

# Energy Efficiency and Natural Gas Utilities

Growing and transforming markets across the supply value chain

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## ENERGYSENSE C&I EFFICIENCY EQUIPMENT STAKEHOLDER ENGAGEMENT

Text In 2011 Philadelphia Gas Works (PGW) launched the first of its six EnergySense demand side management programs, which have been implemented to achieve five broad goals:

- Reduce customer bills
- Maximize customer value
- Contribute to the fulfillment of the City's sustainability plan.
- Help the Commonwealth and the City of Philadelphia reduce greenhouse gas emissions
- Reduce PGW cash flow requirements

The Commercial and Industrial Equipment Rebates Program ("CIER") issues prescriptive rebates on premium efficiency gas appliances and heating equipment to increase the penetration of these measures in the facilities of PGW's commercial, industrial, and multi-family customers. The CIER program launched September 1, 2012 at the start of FY 2013. The program has the following objectives:

- Promote the selection of premium efficiency residential models at the time of purchase of commercial and industrial sized gas heating equipment
- Increase consumers' awareness of the breadth of energy efficiency opportunities in their homes
- Strengthen PGW's relationship with customers as a partner in energy efficiency
- Encourage market actors throughout the supply chain to provide and promote high efficiency options
- Align incentives with other programs
- Aid in market transformation towards highest-efficiency options

Eligible customers use a certified contractor to install the premium efficiency equipment and receive cash rebates to offset most of the incremental cost of the higher efficiency equipment.

One challenge PGW found facing the food service equipment program was that many of the supply houses did not stock high-efficiency equipment. Walk-in customers were unable to purchase equipment for immediate use and frequently had to pre-order the eligible ENERGY STAR equipment.

PGW has worked with restaurant supply houses to update stocking procedures so the high-efficiency equipment is readily available. In instances where this is not possible, PGW will continue to work with the supply houses through outreach events to educate customers about the energy and resource savings possible through ENERGY STAR equipment.

In addition to issues regarding availability of food service equipment at regional supply houses, other challenges surround small restaurants in Philadelphia that continue to value the low up-front cost of standard efficiency equipment over the premium ENERGY STAR equipment.

Developing additional relationships with supply houses and manufacturers has helped provide insight into targeted marketing opportunities for high efficiency food service equipment, including identifying new products that will enter the market, which could increase high efficiency equipment uptake. These supply chain relationships have also resulted in new opportunities for conducting customer outreach. For the first time, PGW has reported program performance back to the top-performing boiler manufacturers in an effort to motivate greater sales through industry competition. PGW has also met with representatives of the top performing boiler manufacturers to identify opportunities for increasing performance, such as coordinated education and outreach events. PGW plans to continue this coordination in future program years.

*Philadelphia Gas Works (“PGW”) is a municipally-owned utility that provides natural gas service to approximately 500,000 customers within the city of Philadelphia, using approximately 6,000 miles of gas mains and services. PGW is the only utility currently distributing natural gas within the city of Philadelphia, and its mission is to provide safe, reliable natural gas service to the citizens of Philadelphia at a reasonable cost.*

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