

Rhode Island Energy Efficiency

Fourth Quarter 2012 | National Grid

February 14, 2013

Overview

National Grid finished 2012 strongly. The Company assisted customers in the completion of hundreds of energy efficiency projects across the board. Preliminary year end results are that the Company achieved 92% of its electric savings goals, while the gas portfolio reached 99% by the end of 2012, exceeding the forecasts made following the third quarter. This was accomplished even while devoting time and resources helping to restore gas and electric service to customers in the aftermath of Superstorm Sandy.

Approximately 1,200 income eligible customers in one-to-four family homes received audits and 200 customers received gas weatherization or heating system replacements in 2012. Retrofits were also completed at four income eligible multifamily housing complexes in Smithfield, Cranston, and Riverside. In the EnergyWise program, more than 1,700 assessments were completed in the fourth quarter, bringing the total for 2012 to more than 6,500. A record number of weatherizations were completed by independent contractors, bringing the total to more than 1,600 homes during 2012. National Grid also launched the Home Performance Contractor pilot with Sustainable Energy Solutions who will test a neighborhood marketing approach. The Company continued to deliver savings through lighting, refrigeration, and HVAC products. The Oldest Fridge Contest found 2 winners with vintage 1939 refrigerators, but in the process spurred hundreds of others to be recycled.

In the C&I sector, more than 500 small business customers moved forward with projects, while an additional 85 evaluations took place on Main Streets in Warwick, Providence, Cranston, Johnston, and East Greenwich. During the fourth quarter, National Grid offered enhanced incentives and financing to complete approximately 12 projects in five towns identified as hard-to-reach because of their financial constraints. The Company completed several projects across various end uses that were spurred on as a result of "gap closers" initiated earlier in the year to increase savings results. Upstream lighting also had its most successful quarter and began evaluating new products for 2013.

The RI PUC approved the 2013 Program Plan on December 18. Therefore, even as the Company worked to complete projects and initiatives in 2012, it was also laying the foundation for achieving the higher savings targets of 2013 through shows, training, ongoing pilots, vendor meetings, and communication, as well as readying internal systems.

2012 Program & Initiative Updates

Residential New Construction

- Code plus continued as a valuable entry point for attracting new builders, 20 Code Plus units were completed.
- The fourth quarter included promotion at trade shows, several building official meetings and hosting lunch and learn meetings with vocational schools.
- The Reno/Rehab pilot completed 23 units and the Lighting Design Pilot completed 25 projects. Aspects of the pilots will be incorporated into customer offerings in 2013.
- Technical schools students will be assisting on a Reno/Rehab in 2013.

EnergyWise

- National Grid completed more than 1,700 single family assessments in the fourth quarter, bringing the total for 2012 to more than 6,500.
- Independent contractors completed 450 weatherizations in the fourth quarter, bringing the total to more than 1,600 homes during 2012.
- National Grid launched the Home Performance Contractor pilot with Sustainable Energy Solutions who will test a neighborhood marketing approach.
- More than 100 customers received the Early Boiler Replacement during a two month period.
- The EnergyWise program conducted electric assessments, retrofits or gas retrofits at more than 90 unique multifamily complexes this year. These complexes have approximately 69,000 units in them.
- Thirty-nine of the 90 multifamily complexes include affordable housing or income-eligible, representing 38,500 units.

Income Eligible

- The Community Action Programs increased their production in the fourth quarter.
- Throughout the year, Providence customers were served by CCAP or Green and Healthy Homes while ProCAP began increasing production.
- Approximately 1,200 customers received AMP audits and 200 customers received gas weatherization or heating system replacements in 2012.
- Retrofits were completed at four income eligible multifamily housing complexes through the Commercial Retrofit Program. They include Georgiaville Manor in Smithfield, Scituate Vista in Cranston, and Crescent Park and Bullocks Point Village in Riverside.
 - A combination of air sealing, insulation, and domestic hot water measures provided the savings.
 - Customers will save 83,000 therms annually.

ENERGYSTAR Lighting and Products

- National Grid supported the Gloria Gemma Flames of Hope Event.
 - Pink based CFLs were sold at local retailers with 15 cents of every sale benefiting the Gloria Gemma Foundation for Breast Cancer.
 - Additionally, National Grid was a partner at the Flames of Hope event.
- CFL Fundraisers helped the Roger Williams Park Zoo's Roots and Shoots youth group raise more than \$400 at their annual Eco-Sale. Two new CFL fundraisers were launched in December.
- Harbour Lighting Boutique and Wickford Lumber advertised in the December edition of Rhode Island Local magazine using co-op lighting advertising available from National Grid.
- Lowe's began a LED display that promotes dimmable, 12w and omni-directional A-Lines, and 11w BR30's. This is part of promoting deeper lighting savings and transforming the LED market.
- National Grid participated in La Feria on November 4th with a table with lighting sales and education.
- On December 14th, LM released a Request for Information (RFI) to retailers and interested parties who sell or market high efficiency consumer electronics in MA or RI. Respondents interested in pursuing promotions for efficient televisions, computers, and advanced power strips have until April 30, 2013 to submit information to LM.
- The Oldest Fridge Contest found 2 winners for the "oldest fridge in RI". Robert Midwood from Cranston and Edward Miracle of Greenville were each awarded a \$1,000 Sears gift cards for turning in and recycling their 1939 GE refrigerators. A press event was held at the home of Bob Midwood to promote refrigerator recycling.

Residential Pilots

- The Home Energy Monitoring Pilot and Automatic Temperature Control pilot started installations in December with 37 installations being completed. The program enrollment and installations are expected to be completed during the first quarter of 2013.
- Through the launch of the Automatic Temperature Control pilot, the Company continues to work on developing a product that will allow for pre-cooling and enhanced load control. Our goal is to provide an innovative customer solution with controls that will enhance the customer experience for both energy efficiency and demand response requirements.
- Deep Energy Retrofit completed 2 projects. The pilot demonstrated cost effective super insulation measures, and measures from the pilot will be integrated into the Residential New Construction program in 2013.

ENERGYSTAR HVAC

- National Grid's programmable thermostat promotion was a success in 2012.
 - Beginning on June 20th, National Grid created an online e-commerce site where qualifying customers could purchase a programmable thermostat that instantly applied a \$35 rebate.
 - The promotion was easy to access and delivered a total of 7,242 thermostats; 1,220 of which were for hard-to-reach customers across Rhode Island.
 - The promotion will help save customers 271,000 therms annually.
- The program selected a vendor to focus on contractor engagement and training, and assist with rebate processing issues in 2013.
- National Grid introduced Heat Pump Hot Water Heaters as a measure in 2012 and it was very successful ramping up throughout the year.

Finance

- Capital Good Fund officially joined as a Residential Heat Loan provider and will focus on moderate income customers who may have difficulty acquiring loans through other providers
- The Residential Heat Loan provided 550 customers for a total value of \$3.6 million throughout 2012.
- Small Business Revolving Loan Fund provided \$2.7 million in loans throughout 2012.
- The Large Business Revolving Loan Fund provided more than \$2.8 million in financing that is on-bill repayment throughout 2012.

Large Commercial New Construction

- An Architect & Engineer forum was held in December to hear feedback from industry about increasing participation in the program
- The Upstream lighting initiative had its most successful quarter and began evaluating new products for 2013.
- National Grid conducted a lighting survey of the DOA offices for a potential Office of the Future pilot. The Company is continuing to look for customer sites for the pilot.
- National Grid presented the results of the September Commercial and Residential Codes Compliance Baseline study to the RI codes working group which includes the RI Code Commission and NEEP.

Large Commercial Retrofit

- Five towns were identified as hard to reach because of their financial barriers to investment. National Grid offered enhanced incentives and financing to complete approximately 12 projects with these towns during the fourth quarter.
- Large Commercial Gas
 - Two large projects as a result of the summer kicker that included enhanced incentives.
 - Eight steam trap projects were completed as a result of a focus on commercial steam systems. Savings will help customers save more than 117,000 therms annually.
 - Two large industrial projects were completed; the combined savings are 290,000 therms.
 - Five multifamily complexes were weatherized, four of which were affordable housing. Customers will save 93,000 therms annually.
- The Manufacturing Initiative reviewed proposals for working with a select number of large manufacturing customers in 2013.
- Strategic Energy Management Partnerships negotiations continued with URI.
- The Providence Journal and local television news featured Providence Place Mall energy efficiency upgrades

Small Business Direct Install

- National Grid evaluated 819 customer applications during the fourth quarter
 - More than 500 customers moved forward with projects.
 - The estimated savings associated with these projects was 9,260 MWh
- Customer Stories
 - National Grid worked with the Jan Companies of Cranston to upgrade their 19 Burger King locations statewide with exterior LED parking lot fixtures. The combined estimated savings of these 19 locations is more than 500 MWh.
 - Chelo's are a family-owned chain of restaurants in RI. At their 9 locations, National Grid installed pre-rinse spray valves, and replaced their incandescent lighting with screw-in LED bulbs. The annual estimated savings for the lighting upgrade is more than 280 MWh.
 - Westerly was one of the hardest hit areas of Rhode Island from Superstore Sandy. National Grid worked with Valenti Toyota of Westerly to upgrade their exterior lighting at their facility. The upgrade will save upwards of 500 MWh annually.
- The Main Streets initiative continued its neighborhood approach to attracting small businesses in the fourth quarter, completing 85 evaluations on Main Streets in Warwick, Providence, Cranston, Johnston, and East Greenwich.
 - Forty customers had work installed in the fourth quarter which will save approximately 400 MWh annually.
 - Ten customers signed contracts and will begin work while 27 customers received evaluations but chose not to move forward with the upgrades at that time.

System Reliability Procurement – Little Compton & Tiverton

- Customer interested increased in the fourth quarter after active marketing and promotion.
- Nineteen thermostats were installed for 17 customers, bringing the year end total to 31 thermostats for 26 customers.

Evaluation

- The C&I Custom Lighting study is developing site reports for the sample of customers included in the upcoming evaluation.

Events

- On October 7th, National Grid participated in the Gloria Gemma Flames of Hope event.
- On October 16th, National Grid provided an overview of efficiency solutions at the RI Green Building Council's course on Advanced Buildings and LEED 2014.
- On November 28th, National Grid participated in Rhode Island College's Sustainable School Summit and sponsored the RI Hospitality Associations Stars of the Industry Annual meeting.
- On December 4th, National Grid hosted a forum for Architecture and Engineering firms in Warwick to discuss Commercial New Construction solutions.
- On February 14th, National Grid will host a forum for Design/Build firms in Warwick to discuss Commercial New Construction solutions.
- On February 29th, National Grid will host a vendor open house for businesses serving Large Commercial New Construction and Retrofit customers at the Crowne Plaza in Warwick.

NATIONAL GRID ENERGY EFFICIENCY PROGRAMS IN RHODE ISLAND

Table 1. Summary of 2012 Target and Preliminary 4th Quarter Results

ELECTRIC PROGRAMS Sector and Program	(1) Demand Reduction (Annual kW)		(3)	(4) Energy Savings (Annual MWh)			(7) Customer Participation			(10) Implementation Expenses (\$ 000)			(13)	(14)
	Target	Year To Date	Pct Achieved	Target	Year To Date	Pct Achieved	Approved Target	Year To Date	Pct Achieved	Budget	Year To Date	Pct Achieved	Lifetime savings, MWh	\$/kWh
Commercial and Industrial														
Large Commercial New Construction	8,011	5,293	66.1%	30,346	20,952	69.0%	2,365	1,408	59.5%	\$8,834.4	\$5,029.8	56.9%	237,885	\$ 0.021
Large Commercial Retrofit	5,708	5,606	98.2%	39,928	38,398	96.2%	365	529	144.9%	\$9,708.5	\$11,625.2	119.7%	467,010	\$ 0.025
Small Business Direct Install	3,982	4,246	106.6%	17,984	19,008	105.7%	1,443	1,707	118.3%	\$10,231.3	\$8,978.6	87.8%	209,164	\$ 0.043
Community Based Initiatives - C&I										\$200.0	\$43.7	21.9%		
EERMC - C&I										\$354.5	\$329.7	93.0%		
Comprehensive Marketing - C&I										\$330.0	\$304.4	92.2%		
Outside Finance Costs										\$1,000.0	\$239.4	23.9%		
SUBTOTAL	17,701	15,145	85.6%	88,258	78,358	88.8%	4,173	3,644	87.3%	\$30,656.6	\$26,550.7	86.6%	914,059	\$0.029
Residential Low-Income														
Single Family - Low Income Services	482	355	73.6%	3,960	3,404	85.9%	2,501	2,654	106.1%	\$5,615.4	\$3,526.6	62.8%	33,773	\$0.104
Residential Non-Low Income														
Residential New Construction	246	143	58.1%	812	661	81.4%	405	354	87.4%	\$1,036.0	\$1,545.8	149.2%	9,930	\$ 0.156
ENERGY STAR® HVAC	2,085	701	33.6%	1,964	895	45.5%	3,709	1,397	37.7%	\$2,477.0	\$1,219.3	49.2%	12,876	\$ 0.095
EnergyWise	798	294	36.8%	8,432	8,360	99.1%	13,017	12,871	98.9%	\$7,541.5	\$6,787.0	90.0%	70,888	\$ 0.096
ENERGY STAR® Lighting	2,110	2,183	103.4%	20,174	20,883	103.5%	160,000	156,065	97.5%	\$4,507.4	\$3,381.7	75.0%	170,563	\$ 0.020
ENERGY STAR® Appliances	507	310	61.1%	4,971	5,420	109.0%	19,080	22,598	118.4%	\$2,045.4	\$1,931.2	94.4%	42,977	\$ 0.045
Energy Efficiency Educational Programs										\$75.0	\$85.4	113.9%		
EERMC - Residential										\$299.0	\$278.0	93.0%		
Residential Behavior Pilot										\$230.8	\$211.1	91.5%		
Residential Products Pilot										\$314.7	\$214.5	68.1%		
Community Based Initiatives - Residential										\$156.6	\$131.5	84.0%		
Comprehensive Marketing - Residential										\$920.0	\$847.6	92.1%		
SUBTOTAL	5,747	3,631	63.2%	36,352	36,218	99.6%	196,211	193,285	99%	\$19,603.3	\$16,632.9	84.8%	307,234	\$0.054
System Reliability Procurement	109	7	6.4%	475	3	0.6%	140	31	22.1%	\$ 196.0	\$60.7	31.0%		
TOTAL	23,930	19,131	79.9%	128,570	117,980	91.8%	202,885	199,583	98.4%	\$55,877.3	\$46,710.3	83.6%	1,255,066	\$0.037
GAS PROGRAMS														
Sector and Program				(4) Energy Savings (MMBtu)			(7) Customer Participation			(10) Implementation Expenses (\$ 000)			(13)	(14)
				Approved Target	Year To Date	Pct Achieved	Approved Target	Year To Date	Pct Achieved	Approved Budget	Year To Date	Pct Achieved	Lifetime savings, MMBtu	\$/Lifetime MMBtu
Commercial and Industrial														
Large Commercial Retrofit				75,814	95,448	125.9%	115	435	378.6%	\$3,000.5	\$2,617.7	87.2%	929,807	\$2.815
Large Commercial New Construction				39,485	27,165	68.8%	51	113	220.3%	\$2,008.6	\$1,655.7	82.4%	459,455	\$3.604
Small Business Direct Install				5,013	5,026	100.2%	158	160	101.1%	\$110.6	\$42.4	38.4%	35,141	\$1.207
Comprehensive Marketing										\$121.0	\$102.3	84.5%		
EERMC Assessment-C&I										\$59.3	\$55.4	93.5%		
SUBTOTAL				120,312	127,639	106.1%	324	708	218.2%	\$5,300.0	\$4,473.5	84.4%	1,424,402	\$3.141
Residential Low-Income														
Single Family Low Income Services				7,697	5,516	71.7%	430	388	90.2%	\$1,465.8	\$1,188.8	81.1%	110,314	\$10.776
Residential Non-Low Income														
Energy Star® HVAC				72,655	54,866	75.5%	12,211	6,252	51.2%	\$2,975.9	\$2,878.7	96.7%	885,877	\$3.250
EnergyWise				30,885	39,969	129.4%	2,000	4,024	201.2%	\$2,701.1	\$4,016.4	148.7%	842,897	\$4.765
Residential Products Pilot										\$134.1	\$75.1	56.0%		
Comprehensive Marketing										\$130.0	\$119.7	92.1%		
EERMC Assessment-Residential										\$92.5	\$86.2	93.2%		
SUBTOTAL				103,540	94,835	91.6%	14,211	10,276	72.3%	\$6,033.6	\$7,176.2	118.9%	1,728,774	\$4.151
TOTAL				231,548	227,989	98.5%	14,965	11,372	76.0%	\$12,799.4	\$12,838.5	100.3%	3,263,490	\$3.934

NOTES

- (1)(4) Targets from Docket 4295 - Attachment 5, Table E-6 (electric) updated with Division approved budget transfer, and Attachment 6, Table G-6 (gas) updated with Division approved budget transfer
 - (3) Pct Achieved is Column (2)/ Column (1).
 - (6) Pct Achieved is Column (5)/ Column (4).
 - (7) Participation targets are based on Docket 4295 and have been updated with unique customer definitions based on RI Collaborative feedback.
 - (9) Pct Achieved is Column (8)/ Column (7).
 - (10) Approved Implementation Expenses from Docket 4295, Attachment 5 Table E-3 (electric) and Attachment 6 Table G-3 (gas)
 - (11) Year To Date Implementation Expenses are net of evaluation expenses
 - (12) Pct Achieved is Column (11)/ Column (10).
 - (13) Lifetime Savings from Docket 4295 - Attachment 5, Table E-6 (electric) and Attachment 6, Table G-6 (gas)
 - (14) \$/lifetime kWh = Column (11)/Column (13); \$/lifetime therm = Column (11)*1000/Column (13)*10
- System Reliability Procurement goals from Docket 4296, not included in Implementation Expenses Total