



Weekly Update – March 4, 2010

Administration proposes energy efficiency incentives for consumers and businesses

On March 2, the Obama Administration announced an initiative aimed at providing \$6 billion worth of incentives to homeowners, businesses and utilities that make energy efficiency upgrades. The initiative is officially called HOMESTAR but some are informally calling the program “cash for caulkers.”

The Administration proposed the following rebates:

- **\$1000-1500 Silver Star rebates.** Consumers can receive between \$1000 and \$1500 for each retrofit, with a benefit not exceeding \$3,000 or at least 50% of total project costs (whichever is less). Eligible measures include insulation, duct sealing, water heaters, HVAC units, windows, and doors. All retrofits must be installed by a certified contractor.
- **\$3000 Gold Star rebates.** Consumers interested in whole home retrofits would be eligible for up to \$3000 for a comprehensive energy audit and retrofits tailored to achieve a 20% energy savings in the home. Consumers can receive additional incentives for energy savings higher than 20%. The Gold Star rebate program would build on existing whole home retrofit programs, such as EPA’s Home Performance with Energy Star program and DOE’s building programs.
- **Direct Rebates.** For eligible measures, consumers are eligible for direct rebates at the point of sale. Small independent building material dealers, large national home improvement chains, merchants across the country, energy efficiency installation professionals and utility energy efficiency programs (including rural utilities) can provide the rebates directly to the consumers and be reimbursed by the federal government. It is not yet clear how this program would be administered. *The draft legislation directs the Secretary of Energy to set up and administer this program once enacted by Congress.*

The President’s HOMESTAR initiative must be enacted by Congress to take effect. The Senate Energy & Natural Resources Committee has released [draft legislation](#) and a [summary](#) that includes the President’s proposed incentives. The committee announced a hearing scheduled for next Thursday, March 11 on the HOMESTAR proposal. You can view the draft legislation and summary by clicking on the following links: [draft legislation](#) and [summary](#).

The draft legislation spells out that natural gas appliances can be used as replacements or be replaced to qualify for incentives. Pages 16 through 19 in the draft legislation lay out examples. Some examples of appliances made eligible in the draft legislation include a natural gas or propane furnace with an AFUE

rating of 92 or greater; a natural gas or propane boiler with an AFUE rating of 90 or greater; a natural gas or propane water heater with a storage water heater with an energy factor of 0.80 or more or a thermal efficiency of 90 percent or more; a tankless natural gas or propane water heater with an energy factor of at least .82; a natural gas or propane storage water heater with an energy factor of at least .67.

If you have questions on this article contact Nate Hill at 202-464-2742 or nhill@apga.org.

Don't Miss the 2010 Marketing & Sales Trends and Training Conference

What: The Marketing & Sales Trends and Training Conference. Return home with a tool box of new ideas and marketing skills. Also, count on valuable networking and idea sharing with other utilities.

Who: Utility managers, operational and accounting personnel and marketing, sales and customer service employees.

When: March 29-31, 2010

Where: Hilton Pensacola Beach Gulf Front Hotel, Pensacola Beach, Florida.

12 Via de Luna Drive, Pensacola Beach, Florida, United States 32561

Tel: 1-850-916-2999 Fax: 1-850-934-0891

To ensure the hotel rate of \$125, make your reservation by March 8. Also look for the available discounted conference registration rates for persons from the same utility.

*To-date we have 13 exhibitors. They are SENSUS, ECCO, Rinnai, Rheem, BP Energy, Questline, Texican, Apogee Interactive, Advanced Utility Systems, R.H. Peterson, Kohler and Noritz. They all look forward to interacting with attendees during the Vendor Speed Sessions and networking throughout the conference.

Register Now For the SIF Operations Conference

What: The American Public Gas Association and the Security and Integrity Foundation (SIF) will hold an operations conference this month.

When: March 22-24, 2010

Where: University Plaza Hotel

333 South John Q Hammons Parkway

Springfield, MO 65806

Tel: (417) 864-7333

Who: The conference offers two tracks – one for operations supervisors and managers, seminars on operational issues such as public awareness, compliance audits and Distribution Integrity Management Programs (DIMP) held at the hotel, and another for field personnel, operator qualification evaluations held at the Springfield Utilities Training Center.

What to expect: The seminar begins on Monday afternoon with presentations on utility public awareness programs. June 20 is the deadline for completing the first public awareness effectiveness assessment so a key presentation will be an update on the APGA GOAL Program (Gas Overall Awareness Level) which has already conducted surveys of customers and non-customers for 170 utilities, measuring the level of gas safety knowledge. Tuesday morning will be devoted to “How to survive a compliance audit” offering guidance on preparing for and managing a safety audit by a state pipeline safety agency. Tuesday afternoon will be a roundtable discussion on operations and safety topics suggested by the participants. Finally, Wednesday morning will feature an update on DIMP and a demonstration of the new “SHRIMP” on-line DIMP plan creation tool.

The conference will also include an exhibit of the latest in gas utility equipment and services.

Costs:

Entire Conference (includes conference, receptions, SHRIMP seminar)

\$395 APGA members

\$595 non-members

SHRIMP only Seminar

\$75 for all attendees

SHRIMP webinar

\$75 APGA members

\$150 non-members

To register go to www.apgasif.org/OSC. For further information please contact John Erickson, APGA Vice President, Operations 202-464-2742, ext 1002 or jerickson@apga.org.

OQ held in conjunction with APGA/SIF Operations Conference in Springfield, Missouri

What: The APGA Security and Integrity Foundation will hold Operator Qualification (OQ) and requalification workshops

Where: The City Utilities of Springfield Training Facility, Springfield, MO

When: March 22-24, 2010.

Who: This event is not intended to be a training event for new or inexperienced employees. It will primarily qualify or re-qualify operators that have been previously trained in the specific task areas. The

operator qualification evaluations are aimed at persons who have received training in one of the covered tasks but need to take written tests and hands-on evaluation in order to be qualified for those tasks. An SIF evaluator will conduct a short refresher course, and then administer tests and hands on evaluations.

A qualification certificate will be mailed to each operator after the tests are graded.

Cost:

Three-Day OQ Training

\$395 (includes conference and hotel receptions)

Monday: Odorization (B31Q Tasks 1211, 1221)

Tuesday: Leak Investigation (B31Q Tasks 1231, 1241, 1261)

Wednesday: Valves (B31Q Tasks 0301, 0331, 0341)

OQ Single Day Registration Fees:

Monday: OQ only (hotel reception not included) - \$129.00

Tuesday: OQ only (hotel reception not included) - \$195.00

Wednesday: OQ only - \$129.00

**Operators who want to attend the OQ workshop need to register using the OQ registration form (separate from the general session registration form). The SIF will provide evaluators and material.*

To register go to www.apgasif.org/OSC. For more information call or email Todd Brady at 202-370-6211 or tbrady@apga.org. Additional information can be found on the SIF website at www.apgasif.org.

The 2011 Natural Gas Calendar WILL BE PRODUCED!!

Thanks to all members that acted fast and communicated their 2011 calendar order commitments. We have reached the needed minimum to proceed with calendar production. Dan Yates of LyonTree Studios will contact systems that made order commitments to confirm the order, arrange for customized tab info and arrange for payment.

In addition, a calendar website will be created by LyonTree. The site will allow utilities to see sample calendar pages, read testimonials and place and pay for calendar orders. LyonTree Studios will likely reach out to utilities later in the year, to give them another opportunity to order the 2011 Natural Gas Calendar. The final order date for the 2011 calendar is August 15, 2010.

If your system is one of the many public gas systems that does not have a formalized marketing plan, the 2011 Natural Gas Calendar can be the one marketing initiative that costs little and pays big dividends in customer good-will. It can also increase the usage of natural gas appliances in customer homes.

2011 calendar prices are the same as 2010 calendar prices.

250-999 - \$1.99/calendar
1,000-4,999 - \$1.93/calendar
5,000-9,999 - \$1.88/calendar
10,000 and over - Negotiated price

For envelopes, add \$0.055/calendar.

For more information, please contact Dan Yates, LyonTree Studios, at (407) 405-3177 or dan@lyontreestudios.com.

Weekly Storage Report

Here is the weekly EIA Summary Report issued on Thursday, March 4, 2010, that reports last week's storage report highlights for Friday, February 26, 2010. A 116 Bcf **decline** has been reported.

Summary

Working gas in storage was 1,737 Bcf as of Friday, February 26, 2010, according to EIA estimates. This represents a net decline of 116 Bcf from the previous week. Stocks were 71 Bcf less than last year at this time and 21 Bcf above the 5-year average of 1,716 Bcf. In the East Region, stocks were 9 Bcf below the 5-year average following net withdrawals of 74 Bcf. Stocks in the Producing Region were 24 Bcf below the 5-year average of 604 Bcf after a net withdrawal of 27 Bcf. Stocks in the West Region were 54 Bcf above the 5-year average after a net drawdown of 15 Bcf. At 1,737 Bcf, total working gas is within the 5-year historical range.