Third Quarter 2012 Performance & Statewide Projections for Year End

Presentation to the EEAC by the PAs

November 13, 2012
• Electric savings are at 50% of goal; gas savings are at 56% of goal
• Overall program performance is consistent across fuels; residential performance is very strong (87% electric; 82% gas)
• Savings reflect updated EM&V results from 2011 AR
• Numbers are preliminary and savings are subject to after-the-fact adjustments
Portfolio Summary - Third Quarter 2012

- **ELECTRIC**
  - Annual Savings – 50%
  - Lifetime Savings – 43%
  - Spending – 58%

- **GAS**
  - Annual Savings – 56%
  - Lifetime Savings – 47%
  - Spending – 59%
<table>
<thead>
<tr>
<th>Statewide Electric Programs - Q3, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>YTD Preliminary Actuals as a Percent of Plan Goal</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>Residential</th>
<th>Low Income</th>
<th>Commercial &amp; Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Participants</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total PA Expenditures</strong></td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td><strong>Capacity (summer kW)</strong></td>
<td>60%</td>
<td>60%</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td><strong>Energy (annual MWh)</strong></td>
<td>40%</td>
<td>40%</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Energy (lifetime MWh)</strong></td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>

**NOTES:** This data is preliminary and subject to revision and check. Costs and savings will not align until year end and it is important to understand that savings and costs do not accrue linearly throughout the program year.
Statewide Electric Programs - Q3 2012
Sector Contributions to YTD Costs and Savings

Participants Total PA Expenditures Capacity (summer kW) Energy (annual MWh) Energy (lifetime MWh)

Statewide Electric Programs - Q3 2012
Sector Contributions to YTD Costs and Savings

NOTES: This data is preliminary and subject to revision and check. Costs and savings will not align until year end and it is important to understand that savings and costs do not accrue linearly throughout the program year.
NOTES: Costs are those booked for PPA, Marketing, Customer Incentive, STAT, and Evaluation. This data is preliminary and subject to revision and check.
Statewide Gas Programs - Q3, 2012
YTD Preliminary Actuals as a Percent of Plan Goal

NOTES: This data is preliminary and subject to revision and check. Costs and savings will not align until year end and it is important to understand that savings and costs do not accrue linearly throughout the program year.
Statewide Gas Programs - Q3, 2012
Sector Contributions to YTD Costs and Savings

NOTES: This data is preliminary and subject to revision and check. Costs and savings will not align until year end and it is important to understand that savings and costs do not accrue linearly throughout the program year.
NOTES: Costs are those booked for PPA, Marketing, Customer Incentive, STAT, and Evaluation. This data is preliminary and subject to revision and check.
Comparison to 2010 and 2011 Q3

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electric</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget</td>
<td>48%</td>
<td>35%</td>
<td>58%</td>
</tr>
<tr>
<td>Annual MWh</td>
<td>43%</td>
<td>40%</td>
<td>50%</td>
</tr>
<tr>
<td>Lifetime MWh</td>
<td>38%</td>
<td>34%</td>
<td>43%</td>
</tr>
<tr>
<td><strong>Gas</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget</td>
<td>49%</td>
<td>51%</td>
<td>59%</td>
</tr>
<tr>
<td>Annual therms</td>
<td>65%</td>
<td>50%</td>
<td>56%</td>
</tr>
<tr>
<td>Lifetime therms</td>
<td>68%</td>
<td>47%</td>
<td>47%</td>
</tr>
</tbody>
</table>

**Note:** 2012 percentages reflect higher overall goals; thus, lower percentages do not necessarily translate to lower savings.
Program Highlights- Residential and Low-Income

- **Residential New Construction**
  - Through the end of Q3, the 1,239 Electric and 1,344 Gas units completed statewide; PAs on track to exceed the 2012 statewide goal

- **Rebate Programs**
  - PAs offered trade ally trainings and participated in several trade shows
  - Rebate application volume for Heat Pump Water Heaters more than tripled from Q2 to Q3, with 850 rebate forms submitted in Q3

- **Home Energy Services**
  - Based on contractor feedback, PAs used a new round table format for the contractor quarterly meetings, which was well received by the contractors and the PAs received a lot of positive feedback

- **Lighting & Appliances**
  - All ES Lighting measures have a trajectory to meet or exceed their targets statewide; ES Appliances & Electronics program is on track to meet statewide goals
  - The PAs, in partnership with Greenlite and the Ellie Fund, rolled out a pink colored base/custom packaged CFL at a number of retail outlets in time for October and “Breast Cancer Awareness Month.”

- **Low-Income Retrofit**
  - The PAs have also been working on updating the IVR (Interactive Voice Response) system for the Low Income toll free phone line that automatically connects customers to the appropriate CAP agency via their local zip code, which system is anticipated to go live within a few weeks.
  - For MF, PAs have been able to identify the least-efficient buildings among all those eligible for funding and prioritize energy efficiency projects to make the most of the budgets
Program Highlights- C&I

- **Upstream Offerings**
  - Contract was awarded for QA/QC of Current Offerings
  - The PAs successfully launched the campaign to local colleges and universities to change the resident hall lamps to LEDs; these efforts, along with Phillips lighting and Standard Electric, have resulted in the distribution of over 60,000 LEDs

- **MTAC**
  - Initial analysis by the Fraunhofer Center for Sustainable Energy Systems of efficiency opportunities in major medical equipment and electronic menu boards is nearing completion
  - MTAC Committee members attended the recent Emerging Technologies Summit; one key takeaway is that, in addition to the present assignment to review new technologies for incentive eligibility, the PAs will select a few exceptionally appropriate technologies per year to recommend to the C&IMC to be proactively promoted with targeted programs for widespread adoption
Miscellaneous Third Quarter Updates

- **Community outreach**
  - Activities continuing across the Commonwealth, including Western Mass recovery efforts and partnerships with community organizations

- **Marketing**
  - PAs worked on refinement and completion of 2012 media plan, and explored additional tactics to reallocate remaining portions of the existing budget, including additional print and online banner ads, advertisements on Pandora radio and sponsorship of the Massachusetts Chamber of Commerce Business Summit
  - RFP initiated for marketing and website services
  - Teams have also begun an in-depth data collection and analysis for inclusion in the year-end recap

- **EM&V**
  - The evaluation team continued to work during the third quarter of 2012 with ongoing studies in all six research areas

- **Codes & Standards**
  - PAs completed a savings, attribution and evaluation proposal and submitted the proposal to DOER in September 2012
  - PAs presented a detailed proposal of the codes and standards initiative to the Council members in a two hour webinar in August 2012
2012 Year-End Savings Projections-
Residential & Low-Income

Statewide Projections for Year End - Residential and Low-Income Sectors
for Gas and Electric Programs (% of Goal for Annual Savings)

- Gas Li: 119% (High), 115% (Low)
- Gas Res: 99% (High), 96% (Low)
- Electric Li: 93% (High), 87% (Low)
- Electric Res: 101% (High), 97% (Low)

Legend:
- Green: High Projection
- Blue: Low Projection
C&I - Gas

September/November Gas Analysis

Budget Dollars

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Therms</td>
<td>$50,000,000</td>
<td>$40,000,000</td>
<td>$50,000,000</td>
<td>$50,000,000</td>
<td>$60,000,000</td>
<td>$70,000,000</td>
</tr>
</tbody>
</table>

$0

$10,000,000

$20,000,000

$30,000,000

$40,000,000

$50,000,000

$60,000,000

$70,000,000

$80,000,000

$90,000,000

$100,000,000

$110,000,000

$120,000,000

$130,000,000

$140,000,000

0

14,000,000

12,000,000

10,000,000

8,000,000

6,000,000

4,000,000

2,000,000

0

Budget

Annual Therms
2012 Year-End Savings Projections - C&I
2012 C&I Highlights

• What has worked well –
  • LEDs progressing quickly
  • Vendor marketplace continues to expand
  • Proactive movement of MTAC

• Challenges
  • Risk from larger projects such as CHP
  • Rare earth metals affecting costs and roll out of upstream HPT8
  • Impacts of rapid ramp up
Closing Remarks

- Current and future goals remain extremely aggressive
- Maintain Massachusetts as number 1
- Committed to achieving goals