

Fairfax Energy Task Force Meeting
Washington Gas Briefing on Energy Efficiency

Melissa Adams – Division Head
Sustainability & Business Development
June 30, 2011



Sustainability: A Corporate Wide Commitment

Sustainability Statement

WGL Holdings, Inc

“WGL Holdings, Inc. promotes the efficient use of clean natural gas and renewable energy to improve our environment for the benefit of our customers, investors, employees and the communities we serve.

We strive to be responsible environmental stewards as we deliver the products and services that meet our customers’ energy needs. We use resources efficiently in our business processes and encourage our employees and customers to do the same.”



Terry D. McCallister
Chairman and Chief Executive Officer
WGL Holdings, Inc. and Washington Gas



Natural Gas Benefits

Increased “direct use” of natural gas in homes and businesses will reduce energy consumption, consumer energy costs and national CO₂ emissions.

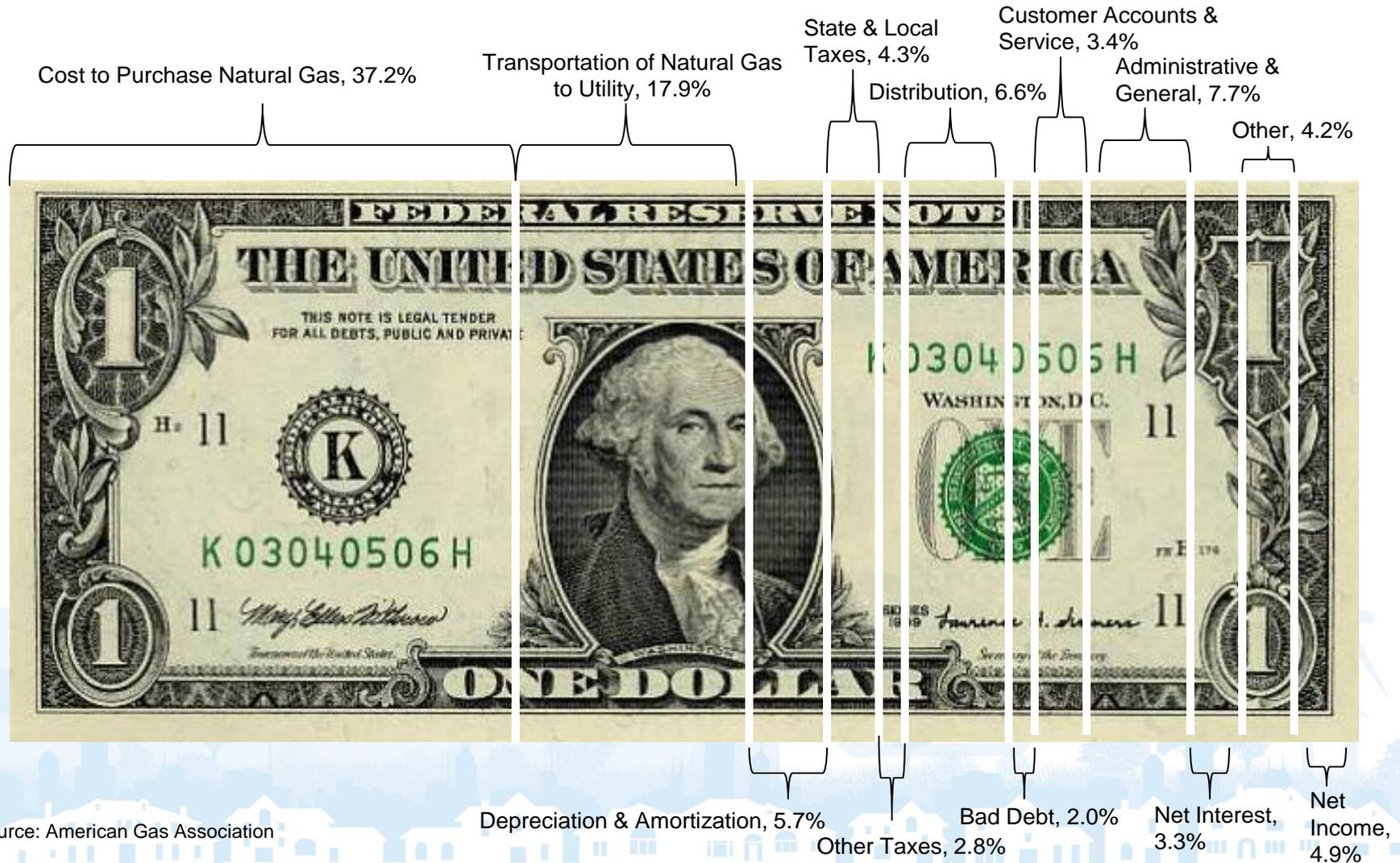
- ✓ Widely accessible; reliable 24/7 even in inclement weather
- ✓ Domestic, secure energy source – 98.5% from North America
- ✓ 90%+ efficient when directly consumed
- ✓ Cleanest fossil fuel source
- ✓ At least 33% smaller CO₂ footprint than electric
- ✓ Zero SO_x emissions
- ✓ No time of use or net meter rates

Valuable fuel stock for other clean energy technologies. Increases efficiency and output when used in combination with other renewable technologies

Utility Business Model Promotes Energy Efficiency

- Washington Gas is ***Unbundled***
 - Gas distribution and gas supply charges are separate
 - Gas distribution charges are regulated by VA SCC
 - Customers may choose a competitive gas supplier
 - Utility receives no profit on gas commodity
- Washington Gas is ***Decoupled***
 - Distribution rates support energy efficiency
 - Revenue is not based on volumetric rates
 - Benefits customers and the environment

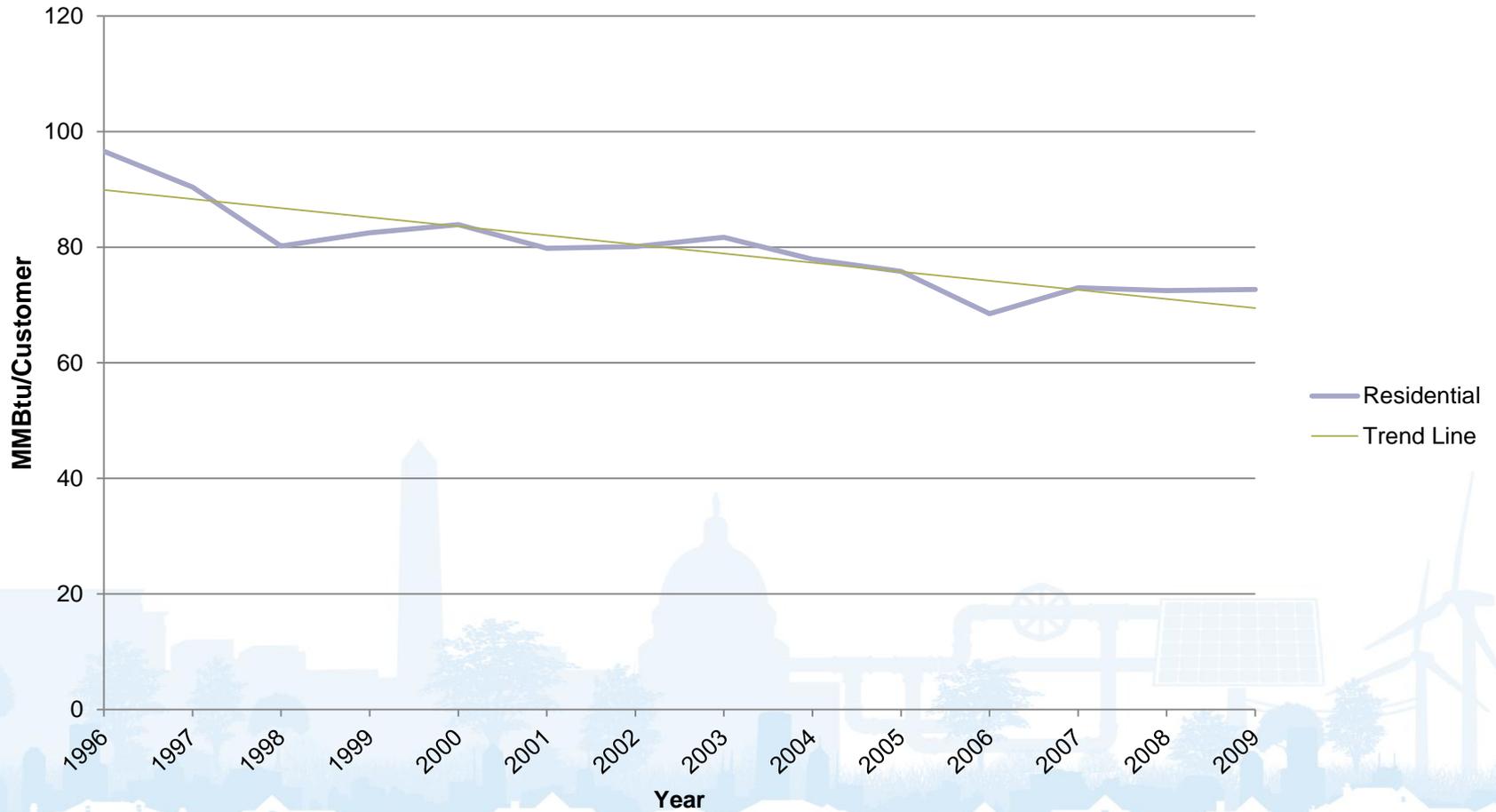
Natural Gas Bill Breakdown (2010 Data - USA)



Source: American Gas Association

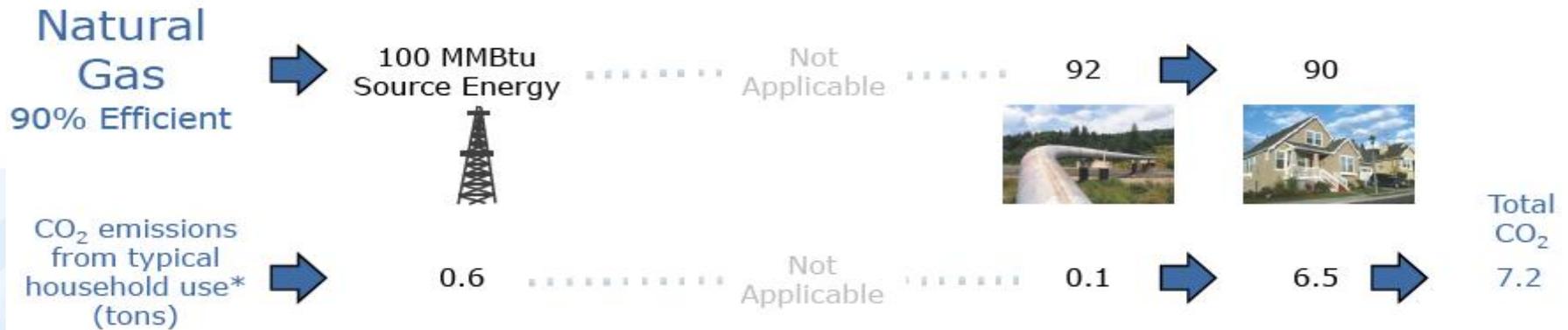
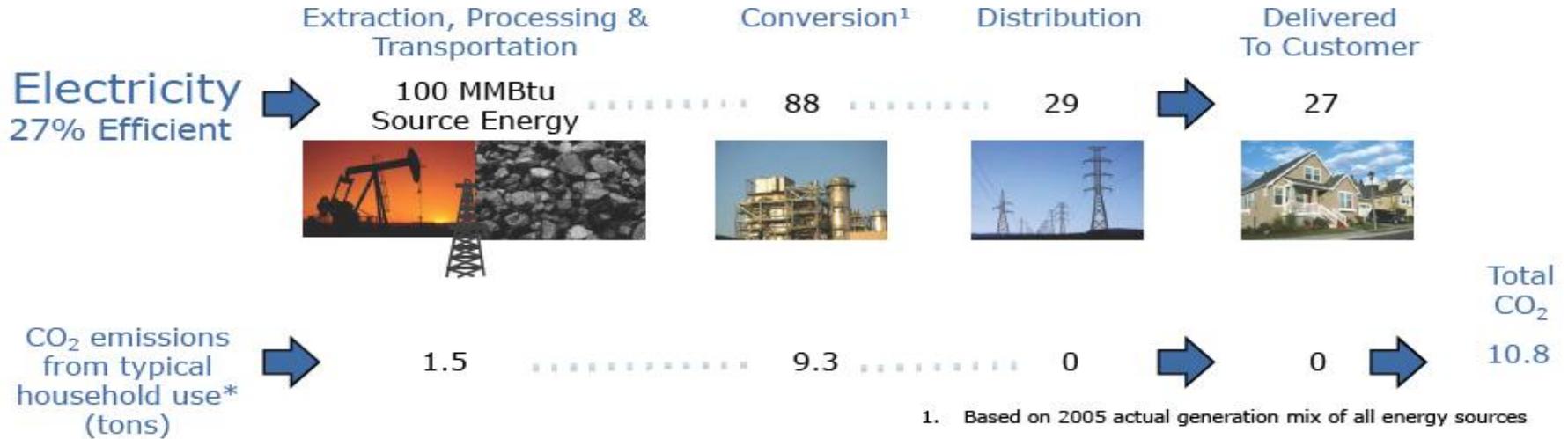
Decline in Natural Gas Consumption Per Customer

U.S. Average Annual Consumption Per Customer - Residential



Source: American Gas Association

Full Fuel Cycle Efficiency: 3 times as much energy; 33% less CO₂ at delivery



Source: American Gas Association

* Energy consumed in space and water heating, clothes drying and cooking.

March 2009

Natural Gas Water Heating – a clear winner

X =

Appliance Type	Fuel Efficiency	Energy Factor	% Overall Efficiency*
Tankless Gas	90	82	74
Condensing Gas Storage	90	86	77
High Efficiency Gas Storage	90	67	60
High Efficiency Electric Storage	27	95	26

**Illustrative Purposes Only*



Natural Gas Water Heating:

- Heats water twice as fast as electric
- 90% less CO2 emissions
- 3Xs as efficient; less than half the cost to operate
- Tankless has small footprint; heats as needed



Virginia Rebate Program

Water Heaters

\$250 rebate for tankless water heaters

or

\$50 rebate for storage water heaters

Maintenance

\$30 rebate for programmable thermostat

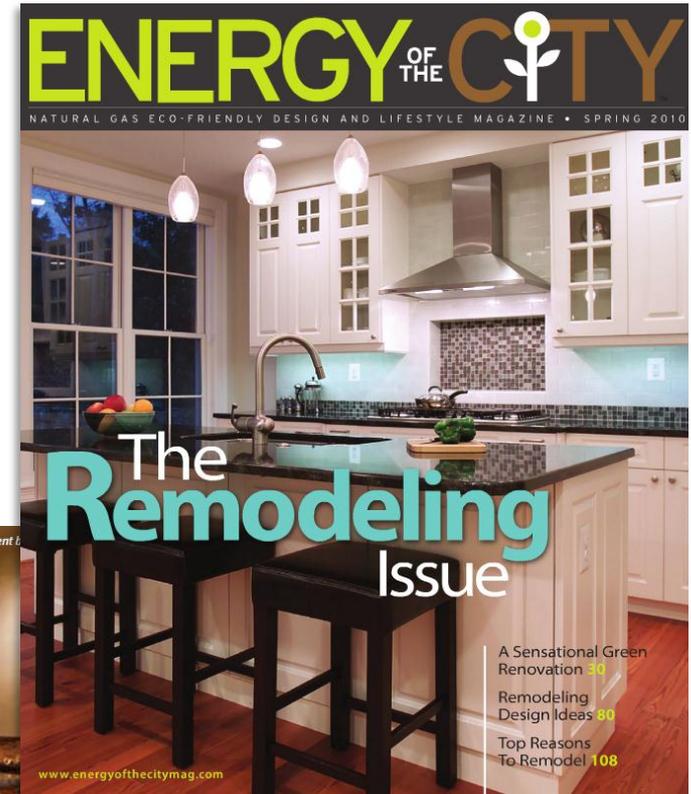
or

\$30 rebate for heating system checkup



Communicating With Our Customers

- Traditional Media
 - Energy of the City Magazine
 - Washington Post
 - Washington Business Journal
 - Radio Ads
- Billing inserts
- Direct mail
- Online media
- Social media



Communicating With Our Customers

■ Online Media

- washingtongasliving.com
- washingtongasrebates.com
- tellyourbuilder.com
- planearlysellfaster.com
- energyofthecity.com

The image displays two digital assets from Washington Gas. The top portion is a screenshot of the Washington Gas website, featuring the logo and the slogan "Natural Gas Efficient by Nature". The navigation bar includes links for Home, Corporate Info, Gas Emergencies, For Your Home, For Your Business, and Energy of the City. A prominent banner promotes "Give the Gift of Warmth" by donating to the Washington Area Fuel Fund (WAFF), highlighting that 100% of tax-deductible contributions go to heating homes and that WAFF covers administrative fees. Below this are sections for Consumer Resources and Promotions, including a "Free Buyer's Guide" and a "The Blue Flame Is As Green As It Gets" offer to save up to \$1,400. To the right, a "The Energy" section features a green house icon and text about the benefits of natural gas. The bottom portion of the image shows the cover of "ENERGY OF THE CITY" magazine, which includes a "Green Remodel" feature, a "Convert to Natural Gas" advertisement, and a "Spotlight" on a community project.

Communicating With Our Customers

- Social Media
 - Facebook
 - Twitter
 - YouTube



Navigating Towards a Sustainable Energy Future

- Promote efficient natural resource use
 - Customer conservation and outreach programs and platforms
 - Incentives tied to appliance costs and consumer behavior
 - Fuel switch from electricity to natural gas as a DSM strategy; a common approach for combination electric/gas companies
- Implement effective building codes and standards
 - Btus or CO₂e emissions per sq. foot
 - EPA Climate Portfolio Manager Tools (full-fuel cycle)
- Develop policies and regulations that support open, competitive, clean and renewable energy markets and resources
- Recognize and incorporate carbon cost externalities – including societal costs, mitigation and adaptation