

The Growing Imperative for Natural Gas Energy Efficiency

Regulatory authorities play a critical role in balancing affordability, reliability, and environmental goals in the evolving energy landscape. This report offers valuable insights regarding gas utility energy efficiency (EE) programs:

- ▶ Comprehensive understanding of current gas utility EE programs;
- ▶ Key trends shaping the future of gas EE;
- ▶ Guidance on evaluating costs and benefits in a shifting regulatory environment;
- ▶ Strategies for maximizing EE program impact, addressing equity, and ensuring system reliability; and,
- ▶ A framework for considering natural gas in a decarbonizing energy future.

KEY IMPLICATIONS

Stakeholders should recognize the full value of natural gas & gas EE programs.

Natural gas is vital for energy security and grid stability, especially during winter electric peaks. Its role in emissions reduction and affordability should be fully considered when debating the future of EE programs.

Utility cost-effectiveness testing is evolving.

Cost-effectiveness testing is expanding to include non-energy benefits, offering new opportunities for strategic decision-making and performance incentives over the next 3-5 years.

Utilities and regulators should stay informed on EE advancements.

Keep abreast of innovations in EE program design, such as new technologies, delivery mechanisms, and approaches.

Granular data is critical.

Developing consistent, granular, publicly available data on gas EE programs will improve evaluation, benchmarking, and decision-making.

CORE STUDY CONCLUSIONS

1 **Increasing Stakeholder and Regulatory Engagement**

Participation in EE-related processes is growing and crucial for representing natural gas utilities and consumers.

2 **New Opportunities for EE Goals**

Emerging funding, technologies (e.g., gas heat pumps) and partnerships are helping to achieve EE goals while supporting social priorities like emissions reductions.

3 **Opportunities in Non-Energy Benefits**

Expanding the inclusion of non-energy benefits in cost-effectiveness tests and considering the interdependence of electric and natural gas systems offer new potential for EE programs.

4 **Need for Granular Data**

More detailed data on EE budgets, spending and savings is essential for effective strategy development.

5 **Systems Thinking is Essential**

Achieving desired outcomes requires integrating utility strategies with regulatory compliance, policy considerations and creative solutions.



STUDY BACKGROUND

The American Gas Foundation (AGF) contracted MCR Performance Solutions (MCR) to assess the benefits and potential of natural gas utility EE programs, focusing on how existing gas infrastructure can support energy efficiency. The study provides:

- ▶ Detailed review of 20 natural gas utility programs.
- ▶ Case study comparing cost-effectiveness and results.
- ▶ Analysis of market and policy trends impacting EE program design.

View Final Report

