



Southern
California
Gas Company

A  Sempra Energy utility®



Water Heating – Markets and Programs

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Southern California Gas Company



- Southern California Gas Company (SoCalGas) has been delivering clean, safe and reliable natural gas to its customers for nearly 140 years.
- It is the nation's largest natural gas distribution utility, serving a population of 19.8 million consumers through 5.7 million gas meters in more than 500 communities.
- The company's service territory encompasses approximately 20,000 square miles of diverse terrain throughout Central and Southern California, from Visalia to the Mexican border.
- Headquartered in Los Angeles, we are a subsidiary of [Sempra Energy](#) (NYSE:SRE), a Fortune 500 company based in San Diego.
- Our commitment to provide customers with world-class service has been the key to our longevity and success. Our motto, "Glad to be of service" reflects this spirit.





SoCal Gas Customer Base

- 5.7 million meters
 - Residential Single and Multi-Family

Gas Hot Water Market Penetration

- 93% Market penetration in Residential Sector (RASS)
 - 5 million water heaters
 - Accounts for 31% of the average residential customer bill
- Water Heater Life Expectancy
 - 12-15 years
- Average Age of Water Heaters in Use
 - 8-10 years
 - .52 EF (Based on 50 gal unit)
- Average Age of Water Heaters at Replacement
 - 12.9 years





What Motivates Energy Efficiency

- California Energy Action Plan (2005)
 - Loading Order – Ensures California's Growing Energy Needs
 - http://www.cpuc.ca.gov/cleanenergy/design/docs/CAstory_PDF.pdf
- California Energy Efficiency Strategic Plan (CEESP)
 - Statewide Effort – IOU's and Industry Stakeholders
 - Development of Short, Mid, and Long Term Energy Efficiency Goals
 - Residential New Construction – Zero Net Energy Homes by 2020
 - Existing Residential – 40% Energy Reduction by 2020
 - Whole House Approach





What Motivates Energy Efficiency (Cont.)

- Energy Efficiency Utility Program Goals
 - 2009- 2011 Goals – 35% increase over previous program cycle goals
- Save Energy and Money
 - Energy Management
 - Customer Education
 - Energy Efficiency Programs
- Green House Gas Reduction*
 - Reduce Environmental Impact
 - Global Warming

•If all California households with old, inefficient (0.58 EF) gas water heaters upgraded to energy-efficient models (0.62 EF), it would save 100 million therms and 552,000 tons of CO₂ per year (equivalent to taking 100,000 cars off the road.)

www.fypower.com/res/naturalgas/calculations.htm



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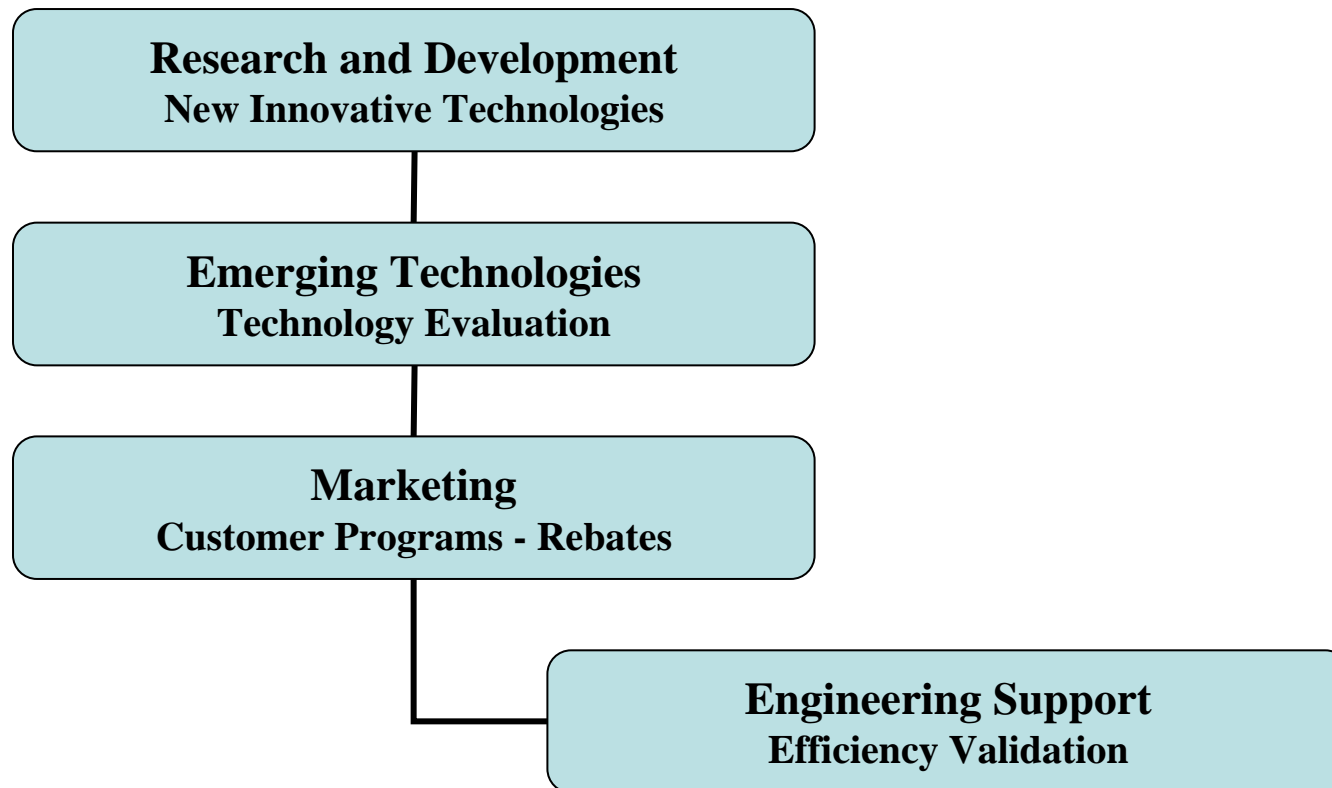
How Do We Get There?

- California Energy Commission (CEC)
 - SEGWHAI Study (Stakeholder)
- Consortium for Energy Efficiency (CEE)
 - Energy Star Label for Gas Water Heaters
 - Energy Star National Marketing Campaign
 - CEE Water Heater Initiative
 - CEE/Manufacturer Collaboration
- Energy Solutions Center (ESC)
 - Utility/Manufacturer Collaboration





Technology Development and Introduction





Residential Water Heater Rebate and Incentives

- Storage Tank \geq .62 EF - \$30
 - Mail-in
 - On-line
 - P.O.S. (Big Box and Smaller Independent Retailers)
- Tankless Units \geq .80 EF - \$ 200
 - Utility rebate offered through Manufacturer (Pilot Program)
 - Participation of 10 Major Manufacturers, 2 Pending.
- Multi-Family
 - Central System Natural Gas Water Heaters - \$500
 - Natural Gas Water Heater and/ or Boiler Controllers - \$750 - \$1500
 - Central System Natural Gas Boiler - \$1500
(May be Water and Space Heating or Water Heating only)



Energy Efficiency Programs



3rd Party Contractor Programs

- Water Heater Upstream Rebate Program
 - Distributor/Contractor/Installer Focused
 - Energy Efficiency Training
 - Shared Incentive to Stock and Purchase Higher Efficiency ($>.62\text{EF}$) Water Heaters.
 - Minimizes Lost Opportunities for the Installation of Higher Efficiency Units on Emergency Replacement Calls.
- Water Heater Controller Program
 - Multifamily Market



The Energy Resource Center



Energy Efficiency Education & Training



Energy Efficiency Education & Training



Education and Training Activities

- 148 seminars and workshops in 2007
- Customers reached: 7,920

Hot Water Heating Seminars

- Solar Water Heating
- System Design
- Tankless Water Heater Technology
 - Some Like it Hot! (Gary Klein)





SCG 2009-2011 Residential Programs

- Roll over of existing water heater programs
- Home Performance Program
 - Provides comprehensive approach to energy efficiency
 - Address water heating on a system approach
 - Efficient hot water distribution design





Challenges

- Stimulate Development of Higher Efficient Technologies
 - Working with Industry Partners
- Higher Equipment Cost
 - Higher level of sophisticated engineering and technology
- Increase Awareness
- Customer Acceptance of New Technologies
- Develop Cost Effective Utility Rebate Programs
- Air Quality Regulations



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