted in the Income Based Rebate Increases tab. It is problematic to discuss them in the main analysis. These programs are conducted, in part, as a social service, as opposed to a cost-effective way to save energy, similar to the way low-income weatherization programs and bill-discount programs are funded.

Limitations of This Survey

The largest problem with this survey is that it averages rebate amounts for programs that offer rebate ranges, even though the higher end of this range will likely have fewer sales. For example, Southern California Gas offers a rebate of \$115 for a 94% AFUE furnace. But it offers \$1,000 for a more expensive 97% AFUE furnace. There is no quick way to know the percentage of these different efficiencies that are granted rebates in these various utilities.

To deal with this additional layer of complexity will take considerably more time than has already been expended. But as a general observation, TGS rebates are considerably higher than the average of major gas utilities in the U.S.

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