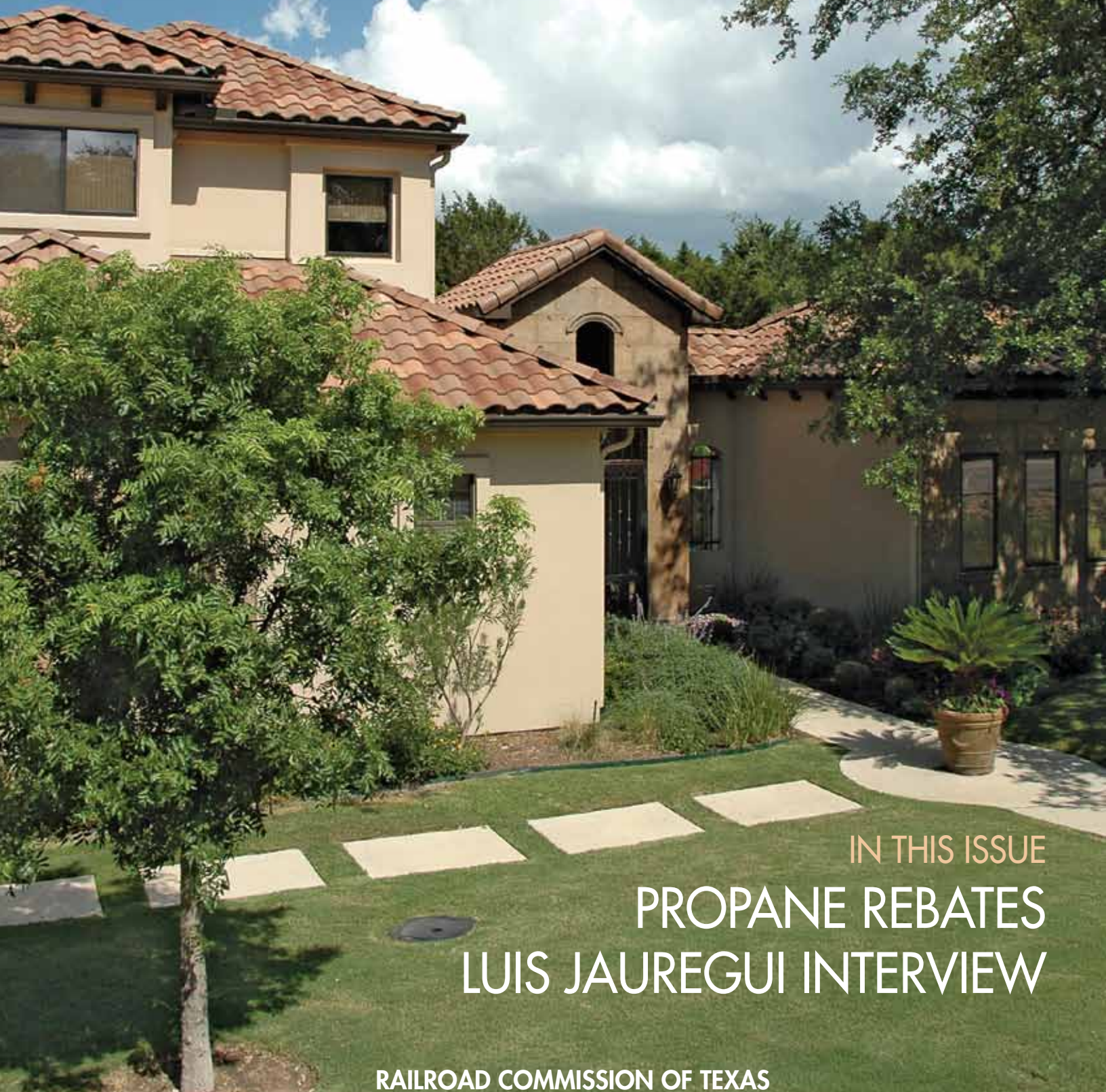


AUGUST 2008

# PROPANE **BUILDER**



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**RAILROAD COMMISSION OF TEXAS**

MICHAEL L. WILLIAMS, CHAIRMAN ★ VICTOR G. CARRILLO, COMMISSIONER ★ ELIZABETH A. JONES, COMMISSIONER

## THE PROPANE ADVANTAGE

# AN INTERVIEW WITH LUIS JAUREGUI

THE WIDELY RECOGNIZED AND SUCCESSFUL ARCHITECT TALKS ABOUT THE ADVANTAGE OF PROPANE IN THE CONSTRUCTION OF HIGH-END HOMES AND WHY THE FUTURE OF PROPANE LOOKS BRIGHT.

HOW DO YOU SELL THE CONCEPT OF PROPANE TO LUXURY HOME BUYERS? IS THAT CLIENTELE ANY DIFFERENT FROM OTHER HOMEBUILDER MARKETS?

Not really. Efficient heating and cooling is always a concern. Our homes typically average 8,000 square feet and have extensive indoor/outdoor relationships and high ceilings throughout the home. Because propane has proven to be more economical than electric, the savings in utility bills is a large advantage to our clients. Additionally, they appreciate how propane appliances cost less to operate and how quickly the air and water is heated using propane.

WHAT HAS BEEN THE BIGGEST CHALLENGE IN USING PROPANE SYSTEMS IN YOUR HOMES?

Converting appliances to propane would be our biggest challenge. A certified specialist is scheduled to make the switch. Our standard appliance package includes two stainless Wolf conventional ovens, a six-burner gas range and a stainless Wolf barbecue for the summer kitchen.

Luis Jauregui of Jauregui Architecture Interiors Construction of Austin and Houston is no stranger to winning awards for his inspiring homes. In 2006 he was the Texas Association of Builders' Custom Builder of the Year (for homes over \$1 million). Jauregui and his team have also been winning awards for their innovative and exceptional use of propane in their designs, garnering the Grand Award in the 2006 Propane Star Awards. The winning home used propane for two water heaters, four air conditioning/heating units, two fireplaces, a range/oven, a barbecue pit and a pool heater.



*Photo courtesy of Jauregai Architecture Interior Constructions*

WHEN YOU TALK TO NEW CLIENTS ABOUT PROPANE, WHAT QUESTIONS DO THEY ASK MOST OFTEN?

Surprisingly, I get a lot of questions about underground tanks versus above-ground tanks. Most often, they quickly see the advantages and like the aesthetic value of the underground tanks.

DURING THE PAST COUPLE OF YEARS HAVE YOU SEEN ANY SHIFT IN YOUR CLIENTS' PERSPECTIVE ABOUT PROPANE?

Yes! There is much more concern about the environment and the impact on the environment. I see a shift from the 'pocketbook to the heart.' Most of my clients like propane because it has a significantly lower carbon impact on the environment than electricity, which is their primary alternative.

# THE BUILDER'S PERSPECTIVE

BUILDING WITH PROPANE OFFERS SAVINGS, INCLUDING REBATES

"It's super simple – our propane people send us the paperwork and we fill it out and send it in," said Nancy Dunlap, office manager for Bailee Custom Homes, which builds homes within the \$200,000-\$450,000 range in Tarrant, Wise and Parker counties. Dunlap says that Bailee has received numerous rebates for installing propane water heaters. "It's painless and quick, and the rebate comes in a timely manner."

*"It's painless and quick, and the rebate comes in a timely manner."*

–Nancy Dunlop, Bailee Custom Homes

Glinn White of Kerrville-based White Construction Co. also reports a positive experience with the rebate program. White Construction typically qualifies for the larger \$800 rebate on its projects. "Our propane dealer, Chaparral Propane, provides the forms to us and helps us fill them out," said White.

Many propane marketers allow builders to assign their rebate to the marketer, who in return offers a credit to the builder. Builders often choose this option for cash flow reasons or to reduce administrative paperwork.

The propane rebate program couldn't have come at a better time. Homebuyers are increasingly turning to propane for kitchen appliances, water heaters, clothes dryers and recreational uses such as outdoor grills and heaters for spas and pools.

"People wanting to build an all-electric house these days are few and far between," Dunlap said.

White has also seen a growing demand for propane appliances from his high-end custom home clients. "Most customers are used to gas, and they want gas," White says. "Once they've used gas, they don't want to switch back. They like the warmer heat in the house and how they can control the temperature better on a cook-top. Between 80 and 90 percent of our homes use propane."



Sylvia Taylor of Jimmy Jacobs Custom Homes is presented a rebate check by Pat Wilson of the Railroad Commission of Texas.

*"Once they've used gas, they don't want to switch back."*

–Glinn White, White Construction Co.

White, who builds homes in the \$500,000-\$2,000,000 price range within a 100-mile radius of Kerrville, says it's not any harder to provide propane to a home, and customers have a wide range of appliances to choose from. "Anything that's gas can be adapted to propane," he said.

## STAR/SUPERSTAR REBATE REQUIREMENTS

**Propane Star Home** – required: new propane water heater, new propane furnace, new/used propane dryer, or additional furnace and piping for dryer; and any one of the following new propane appliances: gas range, gas cooktop, gas oven, gas logs, hard-piped gas grill, or hard-wired generator.

**Propane SuperStar Home** – required: 2 or more new propane water heaters, 2 or more new propane furnaces, new/used propane dryer, or additional furnace and piping for dryer; and any one of the following new propane appliances: gas range, gas cooktop, gas oven, gas logs, hard-piped gas grill, or hard-wired generator.

# RESIDENTIAL REBATE PROGRAM

## \$1 MILLION IN REBATES AVAILABLE ANNUALLY

The Propane Consumer Rebate Program, offered through the Texas Railroad Commission's Alternative Fuels Research and Education Division (AFRED), is designed to make environmentally friendly and money-saving energy sources more affordable to homebuyers.

Since its inception in 1994, the residential rebate program has awarded more than 60,000 rebates to propane consumers and builders, totaling \$11 million. About \$1 million is available annually through the rebate program from a special fund in the state treasury. The program provides rebates for new construction to the homebuyer, or in the case of a spec home, the homebuilder, for installing specified propane appliances.

There are no caps or limits on how many rebates a homebuilder can qualify for through the program. About 80 percent of the rebates go to new construction.

The AFRED rebate program has won praise from builders across the state.

## CURRENT REBATES

\$200	Installation of propane water heater in a new construction
\$350	Replacement of electric water heater with propane water heater
\$600	Propane Star Home
\$800	Propane SuperStar Home

NOTE: Builders may apply for one or more individual propane water heater rebates for a single property, but may not combine a water heater rebate with a Star Home or SuperStar Home rebate on the same property.

For more information about rebates contact Eileen Latham (512) 475-2911 or [eileen.latham@rrc.state.tx.us](mailto:eileen.latham@rrc.state.tx.us).

# PROPANEBUILDER

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