



 **ESC**
Energy Solutions Center
2013 Annual Report



bringing
natural gas solutions to
homes & businesses

ESC Leadership 2013

Executive Committee



Darrell Wilson
ESC Board Chair
Chesapeake Utilities



Corey Minshew
ESC Board Vice Chair
AGL Resources



Susan Davis
Questar



Nancy Lange
Northwest Natural



Thomas Massaro
New Jersey Natural Gas



Gary Rehm
Atmos Energy



Sarah Van Der Paelt
Union Gas

Equipment Manufacturers Council Leadership Team

Marc Grandbois, Chair
Schwank North America

Ruth Ann Davis – Williams Furnaces

Bob Heller – Generac

John Koenig – Aisin

Jim Stephens – Relms, Inc.

ESC Support Team

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Executive Director

Leslie Auerbach
Meeting Planner

Richard Biljetina
Director, Industrial Markets

Eric Burgis
Director, Commercial & Residential Markets

Jennifer Couto
Accounting Assistant

Tina Read
Manager, Commercial & Industrial Markets

Warren Willits
Communications & On-Site Conference Coordination

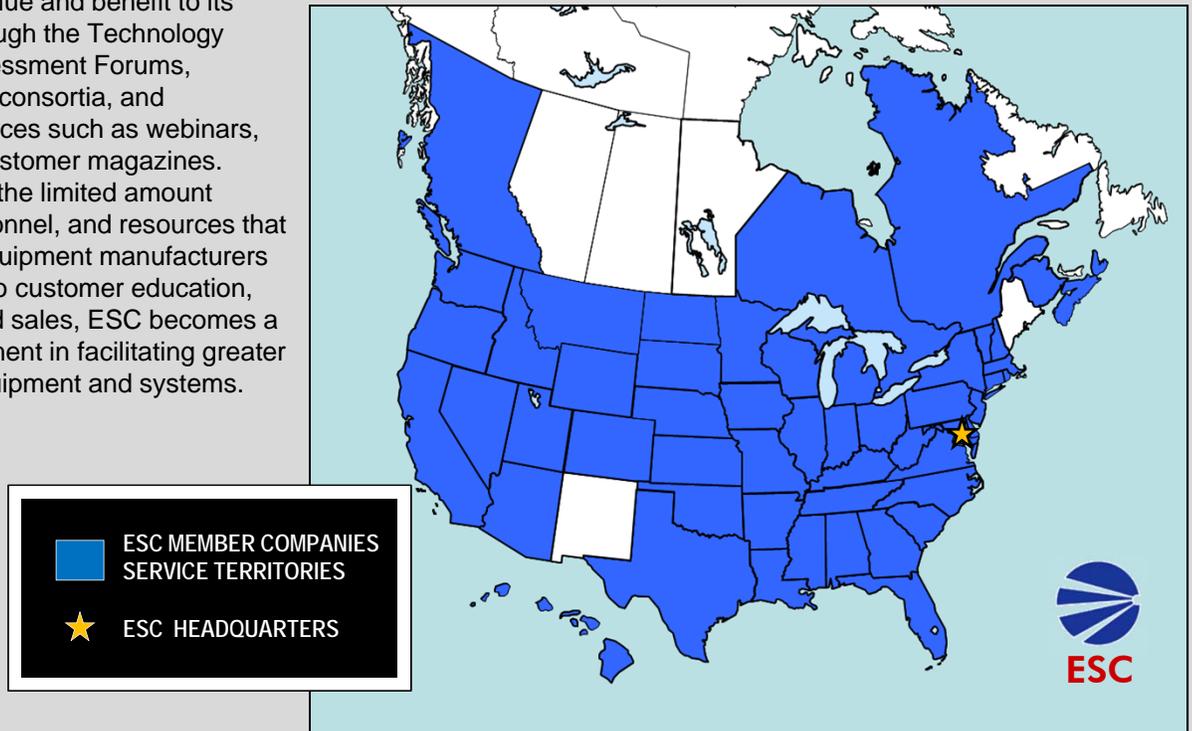
Melanie Anthony
National Accounts Relationship Manager

Barry Hallsted
Manager, Residential Markets

Overview

The 54 energy utilities and 60 equipment manufacturers of the non-profit Energy Solutions Center (ESC) work together to bring new, energy efficient natural gas solutions to residential, commercial, and industrial energy users. ESC produces a wide array of tools, resources, and materials to educate utility staff and their customers about natural gas solutions, appliances, equipment, and systems. In addition to ESC's expertise in the areas of gas technology, ESC identifies and highlights business, marketing, sales, and customer strategies to enhance the success of utilities that distribute natural gas.

ESC brings value and benefit to its members through the Technology & Market Assessment Forums, market-driven consortia, and general resources such as webinars, videos, and customer magazines. By leveraging the limited amount of funds, personnel, and resources that utilities and equipment manufacturers can dedicate to customer education, marketing, and sales, ESC becomes a critical component in facilitating greater use of gas equipment and systems.



Goals

Strengthen the Ability of Energy Utilities to Achieve Excellence in Serving all Customer Segments

Accelerate the Introduction & Deployment of New Gas Solutions that Improve Customer Productivity, Competitiveness, Efficiency, Reliability, and Comfort

Enable Energy Customers to Achieve Conservation, Efficiency, and Environmental Goals through the Use of Natural Gas

2013 Highlights

Educating the Utility Workforce

Attendance at ESC's Technology and Market Assessment Forums hit new records as the unique format and content attracted hundreds of utility reps seeking to familiarize themselves with new gas equipment and appliances being introduced to the marketplace. The TMAF is widely recognized as the premier event that educates and trains utility reps about gas solutions that improve the customer's bottom line. Our gratitude to TMAF host utilities Southwest Gas, Enbridge, Union Gas, PGW, PECO, and Chesapeake Utilities for allowing ESC to bring the TMAF to their respective service territories!



Encouraging Natural Gas Use in New Homes

In partnership with the American Gas Association, ESC surveyed the residential construction industry about natural gas and the incorporation of gas service and appliances into their specifications. The study was helpful in guiding the gas industry on how best to communicate with and influence homebuilders about natural gas options.

Additionally, ESC hired a new Manager of Residential Markets to establish relationships with national and regional homebuilders and to alert homebuilders to the many natural gas options and opportunities that ultimately increase the attractiveness of new homes to potential buyers.



Using Natural Gas to Increase Commercial and Industrial Customer Productivity



ESC's Gas Foodservice Equipment Network Consortium actively promotes energy efficient natural gas solutions to improve productivity, efficiency, and profitability of restaurants and institutional food service operations. Every year the consortium selects the foodservice equipment manufacturer with the most promising gas solution to receive ESC's Blue Flame Award. This year's award was presented to Vulcan's PowerFry VK High Efficiency fryer, which reduces energy use by 50% while increasing productivity by 25% compared to traditional fryers.

Promoting the Value of MicroCHP

ESC's CHP Consortium is addressing the growing interest in and the technological and economic advancements in microCHP. Consortium members are working with international companies on market entry strategies for North America. ESC prepared a study showing how microCHP compares favorably to renewable energy in the hopes that microCHP might enjoy some of the same beneficial policies and incentives that have been extended to renewable energy technologies.



Finding New Markets for Natural Gas



ESC and its members identified challenges of utilizing backup generators in older neighborhoods served by lower pressure natural gas systems. Through the roundtable discussions and networking opportunities at ESC, Generac heard the need for a natural gas home generator that could operate on lower pressure systems. Generac developed and now is deploying a new line of backup generators which only require 3.5” water column to operate, extending the availability of natural gas emergency power to many more communities.

Designing Natural Gas Strategies for Chains and Franchises

ESC’s National Accounts Workshop in Toronto attracted facility managers, heads of engineering and planning, and energy buyers from national chains and franchises.

The workshop focused on finding those gas solutions that increase productivity, profitability, comfort, and reliability at restaurants, health care facilities, hotels, supermarkets, and box stores. Natural gas buying, price and supply outlook for domestic natural gas, and energy management practices to ensure the prudent use of natural gas were also addressed. This annual event provides gas utilities with an invaluable opportunity to forge stronger relationships with this important class of customer.



Improving Utility Marketing and Sales Performance



The ESC Commercial Training Program offers utility staff responsible for serving commercial customers a viable way to increase their knowledge and skills. Whether for retail stores, hotel, or businesses; schools and universities; or medical facilities, ESC members can utilize this program to both update their commercial reps about new applications for natural gas and educate those newly hired or newly assigned to commercial customers about the types of gas equipment frequently encountered. Tactics for improving marketing and sales success are stressed.

Creating Opportunities for Gas in Multifamily Housing

ESC's new Multifamily Consortium addresses both the challenges and opportunities of serving this important customer segment with natural gas heating, cooling, cooking, and hot water. Electric heat and hot water heaters are all too often the default options considered by new high-rise and garden style multifamily developers. ESC is demonstrating to builders and facility managers that cost, sub-metering, venting, and code challenges associated with natural gas use can be successfully met.

This consortium identifies and develops programs and partnerships between utilities, owners, developers and financing agencies that create improved opportunities for natural gas in this key market.



What is the Value of ESC Membership?



Bob Anderson
FortisBC

“As someone who works for FortisBC, which provides energy solutions to approximately 1.1 million customers in more than 135 communities, my focus is to provide value to our customers and provide them with cost-effective solutions to best meet their needs. The Energy Solutions Center has provided key members of my sales team with a one-stop-shop to gain the tools and resources needed to ensuring customers are receiving the energy solutions they require.”

“The Energy Solutions Center is an amazing resource for the Southeast Alabama Gas District. We are a small natural gas utility serving primarily rural communities, and we strive to provide our customers with excellent customer care. Our involvement in ESC allows us to work collaboratively with larger utilities to grow the opportunities for natural gas. With SEAGD, the APGA Research Foundation, and other ESC members funding the Builder Liaison Consortium, ESC was able to hire a Manager for Residential Markets. This position is an opportunity for our company to help shape the message nationally for builders, for the retail market and for Realtors, in a collaborative fashion with gas utilities of all sizes.”



Shannon Jackson
Southeast Alabama
Gas District



James Robinson
Alagasco

“As a member of seven consortia, Alagasco finds that the Energy Solutions Center is on target in reaching its objective to accelerate the deployment of new gas solutions. The TMAFs provide a one-stop-shop scenario for our utility representatives to receive industry knowledge, equipment education and to network with their peers. Of specific value to me in my role as Manager of National Accounts and Commercial Foodservice are the National Accounts Consortium and the Gas Foodservice Equipment Network (GFEN). The National Account Workshops bring together National Account energy decision makers and gas industry representatives. Having these decision makers actively participating in the TMAF is absolutely priceless and provides an incredible return on investment.”





Marc Chenier
Dettson Industries

“ESC and one of the top 5 U.S. homebuilders discussed the challenge of attic installations of HVAC equipment in tight, energy efficient homes. As a result of networking with ESC members at TMAF, I learned of this market need, and we were able to design a new HVAC system to meet the needs of this builder. Dettson Industries has been working with the builder on a prototype unit and expects to have a working model by the end of 2013.

I also learned through ESC members that current commercially available furnaces are often too large for many newer EE homes, and as a result, the furnace short cycles and loses efficiency. This led Dettson Industries to develop, in collaboration with the Natural Gas Technologies Centre, an entire product line of energy efficient condensing furnaces with sizes down to 15,000 BTU, the most compact furnace in the market. Several ESC members are currently testing these new compact furnaces.”

“Our involvement in ESC allowed us access to quality marketing tools, knowledge of newer energy efficient equipment, key equipment manufacturers, and contact with other utilities facing similar market conditions. Being a part of several consortia has allowed us to participate with other utilities in creating solutions for various market segments cost-effectively. Access to ESC’s market research and technology assessments provide us a better understanding of what is going on in the market place. There are a number of companies who are facing some of the same business decisions that we are, and it’s valuable to hear their solutions for addressing their challenges.”



Brenda Hartzog
NW Natural



Sherif Youssef
PGW

“Over the past several years, my involvement with ESC has played an integral part in the growing and enhancing of my role at Philadelphia Gas Works (PGW). Not only have myself and my team applied what we have learned from ESC’s many conferences, webinars, and events to our everyday business, but we have used this valuable information to better serve our wide array of customers, while continuing to educate them on the latest technologies. The value PGW has seen from ESC allows us to always stay current on the most recent marketing trends and gives us the backing to continue to grow within the natural gas industry.”

Select Consortia & Workgroup Updates

Agricultural Applications Workgroup



Goal: Identify new opportunities for the use of natural gas on farms and related operations

Recent Focus: Assess new opportunities to expand use of natural gas grain dryers

Product Champions: To be determined

Builder Liaison Consortium



Goal: Encourage homebuilders to increase natural gas options in new home construction

Recent Focus: Convene meetings with national homebuilders

Product Champions: Darrell Wilson, Chesapeake Utilities; Shannon Jackson, Southeast Alabama Gas District; Beth Potts, Piedmont Natural Gas

Combined Heat and Power Consortium



Goal: Promote the deployment of CHP systems for industrial and commercial customers

Recent Focus: Develop videos to be used on utility websites, in webinars, and at conferences and exhibitions highlighting CHP applications

Product Champions: Rob Eck, National Fuel; John Rathbun, National Grid

Commercial Buildings Consortium



Goal: Promote gas solutions for commercial, institutional, and governmental energy users

Recent Focus: Developing new webinars for architects, engineers, and trade allies

Product Champions: Kent Stafford, AGL Resources; Bud Walters, Southwest Gas

Expansion Strategy Workgroup



Goal: Support the role of the utility marketing team in the financial, regulatory, engineering, and customer service aspects of expanding natural gas lines to more homes and businesses

Recent Focus: Review financial impact of increasing main and service extensions into new areas

Product Champion: Darrell Wilson, Chesapeake Utilities

Gas Food Equipment Network (GFEN) Consortium



Goal: Accelerate use of new gas equipment by restaurants and institutional food service customers

Recent Focus: Work with a national restaurant chain on evaluating combi oven energy consumption and features

Product Champions: Ann Lovcik, CenterPoint Energy; Lorri Davidson, Southwest Gas



Industrial Energy Efficiency Consortium



Goal: Equip gas utility professionals with tools and resources to bring more effective energy conservation and efficiency strategies to large commercial and industrial customers

Recent Focus: Conduct utility and customer workshop on metering strategies for energy efficiency

Product Champions: Ahmed Abdullah, Southern California Gas; Todd Marentette, Union Gas

Multifamily Consortium



Goal: Promote designs, codes, and equipment that facilitate bringing natural gas to new and existing multifamily facilities

Recent Focus: Update of the ESC Vertical Subdivisions Guide

Product Champions: To be determined

National Accounts Consortium



Goal: Enhance success in identifying and delivering natural gas solutions to chain and franchise retail operations

Recent Focus: Work with Wal-Mart to gauge the feasibility of converting over 140 store locations from propane to natural gas

Product Champions: Susan Davis, Questar; Greg Anderson, Atmos; Melissa Marks, SoCal

Natural Gas Vehicles Workgroup



Goal: Provide an information exchange forum amongst utility marketing professionals whose customers may be interested in natural gas vehicles

Recent Focus: Review manner in which different utility business models determine investment in CNGs and related infrastructure

Product Champion: Mike DeArmond, Atmos Energy

Renewable Energy Workgroup



Goal: Evaluate the role of gas solutions in conjunction with renewable energy technologies and identify relevant business opportunities for LDC's in the renewables area

Recent Focus: Evaluate direct injection of digester gas into utility pipeline distribution systems

Product Champion: Cherif Youssef, Southern California Gas

Residential Consortium



Goal: Enable gas utility staff to expand the use of residential natural gas appliances

Recent Focus: Develop videos on outdoor living and backup generators

Product Champions: Diane Murray, Union Gas,; Bridget Wallace, Atmos Energy; Darrell Wilson, Chesapeake Utilities

2013 Center Membership

Corporate Members

AGL Resources
Alagasco
Atmos Energy
Avista
Black Hills Energy
CenterPoint Energy
Central Hudson Gas and Electric
Chesapeake Utilities
Citizens Gas and Coke Utility
City of Corpus Christi (TX)
City of Richmond (Va.)
Columbia Gas
Corning Gas
CPS Energy
Dominion
DTE Energy
East Tennessee Group
Enbridge Gas Distribution
Equitable
Florida Public Gas Group
Florida Public Utilities Co.
FortisBC
Gaz Metro
Heritage Gas
Laclede Gas
MDU Resources
Metropolitan Utilities District
Missouri Gas Energy
Municipal Gas Authority of Georgia
National Fuel Gas Distribution
National Grid
New Jersey Natural Gas
NIPSCO
NW Natural
ONEOK
PECO
PGW
Piedmont Natural Gas
Puget Sound Energy
Questar Gas
SCANA
SEMCO ENERGY Gas Co.
SourceGas
South Jersey Gas
Southern California Gas Company
Southwest Gas
TECO Peoples Gas
The Gas Company (Hawaii Gas)
UGI Utilities
UIL Holdings Corporation
Union Gas Ltd.
Vectren
Washington Gas
Xcel Energy
Yankee Gas



Jose Esparza, Vice President, Southwest Gas; Dave Simpson, Vice President, Union Gas; and Jim Grant, Vice President, Enbridge address the ESC membership during our 2013 TMAFs.

Affiliate Members

A.O. Smith Corporation
Aisin World Corporation
Altronic/GTI Bi-Fuel
American Gas Association
Apogee
Armstrong International
Bradford White
Briggs and Stratton
Broad USA
Burns and McDonnell
Cambridge
Capstone Turbine
Caterpillar Energy Group
Clayton Boilers
Cleaver Brooks
Combustion and Energy Systems
Dettson Industries
Enercom
Energy Concepts
Enershield Industries
FCT Combustion
Gas Technology Institute
Generac
Green Building Initiative
Greffen Systems
HomeServe USA
Hurst Boiler
Insultech
IntelliChoice
JCG Energy Concepts
Kohler
Marathon Engine Systems
Marathon International
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Navien America
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OmegaFlex
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Reflex Blu
Relms, Inc.
Rinnai
Schwank Ltd.
Solar Turbines
Superior Boiler Works
Superior Radiant Products Ltd
Tecogen
The Montague Company
Thermogenics Boilers
Utility Shield
Viessmann Manufacturing
Vulcan Catalytic
VNG.co
Williams Furnace