



Q4 Qualitative Results

Presentation to the EEAC

February 8, 2011





Highlights of the Fourth Quarter

- Preliminary results shows 98% of annual MWh goal for Electric
- Preliminary results show 103% of annual therm goal for Gas
- Mass Save wins AESP Outstanding Achievement in Marketing and Communications Award
- EM&V – 37 studies in progress across Residential New Construction, Non Residential Large Retrofit and New Construction, Non Residential Small Retrofit, Residential Retrofit and Low Income, Residential Retail Products, and Special Cross-Sector Studies.
- Financing options expand for customers in 2011 through partnership with MBA
- Loan loss reserve fund in development for additional capital in 2011 for National Grid
- Mass Save program issues Lead Vendor RFP to kick off 2011 program design to serve more customers

Residential Market





Residential Market

- Residential Programs served over 1,063,000 customers
- Mass Save program audited over 31,000 MA homes
- Low Income programs served 24,000 customers
- NC: Exceeded electric goals and close to target on gas, excellent cost per unit, new construction still suffers nation wide
- JMC continues to train builders, code officials and communities on benefits of stretch code and IECC 2009
- Mass Save achieved savings targets & demand for Heat Loan increases overall
- HVAC and HEHE programs continue to integrate efforts, both successful in 2010 targets
- Weatherization programs fell short of savings & participation targets, Mass Save program design changes to address process challenges for 2011



Residential Market

- Lighting program widely successful with HTR efforts and specialty bulbs
- Appliance program successful with Refrigerator turn in driving results
- MF Retrofit transitions to new program model and achieves wide success in gas programs, high participation in electric

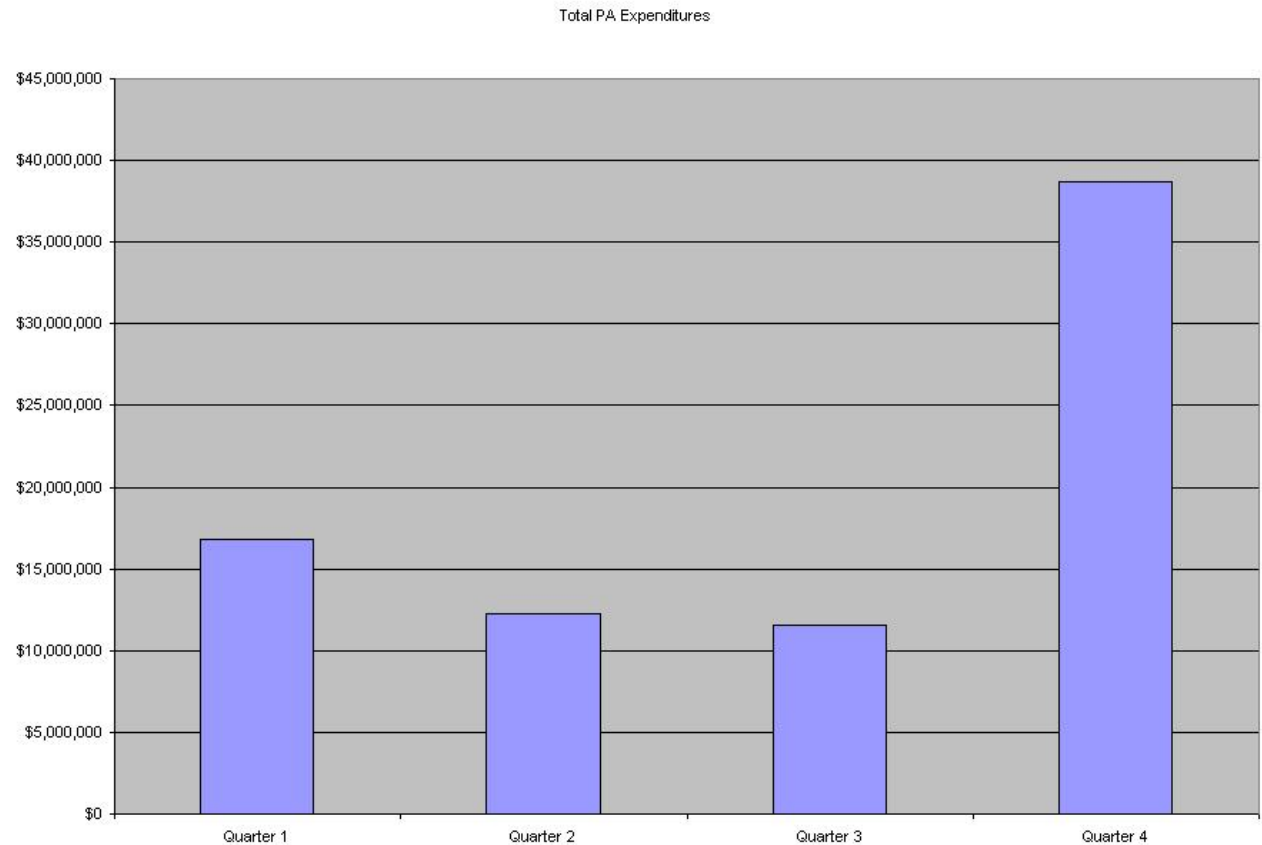
Low Income

- 50% of 2010 activity occurred in Q4
- ARRA funding and 30% increase in PA budgets contributed to tens of thousands of installations, still short of 2010 targets
- LIMF : new program, delayed implementation resulting in little activity statewide due to regional market differences and capacity challenges

Commercial and Industrial Market



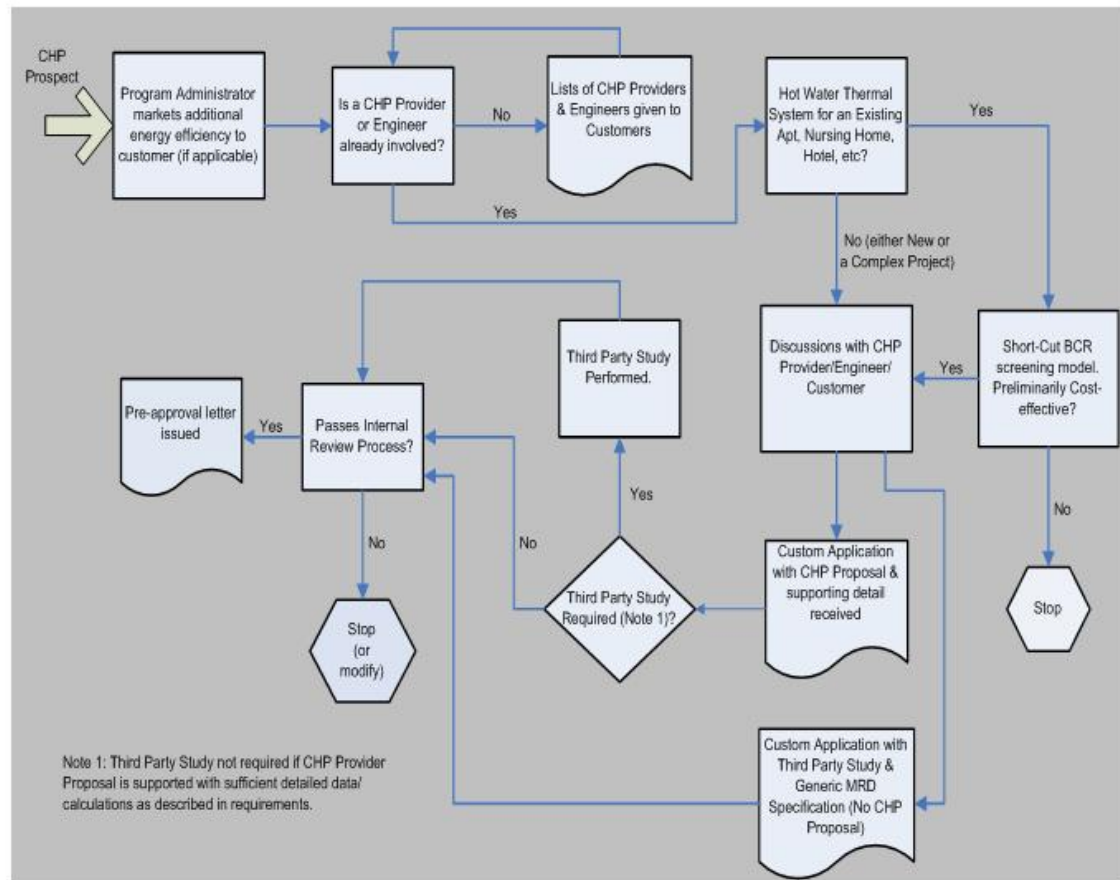
- Approximately 50% of the business was completed in fourth quarter
- Finalized equipment eligibility criteria for 2011
 - Premium efficiency is now motor base case
 - HVAC rooftop base case efficiencies increased due to IECC 2009
 - Updated worksheets available at www.masssave.com
- Developing a comprehensive, state-wide screening tool for electric, gas, custom, and CHP projects.



• CHP

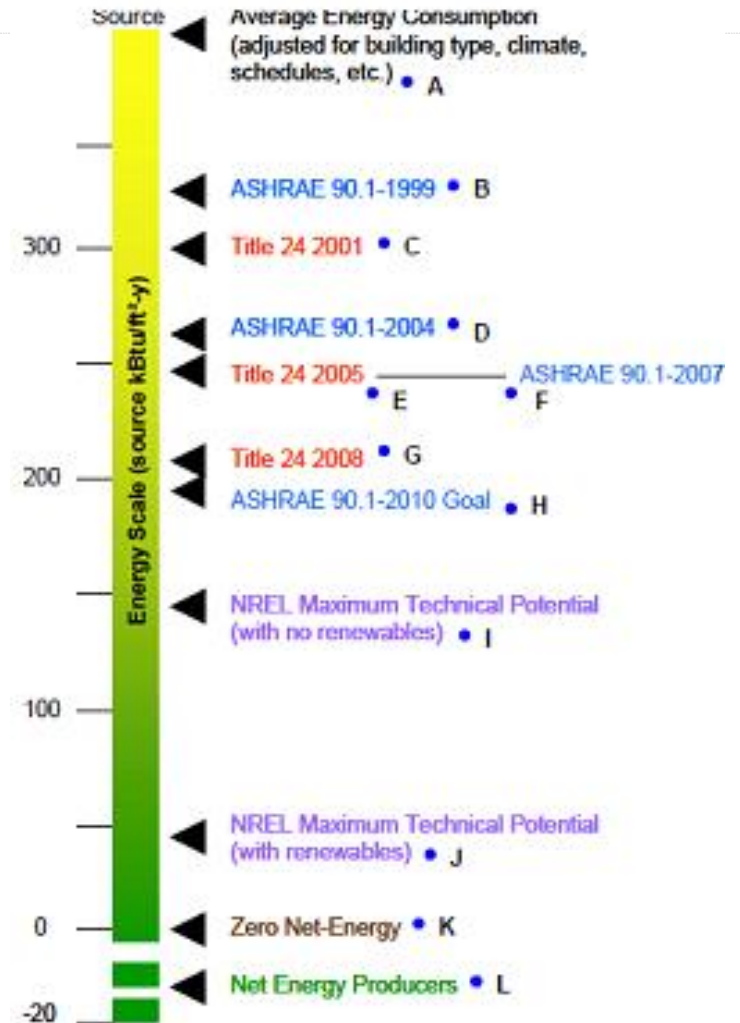
- Numerous Trade Ally and Customer Presentations
- CHP resources expanded to make process more transparent and help customers find qualified firms
 - Developed Approved CHP Trade Ally List
 - Issued CHP Incentive Guidebook
 - CHP Prospect Form Developed for Use in Initial Pre-screening
 - Developed Software Tools to Assist in Application Preparation

Figure 1 – Typical CHP Approval Path



Commercial and Industrial Market

- The PAs continued to work with Council's consultant in regards to studying best practices for achieving deep energy savings in customer buildings.
- Expanded services to mid-size electric customers, implementing a PA Project Expeditor Model
- The PAs secured financing with the Massachusetts Bankers Association.
 - Significant progress on contracts, process flow, and new documents
 - National Grid also continued its efforts to find a complementary source of funds from third party lenders



- Massachusetts Technology Assessment Committee (MTAC)
 - Facilitator
 - Establish Template & Requirements have been established for Vendor Submissions
 - Monthly Review Process
 - Contact email addresses CI_MTAC@masssave.com established
- C&I MA PAs Working Collectively
 - Worksheet Teams
 - Capitalizing on the strengths of each PA
 - Lessening the work load

Integration of Gas and Electric

Benefits

- Reduces the cost per savings unit (kWh, therm) and improves project BCR
- Reduces TA costs
 - Gas PA:
 - \$12K if screened alone
 - \$7K if screened with electric

Common types of measures where dual fuel allocation is beneficial...

- Demand control ventilation
- Air compressors with heat recovery
- Lab ventilation controls

Dual Fuel Case Study

Worked with air compressor vendor improving the efficiency of a customer's food production process by replacing the existing compressors in two buildings with one, new, 2-stage, oil-free compressor with variable frequency drive capacity control.

In addition, a heat recovery system was installed to preheat makeup water for the existing, gas-fired, process water boiler.

Implemented in conjunction with a new cooling tower and pipe insulation, the customer's electric and gas bills will be reduced by approximately \$100,000 per year. Incentives for installing energy efficient equipment helped buy the project payback down and the customer is able to repay their portion of the project cost through financing.

This project also won the 2010 New England Association of Energy Engineers (AEE) award.

R&D, Pilots and Other



- DER: 3 electric, 6 gas; Total of 20 applications rec'd
- New construction MF: 3 projects completed in 2010, over 800 units in backlog
- Strong backlog (33 projects) in NC major renovation pilot, participants looking to access Mass Save and Heat Loan
- Energy Star V3 pilot successful acquisition of knowledge with EPA partnership
- Heat pump water heaters installed, monitoring results through 2011



Residential Steering Committee Initiatives and Timeline

