

Berkshire Gas 2018 Mid-Term Modification (MTM)



MTM Request

- **Residential Products Program**

- **29%** Budget Decrease

- **Term Incentives**

- Budget \$1,921,800

- Spend \$ 944,867 [as of June **52%**]

- **-\$680,000 to return to Rate Payers**

*ORIGINAL REQUEST:
-\$756,000 (32% Decrease)*

Term Projections

- **61%** of Annual Savings [as of June **56%**]

- **60%** of Lifetime [as of June **55%**]

- **57%** of Benefits

- **Based on current data, savings and benefits will be higher than the MTM forecast, but spending will not reach 80% threshold.**

- **Residential Whole House Program on track to exceed lifetime savings goals.**

Residential Products



Measures Included

- **Heating** – Boilers and Furnaces
- **Water Heating**
- **Controls** – Programmable and Wi-fi T-Stats

2016 Results

• Heating	59% ,	287 actual vs. 489 plan,	59% Net Annual Savings
• Water Heating	78% ,	125 actual vs. 160 plan,	111% Net Annual Savings
• Programmable T-Stats	48% ,	81 actual vs. 168 plan,	48% Net Annual Savings
• Wi-fi T-Stats	118% ,	177 actual vs. 150 plan,	118% Net Annual Savings

2017 Results

• Heating	39%	192 actual vs. 489 plan,	39% Net Annual Savings
• Water Heating	47%	75 actual vs. 160 plan,	49% Net Annual Savings
• Programmable T-Stats	32%	53 actual vs. 168 plan,	32% Net Annual Savings
• Wi-fi T-Stats	91%	137 actual vs. 150 plan,	91% Net Annual Savings

Statewide Results



Statewide Gas PAs Research

Evaluated Results, Residential Heating & Water Heating Products:

	2017	2016	2015	2014	2013
Participants	32,137	27,313	35,050	31,797	30,333
Annual Therm Savings	3,247,546	2,554,805	2,635,254	2,786,131	3,288,842
Lifetime Therm Savings	53,324,510	43,679,327	46,466,378	48,345,482	57,137,985
Expenses	\$20,691,805.00	\$20,410,251.00	\$24,801,947.00	\$23,869,360.00	\$24,213,308.00

YoY Change (%)	2016 to 2017	2015 to 2016	2014 to 2015	2013 to 2014
Participants	17.7%	-22.1%	10.2%	4.8%
Annual Therm Savings	27.1%	-3.1%	-5.4%	-15.3%
Lifetime Therm Savings	22.1%	-6.0%	-3.9%	-15.4%
Expenses	1.4%	-17.7%	3.9%	-1.4%

Statewide 2016 - 2018 Totals (2016-2017 Evaluated Extrapolation) vs. Actuals for Term 2013 - 2015

Participants	-8.2%
Annual Therm Savings	-0.1%
Lifetime Therm Savings	-4.2%
Expenses	-15.4%

GAS PA STATEWIDE SPENDING HAS DECREASED SINCE THE LAST PLAN

Measure Saturation



This table lists the energy efficiency (EE) penetration values used in Berkshire's recent updated potential study.

Please note, that for most measures, the values (both base saturation and EE penetration) relied on statewide study numbers due to low Berkshire-territory samples.

The following two sources were relied on:

1. Residential Baseline Study

-applied to HVAC equipment

2. US Market Penetration of WaterSense Shower Heads, Lavatory Faucets and Toilets – GMP Research

-Applied to DHW-related (showerheads and faucet aerators) equipment and was based on the New England region's WaterSense equipment saturation rate

List of EE Penetrations used in Berkshire's Potential Study for the Residential Heating & Cooling Equipment Program:	
Measure	EE Penetration
Forced Hot Water Boiler, Gas 90%	25.5%
Forced Hot Water Boiler, Gas 95%	25.5%
Furnace, Gas 95%	54.8%
Furnace, Gas 95% Muni	54.8%
Furnace, Gas 97%	54.8%
Furnace, Gas 97% Muni	54.8%
Combo Condensing Boiler/Water Heater 90%	25.5%
Combo Condensing Boiler/Water Heater 95%	25.5%
Boiler Reset Control, Gas	50% - GDS assumption
Heat Recovery Ventilator	2.7% - Berkshire-specific from Residential Baseline Study
Condensing Water Heater, Gas 0.95	31%
Stand Alone Water Heater, Gas 0.67	31%
On Demand Water Heater, Gas 0.82	31%
On Demand Water Heater, Gas 0.94	31%
Indirect Water Heater, Gas	31%
Programmable Thermostat, Gas	56%
Wi-Fi Thermostat (controls gas heat only)	11%
Wi-Fi Thermostat (controls elec cooling & gas heat)	11%
Low-Flow Showerhead with TSV	20%
Thermostatic Shut-off Valve	5% - GDS assumption
Low-Flow Showerhead	20%

New Residential Homes



DATA FROM ICF RESOURCES, RESIDENTIAL NEW CONSTRUCTION IMPLEMENTER

Town	Pre-Moratorium						Post-Moratorium											Total by town from 2011-2018
	2011 NG	2011 <>NG	2012 NG	2012 <>NG	2013 NG	2013 <>NG	2014 NG	2014 <>NG	2015 NG	2015 <>NG	2016 NG	2016 <>NG	2017 NG	2017 <>NG	2018 NG	2018 <>NG		
<i>Adams</i>	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	1	3	
Amherst	1	3	13	9	0	7	6	0	75	17	22	33	0	13	0	10	199	
<i>Dalton</i>	0	0	0	1	0	0	0	0	0	0	0	2	0	1	0	2	4	
<i>Great Barrington</i>	0	1	1	3	1	1	0	0	3	10	6	22	3	26	2	4	79	
Greenfield	4	0	11	7	9	4	7	0	13	0	3	78	2	13	0	1	151	
Hadley	0	1	0	0	0	0	0	0	1	2	2	3	0	3	0	2	12	
Hatfield	6	0	10	1	8	2	16	0	19	1	0	7	0	3	0	1	73	
<i>Lanesboro</i>	0	0	0	1	0	0	0	0	0	3	0	0	3	4	1	2	12	
<i>Lee</i>	1	0	0	0	0	0	1	0	0	0	2	1	0	2	0	1	7	
<i>Lenox</i>	2	0	9	0	6	1	3	0	4	2	3	5	1	0	2	2	38	
<i>Pittsfield</i>	4	0	62	3	50	1	7	0	7	0	2	10	3	2	1	5	152	
Whately	0	0	0	0	0	0	1	0	0	0	1	1	0	2	0	0	5	
<i>Williamstown</i>	0	0	0	0	0	0	1	0	1	0	41	41	0	3	0	0	87	
Total	18	5	106	25	74	16	42	0	123	35	82	203	12	75	6	31		
Total By Year	23		131		90		42		158		285		87		37		822	
Percentage built in moratorium towns	83%		48%		41%		71%		104%		183%		300%		233%			

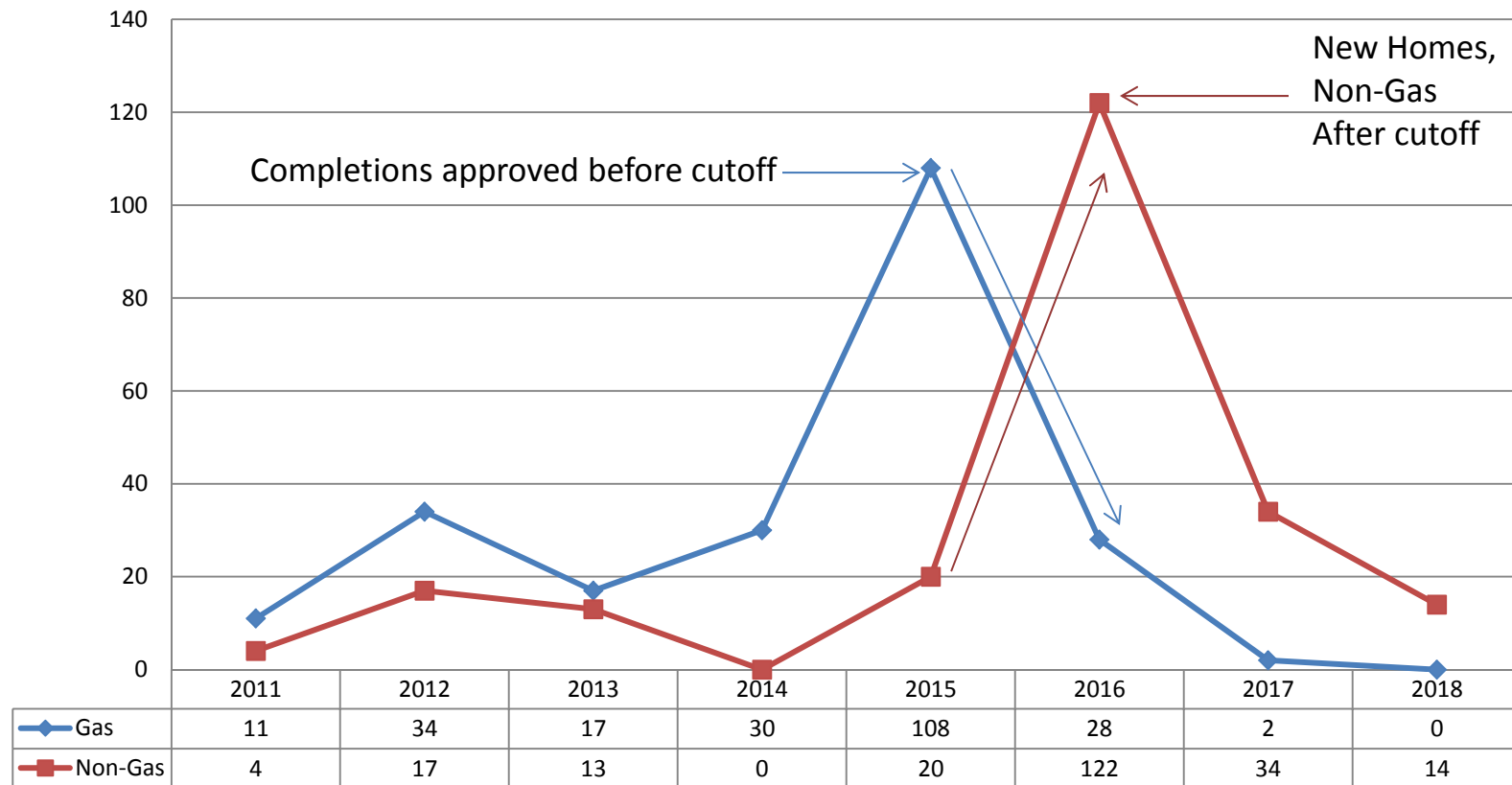
MAJORITY OF NEW HOMES ARE BEING BUILT IN THE MORATORIUM TERRITORY

[NG] = HOMES BUILT WITH NATURAL GAS, [<>NG] = NOT NATURAL GAS

New Residential Homes



New Homes in Moritorium Territory



Direct Marketing Efforts



2016

Newspaper Ads

Radio Ads

Bill Inserts

Billboards

2017

Postcards

Billboards

Summer Sizzler

Direct Mail Assessments

2018

Direct Mail Assessments

Radio Ads

Bill Inserts

Contractor Incentives

Billboards

Postcards

Some Samples of Marketing Pieces



POST CARDS

Do you want to lower your monthly energy bills and make your home more comfortable at the same time? Berkshire Gas' energy efficiency programs are designed to help you do just that, whether you need to make a few small changes, or invest in major improvements. We offer no-cost energy assessments, personalized recommendations, and generous rebates and incentives toward home efficiency improvements such as insulation and high efficiency heating equipment. And, taking steps to reduce your home's energy use is good for the environment too.

We want you to spend *less* with us!

When was the last time you heard a company say that?

Give your home an energy makeover!

Recommendations and incentives may include:

- No-cost targeted air sealing
- 75% up to \$2,000 off insulation
- Reduced pricing on wireless thermostats (up to 3) and free installation
- Rebates of up to \$1,600 on high efficiency heating equipment
- Rebates of up to \$500 on high efficiency water heating equipment
- 0% interest financing on eligible efficiency measures

Not sure if you're ready to schedule? Take our NO-COST ONLINE HOME ASSESSMENT to get an estimate of potential energy savings and to learn if your home is a good candidate for an in-home assessment. Visit www.masssave.com/hea and use referral code: ENERGY2016.

BILL INSERTS

Our Mission

Berkshire Gas is committed to conserving natural resources and to helping our customers achieve savings through energy efficiency. Maintaining the best possible service at the lowest possible cost is one of our highest priorities. Our energy efficiency programs help us to meet these goals by providing you with the opportunity to invest in state of the art, energy-saving technologies at a significantly reduced cost. Call 1-800-944-3212 to get started!

We will schedule a no-cost home energy assessment to identify all potential energy-saving opportunities. At your visit, an Energy Specialist will provide you with a personalized list of recommended improvements. You will also learn about available incentives and how much money Berkshire Gas will contribute to help you take steps to make your home energy efficient. You may also receive a variety of instant savings measures at no cost to you, including low flow showerheads and aerators, efficient lighting, and programmable thermostats.

RADIO ADS

"THINKING ABOUT GETTING A NO COST HOME ENERGY ASSESSMENT? BERKSHIRE GAS WANTS YOU TO KNOW WHAT YOUR NEIGHBORS ARE SAYING ABOUT THEIR EXPERIENCE. JAMES FROM AMHERST SAYS "MY ENERGY SPECIALIST WAS EFFICIENT, THOROUGH, PROFESSIONAL, HELPFUL AND CONSCIENTIOUS." RUTH FROM TURNERS FALLS SAYS "I WISH WE HAD TAKEN ADVANTAGE OF THIS LONG AGO." JOSEPH FROM LENOX SAYS "SORRY I WAITED SO LONG." DON'T PUT OFF GREAT SAVINGS ANY LONGER. GET STARTED RIGHT NOW BY CALLING 1-800-944-3212 TO SCHEDULE A NO COST HOME ENERGY ASSESSMENT. BERKSHIRE GAS IS A PROUD SPONSOR OF MASS SAVE."

mass save
NO COST. ALL SAVINGS. HOME ENERGY ASSESSMENTS

BERKSHIRE GAS EVERSOURCE MassSave.com/HEA

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NEWS ADS

Berkshire Gas Energy Efficiency Saving Energy and the Environment

Berkshire Gas has been providing energy efficiency services and incentives for more than 20 years. Our better offer energy efficiency program focuses on reducing energy costs. This year, Berkshire Gas rebates more than \$4 million annually in helping residential customers save energy. Through the program, high school seniors, business, to local history and the environment to saving both money and energy.

ALADDON Green Services, in Adams, Massachusetts, is a local supplier of green building materials across the northeast. To help save ALADDON's energy costs from 160,000 gallons of energy each year, Berkshire Gas offers a rebate of \$10,000 for the installation of solar panels.

When considering a new major equipment upgrade, owner Dan Demers turned to the Berkshire Gas Energy Efficiency program for assistance and advice.

ALADDON Services has completed 100,000 hours of work for its local installation of solar panels. ALADDON Services is a local supplier of green building materials across the northeast. To help save ALADDON's energy costs from 160,000 gallons of energy each year, Berkshire Gas offers a rebate of \$10,000 for the installation of solar panels.

The rebate investment paid for itself just over three years, and has helped ALADDON continue to grow and add new jobs to the local economy.

It provided significant environmental benefits and energy savings:

- Reduced natural gas use by 80,000 therms annually - equal to 100,000 gallons of oil
- Saved more than 150,000 gallons of water annually by reducing water use from 2.5 gallons per gallon of laundry to 1.5 gallons
- Reduced electricity use by 171,000 kilowatts annually

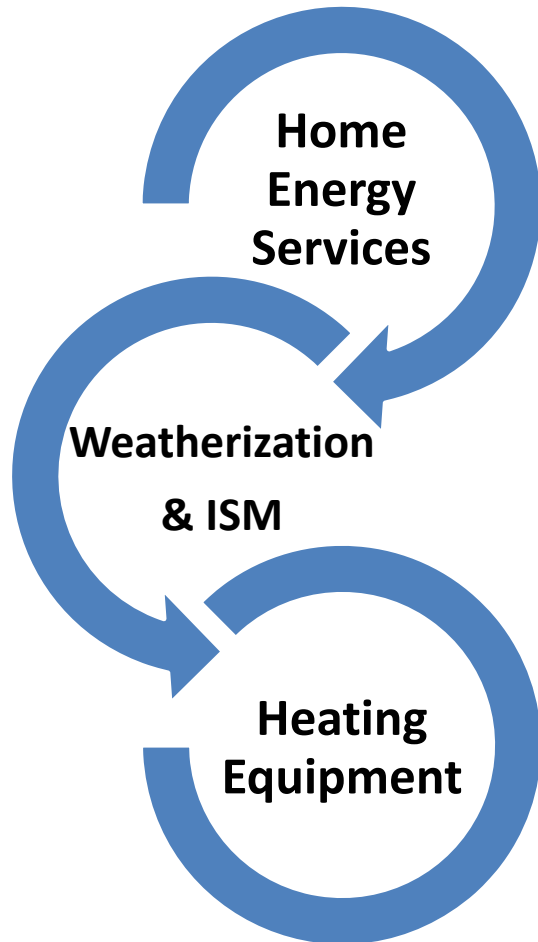
Berkshire Gas joined forces with customers, large and small, to ensure the most efficient use of America's natural energy resources.

A UHL HOLDINGS COMPANY

Marketing Expenses



The outreach focus has been on Customers and Home Energy Assessments that would lead to a measure mix that included heating systems.



Home Energy Services

- BUDGET: \$131,089 \$17,157 Remaining
- SPEND: \$113,932
- **87% SPEND**

Residential Products

- BUDGET: \$35,545 \$11,463 Remaining
- SPEND: \$24,082
- **68% SPEND** **Spend will exceed budget at end of 2018**

Residential Statewide Marketing

- BUDGET: \$83,100 \$29,497 Remaining
- SPEND: \$53,603
- **65% SPEND** **(Not an allocation for individual PA marketing use)**

**EXCEEDING THE REMAINING MARKETING FUNDS OF \$58,117
WILL NOT MAKE UP FOR THE \$680,000 IN INCENTIVES**