

Resolution to Lower Texas Gas Service Rebates in 2024 Budget Year

WHEREAS, a survey of gas utilities throughout the U.S. has proven that Texas Gas Service rebates greatly exceed the average that other utilities pay to meet their energy efficiency goals; and

WHEREAS, the rebate program incentivizes some equipment that does not yield monetary savings matching or exceeding the cost of the new equipment; and

WHEREAS, this portion of these funds could be used for better purposes such as assisting the economically disadvantaged;

THEN BE IT RESOLVED that the Resource Management Commission advise the Austin City Council to change or lower rebates for the next fiscal year of Texas Gas Service's energy efficiency program to better conform to national benchmarks.

This involves:

1. Eliminating clothes dryer connection (stub) rebates;
2. Lowering clothes dryer rebates (without connections) by two-thirds;
3. Lowering tankless water heater rebates by one half;
4. Lowering furnace rebates by two-thirds.

(An estimate of the savings is provided as an attachment.)

BE IT FURTHER RESOLVED that the Commission advises some of the savings be reallocated for the purposes of creating a pilot income-qualified customer assistance program similar to the income-qualified program run by Austin Energy to lower utility bills.

Estimated Savings from Proposed Resolution

TGS Rebate Program 2022/2023 Average	2022/2023 Average Expenditures	Approximate Expenditures Per RMC Recommendation
High Efficiency Furnace Residential Rebate	\$23,625	\$7,796
Tankless Water Heater Residential Rebate	\$539,000	\$269,500
Natural Gas Dryer Program	\$172,938	\$53,611
New Construction High Efficiency Furnace Residential Rebate	\$150,863	\$49,785
New Construction Natural Gas Dryer Program	\$87,263	\$5,236
New Construction Tankless Water Heater Residential Rebate	\$274,038	\$137,019
Total	\$1,247,725	\$522,946
Total With Administrative/Education Costs	\$1,622,043	\$679,830
Savings	\$942,213	58%