

Newsletter #103 Spring 2009

What we do!

The Interfaith Coalition on Energy (ICE) works with about 6,100 congregations within a 50-mile radius of Philadelphia's City Hall. ICE helps them reduce their energy use and cost through this newsletter, workshops, publications and on-site energy surveys. See our website www.interfaithenergy.com for more information.

As part of our energy surveys, we rate your use of electricity and fuel in comparison to averages from similar buildings. We measure the efficiency of your heating system, when possible. We measure the electricity used by refrigerators, freezers, ice machines, vending machines, etc. Based on what we measure and observe, we write a report that describes your facilities and makes recommendations to lower your energy cost. The cost of a survey varies. We don't charge congregations for gathering data and submitting a proposal.

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Why am I receiving only two ICE newsletters per year?

We won't publish a newsletter without news. Each newsletter costs us about \$5,000. We don't want to clog your in-basket with stuff published just to meet a deadline. In this newsletter, we feel that the gas marketer issue is very important.

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What to do about gas marketers?

With the worldwide economic depression, natural gas prices are low and will likely be lower in the near future. New Jersey's Public Service Gas and Electric announced a significant price reduction in early February 2009, for example.

Reduced gas costs provide an opportunity for gas marketers as well. Larger Catholic parishes and other larger gas users may have received phone calls and faxes from these marketers. They make deals on the spot market to purchase gas at a lower cost at the wellhead. They then re-sell the natural gas to customers of gas utilities, hoping to make a profit.

There is a lot of risk in signing contracts with these marketers. You must read the contract thoroughly. Let a lawyer examine it as well. Why could the prices from one of these marketers be higher than that from your natural gas utility?

1. If your congregation signs a contract for a year based on the prices for, say, April 2009, the price from the natural gas utility may decrease to a lower cost than that from the marketer. Usually, natural gas utilities adjust their prices every 3 months or more often, whereas your contract with a marketer may have a fixed price for 12 months.
2. The contract is likely written in the marketer's best interest:
 - a. There may be no definitions for important terms. One contract we reviewed allowed the marketer to charge additionally for (a) any increased gas supply charge, whatever that is, (b) liquidation loss, whatever that is, and (c) LDC penalty, whatever that is.
 - b. There may be unilaterally added costs, such as for losses of 5% to 10% or more to the metered quantities of gas, skewing their price.
 - i. Supplier natural gas cost can contain a volume gas adjustment called "shrinkage" for lost volume through the system or process.
 - ii. If the church is part of a "pool" there could be a pooling charge.
 - iii.** Some contracts have "swing provisions" that may penalize you for using more or less than estimated.

- c. Additional costs may not be specified sufficiently. For example, if they add Gross Receipts taxes, that could add as much as 5% to their price.
- d. The contract renewals may be automatic, without the marketer specifying price changes.
- e. The contract may specify an annual or monthly gas volume, but does not say what happens if more or less gas is used, and what price implications there will be.
- f. The marketer may excuse itself from performance under “causes beyond its reasonable control,” whatever that means.
- g. More importantly, should that happen and one returns to their incumbent utility, there could be substantial premium costs and penalty charges.
- h. The customer may be also exposed to any cost increases by the Government or Local Utility, at whatever price the marketer chooses to charge, but is not credited for any reductions.
- i. If the contract is terminated for any reason, the marketer may charge or credit for unspecified amounts when they sell the remaining amount of gas contracted for.
- j. You may find it difficult to determine whether there are any savings. Your local natural gas utility sells gas by the therm (100,000 Btus) or by the CCF (hundred cubic feet, or 103,000 Btus). Marketers sell you gas by the decatherm (one million Btus). The volumes described by the utility and by the marketer will likely be different.
- k. Bear in mind that public utility commissions in each state carefully watch and review how natural gas utilities change their fuel cost adjustment. In many states, such as Pennsylvania, gas utilities are not allowed to make a profit on the gas commodity. If the fuel cost adjustment is not in the end users’ best interests, the PUCs will force the public utilities to make good. The PUCs have no such jurisdiction over natural gas marketers. When you deal with them, you are on your own.

If your congregation is considering the purchase of unregulated natural gas, prices and contract terms should be solicited from multiple responsible suppliers. ICE

Beware of Fixed-Price Fuel Oil Contracts

The worldwide recession has slowed business activity, creating a glut of fuel oil on the market. Oil companies may be stuck with relatively high-priced, previously-purchased oil compared to current prices. They want to sell it and still make a profit. How can they do this?

One way is to offer contracts at a low price with a provision that they can unilaterally increase the price of oil. Upon signing the contract, your congregation would be locked in to an unknown future price. If you are considering such a contract, we suggest that you get prices from multiple competing fuel oil suppliers. Have a lawyer read the proposed contract before you sign it. ICE

New Philadelphia Water Department Stormwater Charges

The Philadelphia Water Department (PWD) has begun to phase in a property-based charge to pay for storm water management. It may take them three years to do this. If your property is expansive and has a lot of paved surfaces and significant runoff after a rain storm, your storm water charges could be significant. They offer free site evaluations to help you anticipate any changes to your water bill. If you have questions about this, contact PWD’s Joanne Dahme at 215-685-4944 or email joanne.dahme@phila.gov. ICE

Busting Energy Myths

August 2008 - Washington, D.C.—The average person today is inundated with messages about saving energy. Unfortunately too many messages perpetuate long-standing myths, making it difficult to sort out good advice from bad. The American Council for an Energy Efficient Economy (ACEEE) has compiled a list of myth-busters to help separate energy savings fact from energy wasting fiction.

MYTHBUSTING FACT #1: Turning off lights, even for short periods of time, really saves energy, with little impact on the lifespan of the bulb. Turn off the lights even when you’re leaving a room for just a few minutes.

MYTHBUSTING FACT #2: Today's compact fluorescent light bulbs work just as well as incandescents, and are just as safe. CFLs have come a long way in terms of quality and variety, and use a fraction of the energy of incandescent bulbs.

MYTHBUSTING FACT #3: Don't spend time warming up the car when it's cold outside. While it is best to avoid stressing the car while the engine is cold, simply drive a bit more "gently" for the first few minutes. Also, idling a modern car always wastes more energy than turning it off (even for short periods of time).

MYTHBUSTING FACT #4: Turn down the thermostat while you're away for the day. If you are out for a good stretch of time (say 8 hours or more), this temperature "set-back" will save more energy than it will take to recover to the desired temperature.

MYTHBUSTING FACT #5: Don't forget the simple maintenance needed to keep your heating and air-conditioning systems running efficiently. Change the air filter regularly (once a month during heating and cooling season) and get a "tune-up" by a contractor every 2 to 3 years.

MYTHBUSTING FACT #6: While heating and air-conditioning equipment is much more efficient than it used to be, there are still significant variations in energy use. The most important decision is which contractor to choose, so the equipment will be the right size and installed properly, and the ductwork will be fixed so that it doesn't leak a quarter of the energy you buy (the US average)! Qualified contractors will ask about comfort issues, run a real load calculation program so they won't need to sell oversized equipment, and discuss options with you. Premium equipment offers even better efficiency, and features such as quieter operation and better humidity control.

MYTHBUSTING FACT #7: Refrigerators, clothes washers, and dishwashers on the market today are much more efficient than those available ten or twenty years ago, but there are still significant differences in energy use among models. For example, side-by-side refrigerator/freezers generally use more energy than freezer-on-top models. Features such as icemakers also use extra energy. Most front-loading clothes washers save significant amounts of energy and water compared to conventional top-loading designs. On the other hand, products like stoves vary relatively little in their inherent efficiency.

MYTHBUSTING FACT #8: The best way to save energy for your computer is to turn it off when you're not using it. The second best way is to set it to automatically go into "sleep" or "hibernate" mode to save energy. Contrary to popular belief, using a screensaver saves no energy.

MYTHBUSTING FACT #9: Energy-efficient windows save energy, but a window replacement is unlikely to pay for itself in energy savings alone. If you need to replace your windows for other reasons, the premium you'll pay for high performance windows (ENERGY STAR or better) is generally worth the investment. And like so many other major energy efficiency projects, much of the energy savings depends on the quality of the contractor you hire to do the work. Bad installations cannot only leak and cause drafts, but can also lead to major moisture damage.

MYTHBUSTING FACT #10: While energy-efficient windows are a step in the right direction, walls always outperform windows. Be careful not to choose oversized windows, and take extra steps to increase the performance of windows, such as shading for western- and southern-facing windows.

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From ICE supporters:

Beautiful timing! We had our monthly Buildings and Grounds Committee meeting last night, and I was able to go through the highlights of your report with them. I was also able to hand off your invoice to the church administrator, who will see that payment is made. Your report will spur the action we really need to take. Thank you so much for what you have done for us.

Paul, Property Committee

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We are receipt of the Energy Audit Report. Father Bob was very pleased with the Report and information it provided. We also received your invoice and it will be honored in our next payable cycle. It was a pleasure doing business with you. Thank you so much for your service.

Mary, Parish Business Manager

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Just finished reading your article in the PraiseBuildings.Com Report. Well done. I do believe it's important for churches to be good stewards of their finances. There were so many things that were helpful in your article I will share it with our other Pastor friends. It's good to know we have that kind of support out there. **Keep up the good work you are still helping to build up His kingdom!**

Evelyn

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THE INTERFAITH COALITION ON ENERGY



There are a number of reasons to give money to us:

- You may have extra money lying around, and you don't know what to do with it.
- Perhaps you want to support an energy conservation organization that solely represents the interests of people of faith.
- Maybe you like ICE; maybe one of our articles or a phone conversation saved your congregation money.
- Your contribution is tax-deductible.

Whatever your reasons, please send ICE a check so that we may continue to serve.

ICE, 7217 Oak Avenue, Melrose Park, PA 19027

Thanks. ICE