

Navigating Policy and Programs for Energy Efficiency

Tina Halfpenny

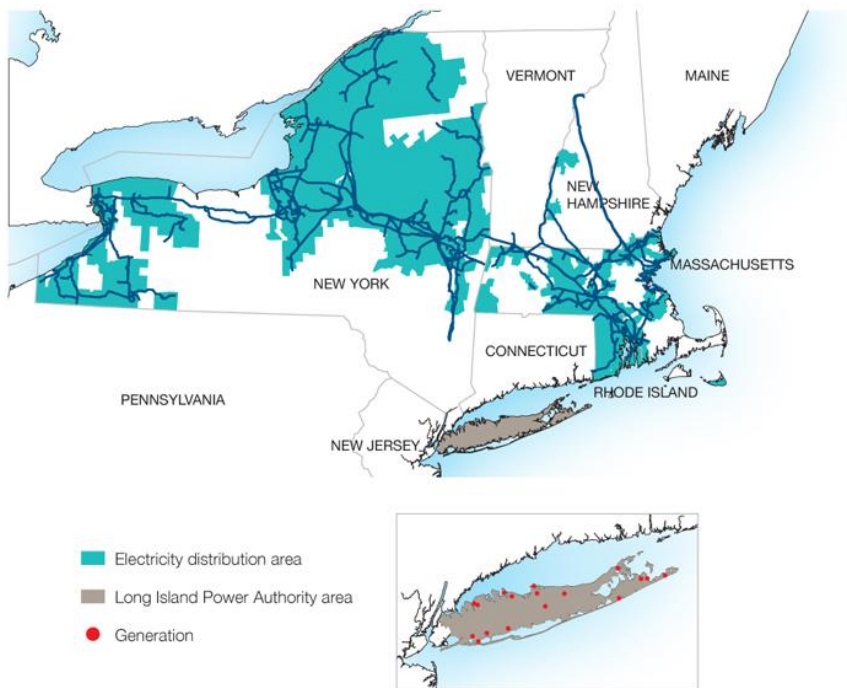
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National Grid: an international electricity and gas company



- ◆ Provides natural gas to 3.5 million customers
- ◆ Distributes electricity to 3.3 million customers
- ◆ Services 1.1 million customers of Long Island Power Authority (LIPA)
- ◆ \$134M Gas efficiency programs
- ◆ \$367M Electric efficiency programs
- ◆ \$77M LIPA Programs

MA: Green Communities Act

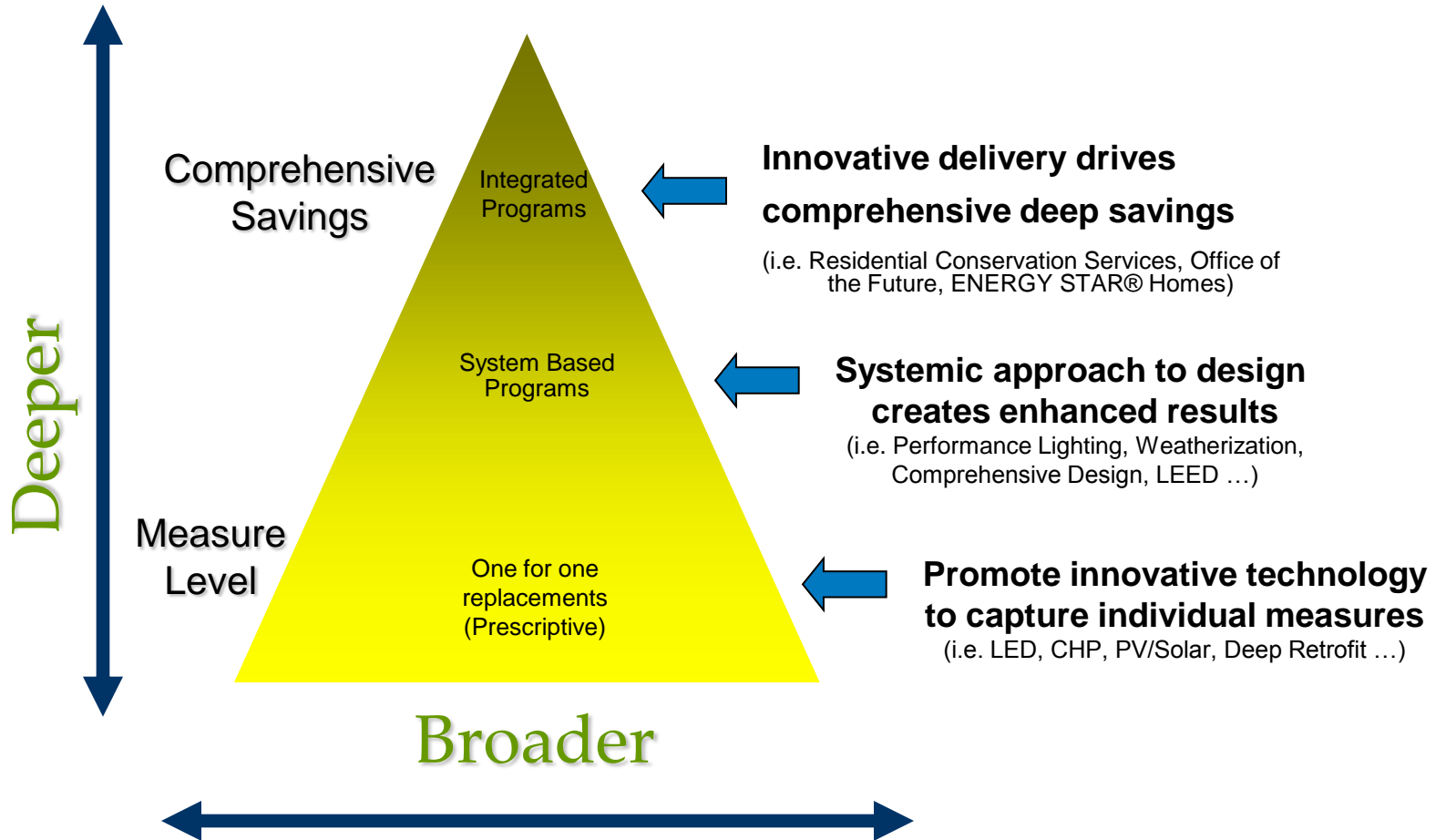
Green Communities Act signed into law on July 2, 2008 to promote enhanced gas and electric energy efficiency throughout the Commonwealth

- ◆ Program Administrators to develop state-wide Three-Year Plan providing for acquisition of all available cost effective energy efficiency

Broad Stakeholder support

- ◆ Energy Efficiency Advisory Council (EEAC) assigned through GCA
 - Chaired by Department of Energy Resources (DOER)
 - EEAC comprised of 11 voting members
 - Includes representatives from Residential customers, LI weatherization and Fuel Assistance Network, Environmental community, Lg C&I users, Manufacturing, EE expert, Organized labor, D E P, Attorney General's office, OHED, DOER

MA: Program Design To Drive Deeper & Broader Savings



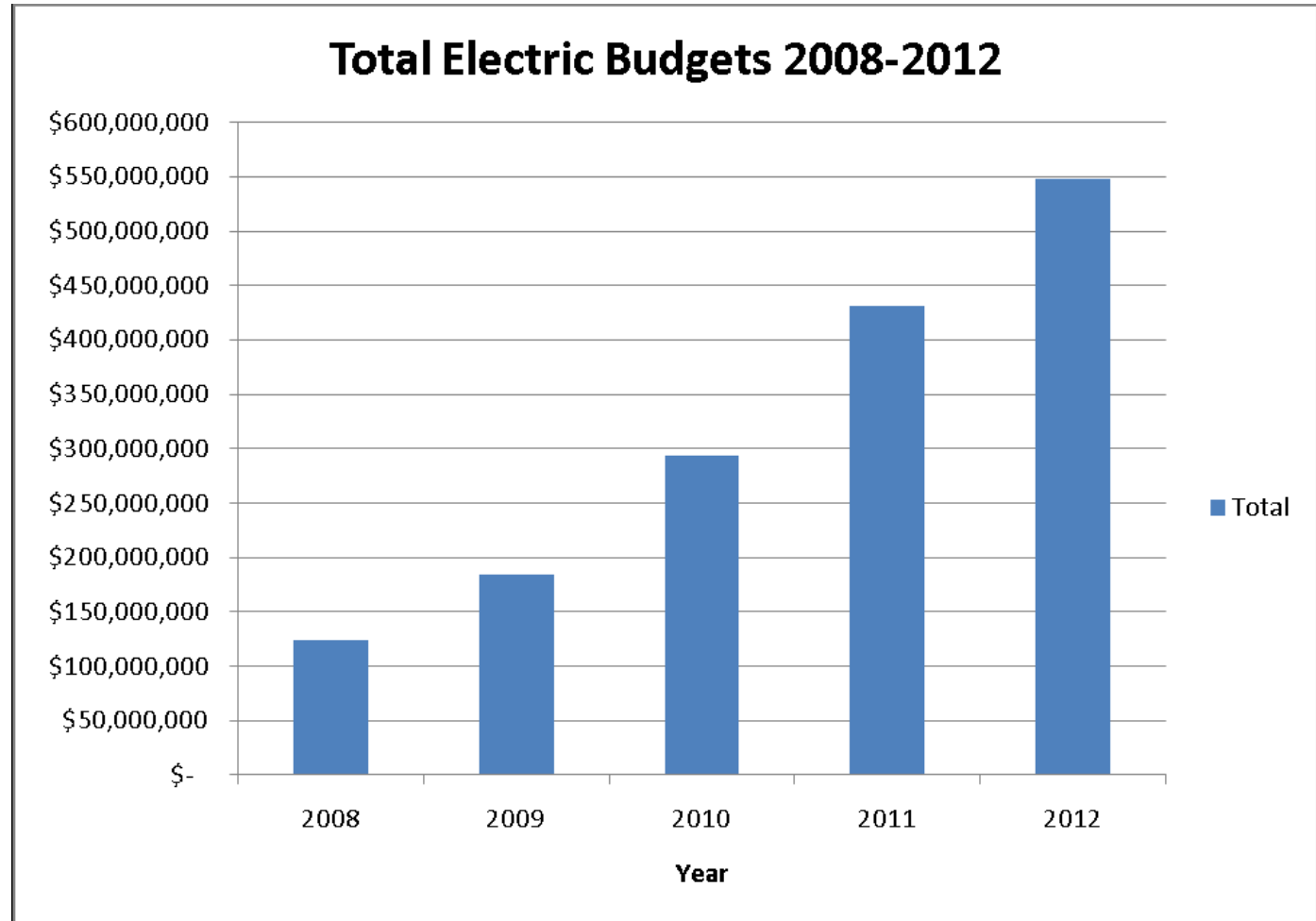
MA: Three-Year Plan - Energy Efficiency

- ◆ Highlights include ramping up to 2.4% of sales in energy efficiency savings for electric programs and 1.15% of sales in energy efficiency savings for gas programs by 2012

- ◆ Three-Year Plan:
 - 2,625,600 Mwh goal
 - \$1.3B
 - 5,740,219 MMbtu
 - \$355M gas funds
 - A construct for gas/electric program integration and seamless delivery across Program Administrators
 - A commitment to go both “deeper” (more comprehensive) in buildings and “broader” (more customers participating)

MA: Funding Sources

- ◆ System Benefit Charge
- ◆ RGGI
- ◆ Forward Capacity Market
- ◆ Other Funds



NY: Energy Efficiency Portfolio Standard

- ◆ Goal of “15 x 15”
- ◆ Broad stakeholder engagement; Department of Public Service (DPS) Staff, electric and gas utilities, (NYSERDA), and various consumer representatives
- ◆ NY PSC established EEPS June 2008
- ◆ Utility Program Administrators and NYSERDA to implement programs in both new construction and retrofit markets
- ◆ Funded by Systems Benefit Charge

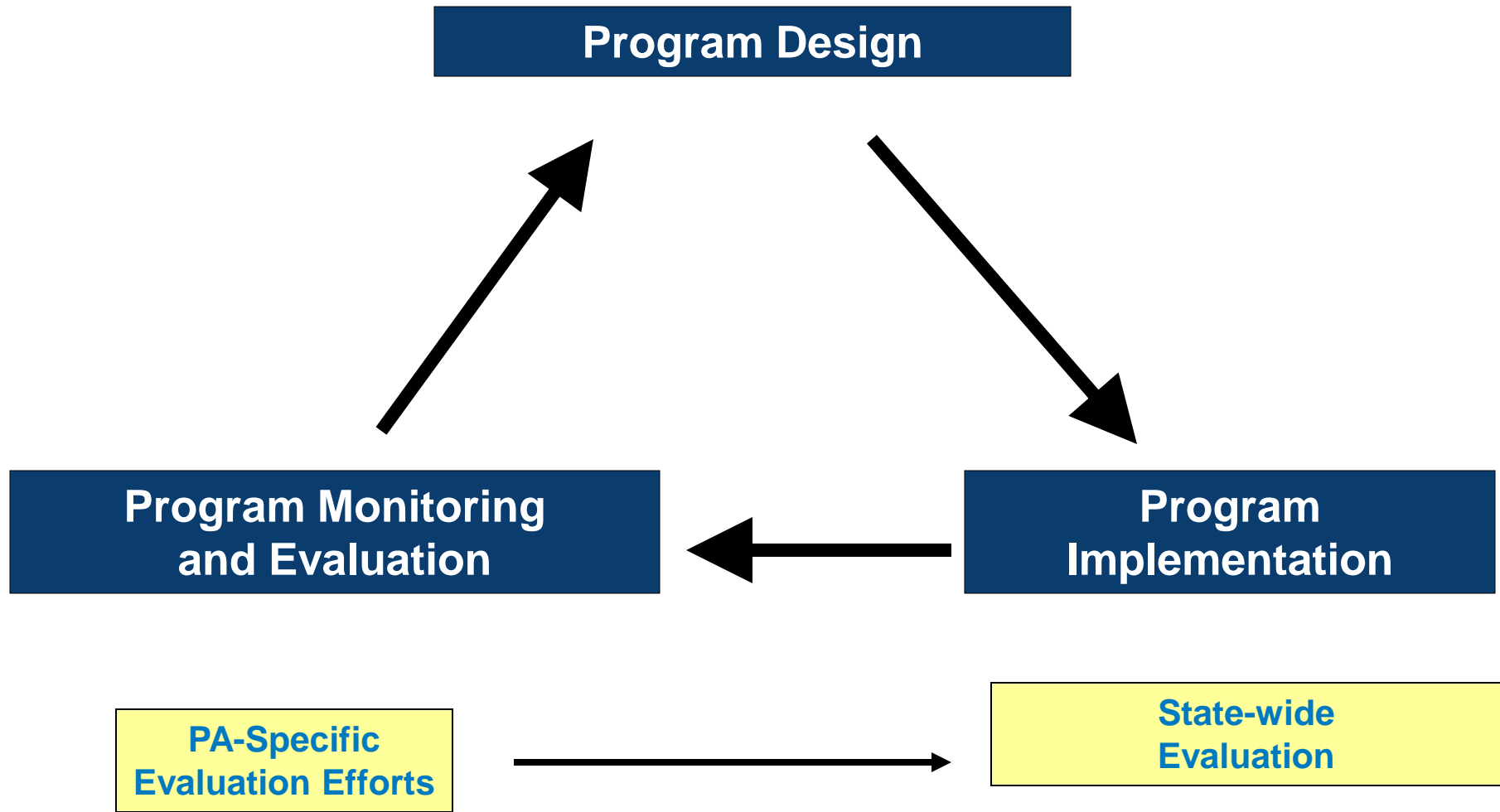
NY: EEPS Objectives

- ◆ Moderation of expected increases in average bills and the State's energy costs over time;
- ◆ Enhanced system reliability;
- ◆ Ease wholesale prices and transmission and distribution congestion;
- ◆ Reduced greenhouse gas emissions and local air pollution from the energy sector; and,
- ◆ Improved New York's energy security and create clean energy jobs for New Yorkers.

NY: Implementation of 3 year plan

- ◆ 2009-2011 implementation plans submitted to PSC
- ◆ \$955M in electric program funds
- ◆ 3,569,010 MWh over 3 years
- ◆ 4,340,000 MMBtu (4.34 Bcf) over 3 years
- ◆ \$390M in gas programs
- ◆ All program approvals received by 3rd quarter 2010
- ◆ Administrators behind in savings targets to date; combined goals set for 2011

Evolution in EM&V



Lessons Learned

- ◆ New programs require more time, resources, infrastructure development
- ◆ Mature programs require better intelligence and can result in higher cost for savings
- ◆ Multiple program administrators have high potential for broader market penetration
- ◆ Multiple program administrators requires tremendous coordination

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