

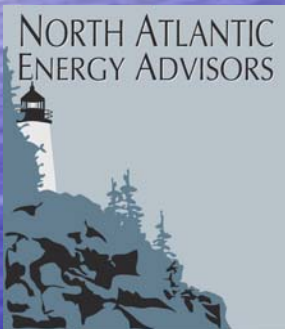
Climbing All Cost Effective Mountain

The View from Half-Way UP

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The Massachusetts Green Communities Act of 2008

- Electric and gas utilities to acquire all cost-effective energy efficiency that costs less than supply
- Utilities file Three Year Plans detailing (a) how much resource they believe is available and (b) how they will acquire it
- Plans then reviewed by new “Energy Efficiency Advisory Council” which recommends to the Public Utilities Commissioners for decision



Today:

- How big the task is
- How we organized to get in done
- How we are getting it done



Plans Have 3 Key Elements:

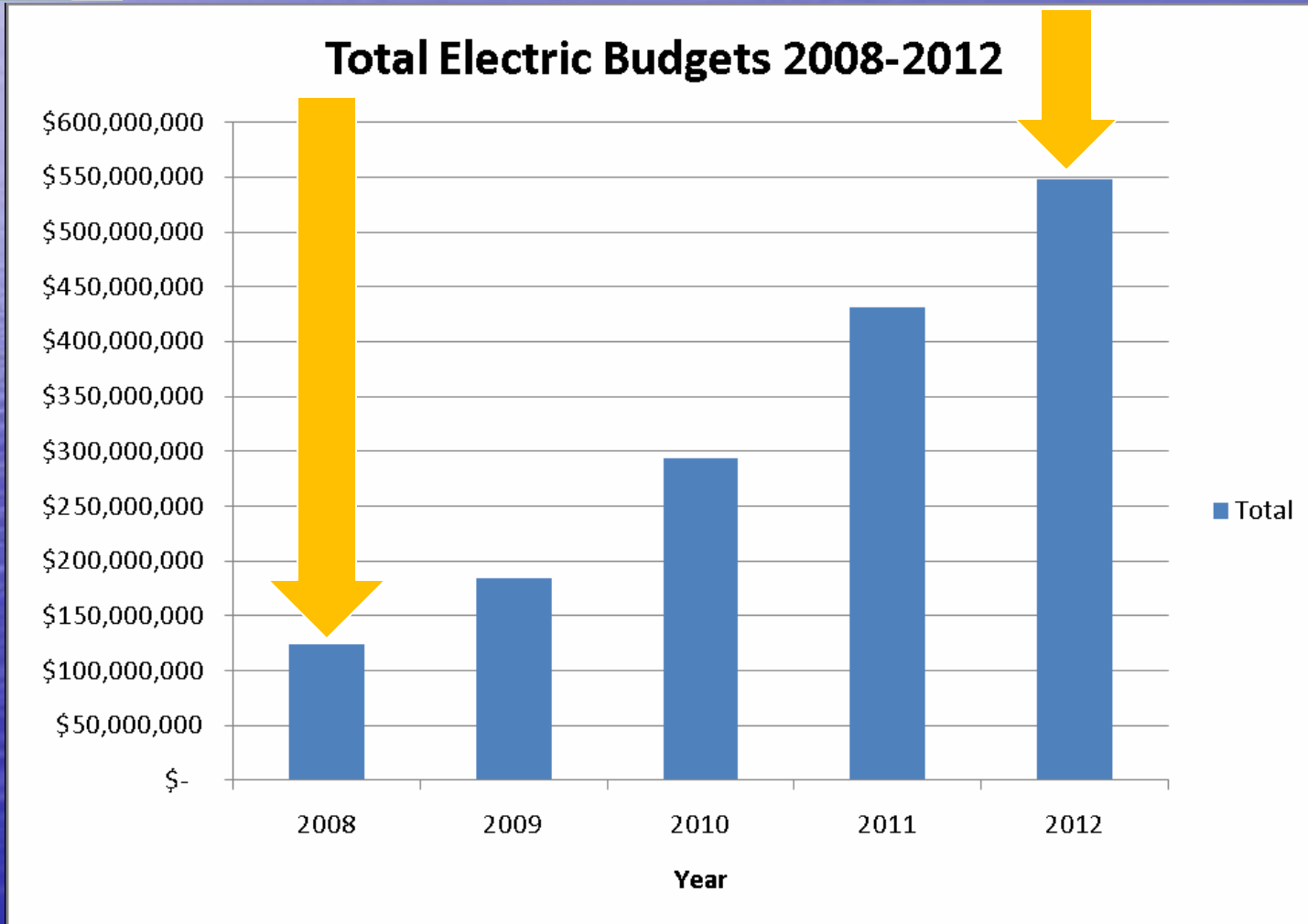
- Ramp up strategies too acquire all cost-effective
 - First go deep, then go broad
 - Leverage outside funding – ARRA, RGGI, FCM, “financing”
- Utilities harmonize services to create “seamless statewide delivery” system
- Gas/Electric Integration of services



That means going from:

THIS

TO THIS





Task One: Getting Organized

- Joint Program Management Committee formed
- Task pressure required decision-making norms
 - Members must have decision-making authority; if not, a process and timeline for a decision
 - Consensus decisions, but a bias towards action
- Recording of all decisions and the rationale – no backsliding or second guessing
- Chair has considerable authority to act behalf of group



First Priority:

- Harmonize all Programs
 - Common measures and incentives
 - Common forms, participation criteria, quality control
 - Common approaches to custom applications



Next Priorities:

- Vehicle to screen proposed technologies
- Process to handle unsolicited proposals
- Process to address and document unanticipated policy, administrative, and implementation issues
- Subgroups to address:
 - Technologies (lighting, HVAC, etc.)
 - Potential new initiatives (code support, upstream incentives etc.)



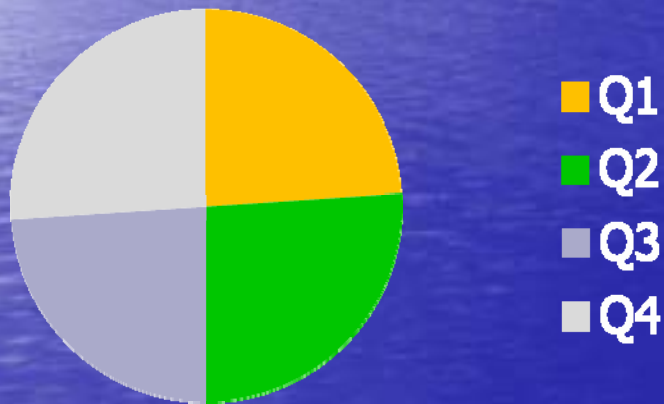
18 Months Later:

- A culture that favors collaborative success over individual company “brand”
- Consensus decision-making
- A growing “Virtual Utility”
 - Shared technical expertise
 - Leadership to the most qualified
 - Use of some contractor/dedicated help
 - Tech Committee coordinator, Mgt. Committee clerk

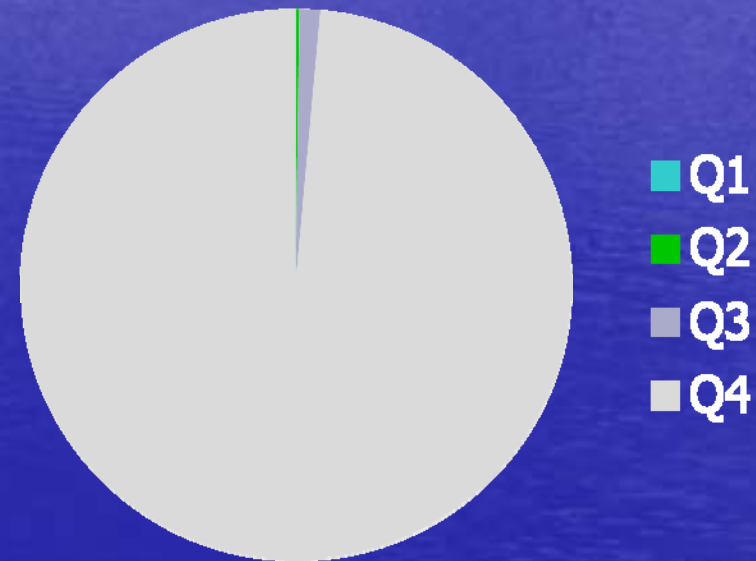


Where To Go For Savings: (NSTAR Electric C&I Customers)

Energy Consumed



Number of Customers



Top 1/4: 25 customers consume 25% of energy
Bottom 1/4: 75,000 customers also use 25%



What Does That Tell Us?

- Customized solutions for the top 25
- Volume solutions for the bottom 75,000
- A toolbox of solutions for those in the middle



MIT MOU

Background:

- Written commitment between NSTAR and MIT to cut MIT's electric usage by 15% (34 Million kWh) over the next 3 years
- Developed Operating Plans (projects) for each account to deliver on kWh commitment
- Dedicated Team of NSTAR Staff & MIT Stakeholders

Results thus far:

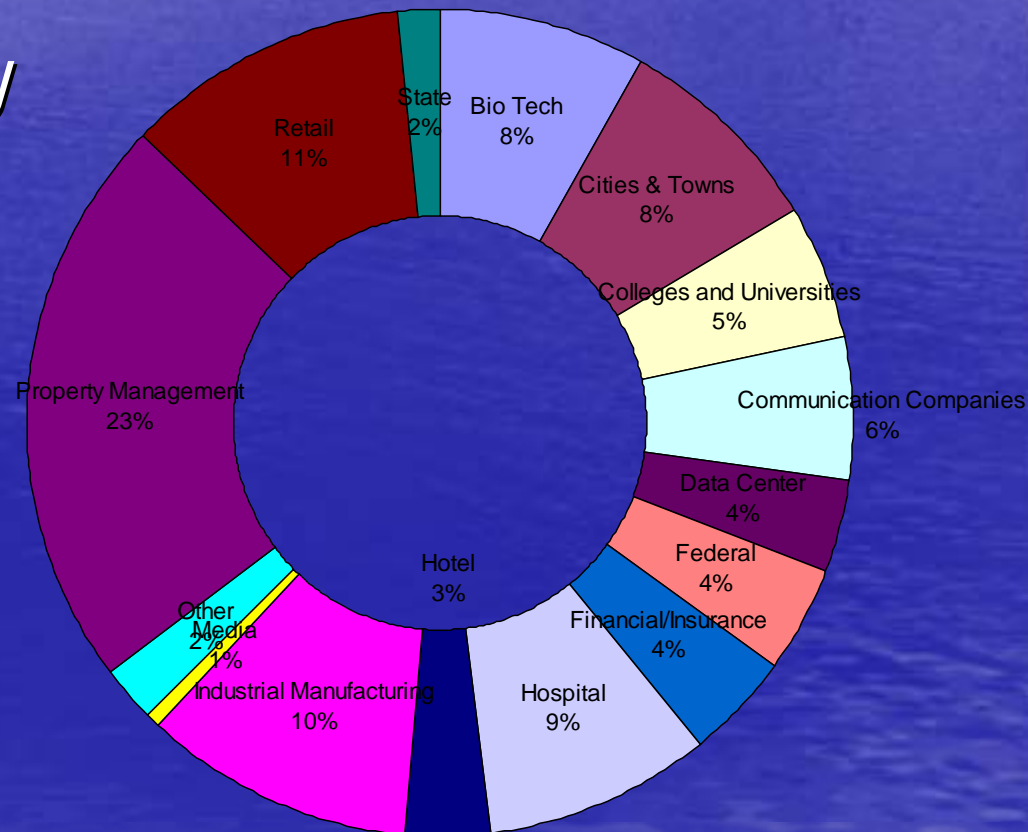
- At end of 2010 , MIT saved 13 Million kWh
 - 30% more than their initial goal



2nd Quartile

- 140 Customers
- Targeted Strategically based on sector
- Dedicated Account Executive

Quartile 2 Usage





3rd Quartile

- Total 770 accounts
- 307 Assigned Strategic/ Municipal
- 173 < 300 kw served by SBS
- 290 non-strategic
 - Usage: 6,52,579,343 Annual kwh
 - Corresponds to 112 million kwh total potential
 - Relatively even distribution over SIC codes
- Not currently targeting strategically



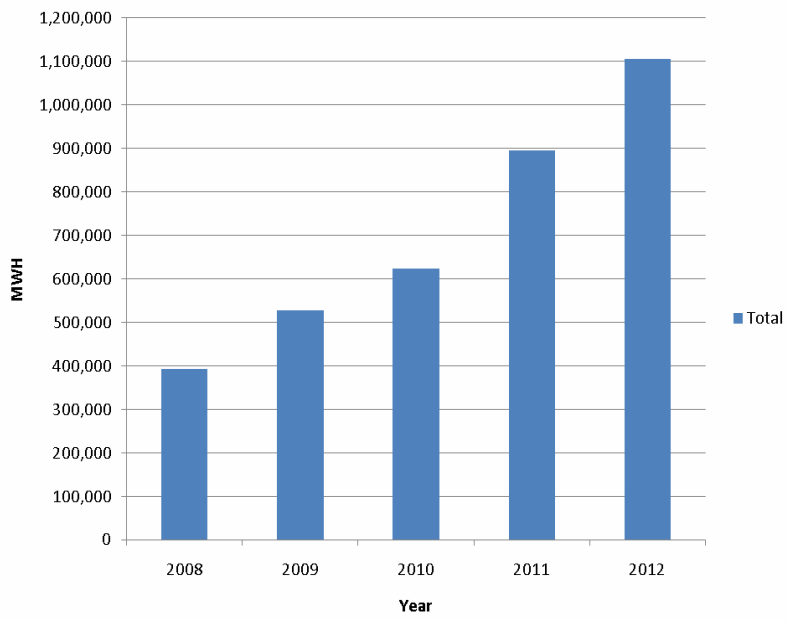
Bottom Quartile

- 75,000 Customers
- Low usage, low expertise, no cash
- High transaction cost with traditional trade ally-driven incentive/rebate approach
- Direct Install:
 - Volume, mass-production process
 - All c/e measures installed >85% lighting
 - High incentive + 0% financing = high uptake
 - “Main Street” approach for the truly tiny

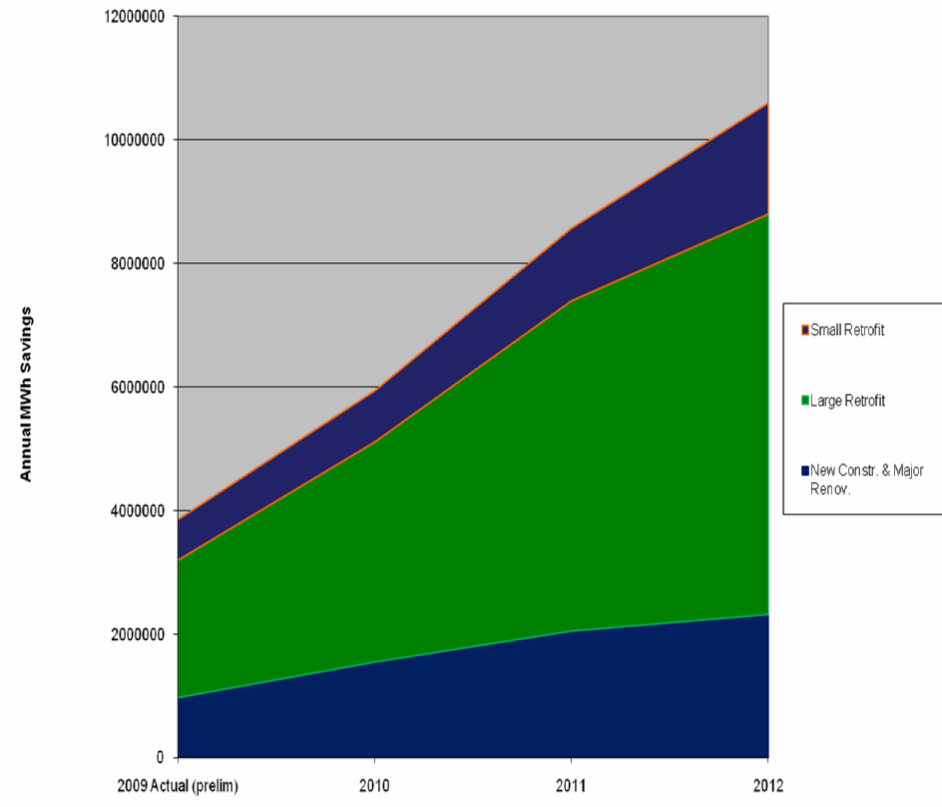


Results:

Total Electric Savings 2008-2012



C&I Electric MWh Lifetime Savings by Program
2009 Prelim. Actual and 2010-2012 Plans



NORTH ATLANTIC
ENERGY ADVISORS



Questions?