

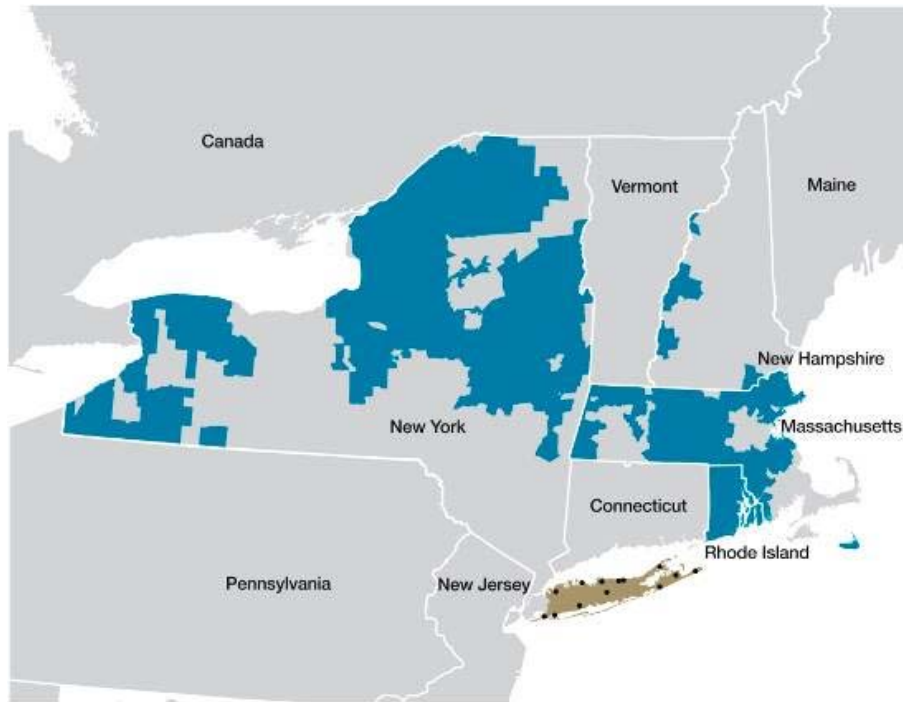
Regional Roundup - Northeast



Jeremy Newberger
Manager, Policy and Evaluation
ACEEE Market Transformation Symposium
April 3, 2012

nationalgrid

National Grid



Electricity distribution to approximately 3.4 million customers in the northeastern US.

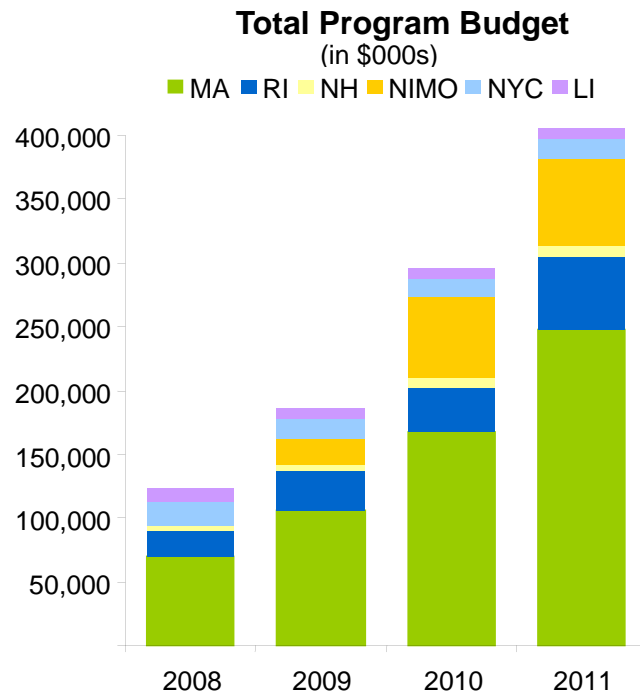
Generation plants with a capacity of over 4,000 megawatts



Natural gas distribution to approximately 3.5 million consumers in the northeastern US

nationalgrid

Energy Efficiency Budget and Participation

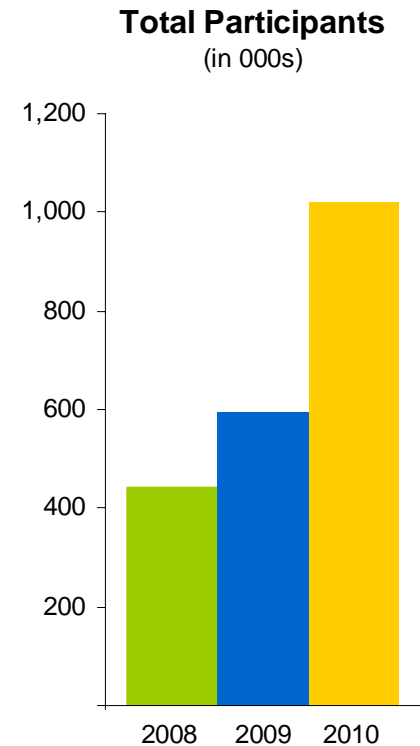


The Energy Efficiency Budget continues to increase year over year

- 2009 was 166% of 2008
- 2010 was 163% of 2009
- 2011 was 173% of 2010
- 2012 (~\$475 million) is 118% of 2011

Participation in Energy Efficiency Programs increased

- 2009 was 174% of 2008
- 2010 was 159% of 2009



Energy Efficiency Business

- ◆ **Have full program cycle responsibilities, except technology R&D:**
 - ◆ Product development, demonstration and screening
 - ◆ Program design, administration, and sales/implementation (some outsourced)
 - ◆ Market research and marketing
 - ◆ Regulatory requirements
 - ◆ Financial and savings tracking and reporting
 - ◆ Evaluation
- ◆ **As efficiency budgets have grown -- and shareholder incentives -- Company has given more attention to EE business, and also more support to our efforts**
 - ◆ Internal legal
 - ◆ Financial controls
 - ◆ Corporate accountability and compliance
- ◆ **Active regulators, external oversight boards, and stakeholders**

Notable changes in policy environment: New England

- ◆ **Massachusetts**
 - ◆ Three Year Plans for 2013-15 under development, including goals
 - ◆ **DPU investigation into net savings calculations and value of carbon mitigation**
 - ◆ Legislature periodically reviews the 2008 Green Communities Act to determine if changes are needed
- ◆ **Rhode Island**
 - ◆ **Legislation facilitating “least cost procurement” – decoupling, gas EE, and fully reconciling funding -- finally all in place for 2012-14 plan**
 - ◆ Some proposed legislation on CHP expansion and job creation in EE
- ◆ **New Hampshire**
 - ◆ **Reviewing utility delivery model**
- ◆ **ISO-New England (Forward Capacity Market)**
 - ◆ **FERC reviewing energy efficiency and demand response participation in FCM**
 - ◆ ISO-NE revising load forecast methodology to better account for EE in system planning; highlights some differences with state frameworks (behavior programs, CHP, net savings)

Successes

- ◆ **Improving the customer interface: Seamless to customer**
 - ◆ Statewide programs
 - ◆ Gas/electric integration
 - ◆ Bundling of services
- ◆ **Re-thinking delivery**
 - ◆ Upstream C&I lighting
- ◆ **Innovating new program components**
 - ◆ Behavior
 - ◆ Combined heat and power
 - ◆ Heat pump water heaters
- ◆ **Creating Partnerships**
 - ◆ Green and Healthy Homes (RI)
 - ◆ Appreciative Inquiry summit (MA)
 - ◆ Buffalo-Niagara Medical Center (NY)
- ◆ **Expanding Participation**
 - ◆ Hard-to-reach markets
 - ◆ Segment analysis and market targeting

Future emphasis

Keep doing all of the above plus....

- ♦ **Remove barriers to participation**
 - ♦ Financing
 - ♦ Pre-weatherization work
 - ♦ Customer value proposition (SEMP)
- ♦ **Capture opportunities**
 - ♦ Codes and standards
 - ♦ Demand response/EE integration
- ♦ **Address stakeholder concerns**
 - ♦ Mitigate bill impacts
 - ♦ Job training and expanding provider alliances
 - ♦ Carbon reduction
- ♦ **Explore new frontiers**
 - ♦ Oil end use efficiency
 - ♦ Smart grid integration (both savings and evaluation)

...with a sense of entrepreneurship, collaboration, and perspective