ATTACHMENT A

Mid-Term Modification Request for Unitil Electric

Fitchburg Gas and Electric Light Company d/b/a Unitil ("Unitil" or "the Company") is committed to securing energy savings consistent with its portfolio level savings goals for the period 2019 through 2021, as endorsed by the Energy Efficiency Advisory Council ("EEAC" or "Council") and approved by the Department of Public Utilities ("Department") in D.P.U. 18-117. Unitil has experienced variances in demand for energy efficiency services in the Commercial and Industrial ("C&I") Existing Building Program that require a Mid-Term Modification ("MTM"). Specifically, it is anticipated that actual expenditures in the C&I Existing Buildings Program will be less than 80 percent of the approved term budget.

The proposed adjustments trigger "Category One" MTMs, which require Council review and approval, pursuant to § 3.8 of the revised Energy Efficiency Guidelines ("Guidelines") issued by the Department in D.P.U. 11-120.[1] Unitil requests Council approval to make the modifications to its electric Energy Efficiency Plan as described below.

The bill impacts related to this request, as calculated per the Guidelines, do not trigger a "Category Two" MTM, and therefore do not require Department review or approval. With the Council's assent, Unitil shall implement the proposed modification to the Commercial and Industrial Existing Buildings Program.

I. Commercial & Industrial Sector:

Overall energy efficiency activity in Unitil's Commercial and Industrial ("C&I") sector experienced a slowdown in 2020 due to the widespread economic impacts of Covid-19. Although activity has generally rebounded in 2021, the sector is projected to achieve only 74 percent of its term spending target.

There are three core initiatives within the Existing Buildings Program, which are experiencing differing levels of activity compared to plan.

Ia. Existing Building Retrofit core initiative

Underspending for the Existing Buildings Program is driven by the C&I Existing Buildings Retrofit core initiative, which accounts for 77 percent of the Program's budget. The Existing Buildings Retrofit core initiative is currently projected to expend 74 percent of its term budget, or $3.9 million out of $5.3 million dollars. While Unitil remains committed to pursuing every possible lead to increase activity between now and the end of the term, it has not identified, and does not anticipate any additional large retrofit projects to be completed, as such projects generally require significant lead time and none are currently in the pipeline. Without such a project, the Company is unaware of any other viable opportunity to expend the funds necessary to achieve 80 percent of the Existing Building Program's budget before the end of this three-year plan cycle.

Ib. New and Replacement Equipment core initiative

[1] The currently effective Guidelines were promulgated in D.P.U. 11-120-A, Phase II on January 31, 2013. Recently, the Department opened a proceeding to update the Guidelines. Investigation by the Department of Public Utilities on its own Motion into Updating its Energy Efficiency Guidelines, D.P.U. 20-150 at 1 (December 10, 2020). Consistent with procedural schedule issued by the Department, the Company, along with the other Massachusetts Program Administrators ("PAs") filed joint initial and reply comments on the proposed modifications to the Guidelines. This proceeding is still pending before the Department.

The New and Replacement Equipment core initiative is expected to end the term having expended 72 percent of its term budget of $1.2 million dollars. Unitil has greater ability to impact spending in this initiative and is focusing additional marketing for a final end of year push, but even unexpectedly high demand would be insufficient to make up the underspending in the other core initiatives in the Existing Buildings Program.

Ic. Active Demand Reduction

The Active Demand Reduction core initiative is new this term and relatively small in scope, making up just 3 percent of the Existing Buildings Program budget. It has achieved its active demand savings goals for the term with lower than planned expenditures. This core initiative is expected to end the term having expended 75 percent of its planned budget.

Table 1: Summary of Program Spending compared to Budget

Program (Unitil Electric)	Approved Three Year Plan	2019-2021 Projected *(2019 + 2020 Actual + 2021 Estimate)*	Change Requested for Approval	Percent Change from Approved Three Year Plan
Total C&I Existing Buildings Program	$6,706,388	$4,925,565	**-1,780,823**	**27% decrease**

Performance Incentives:

The Company does not propose any changes to the Department-approved performance incentive ("PI") model as a result of these proposed changes, and will maintain the threshold, design, and exemplary levels of performance for the Savings and Value Mechanisms as approved in the updated PI model submitted to the Department in Fitchburg Gas and Electric Light Company d/b/a Unitil, D.P.U. 18-117 (2019). The Company intends to compare actual results for the programs to original Department-approved budgets as part of the Company's Plan Year and overall Term performance reporting.

Additional Material for Informational Purposes Only

The additional information summarized below is provided by Unitil for context and informational purposes only. Council action is requested solely on the modification described above. The Council, in acting on the above modifications, is not acting on or approving the estimates provided by Unitil below.

Table 2 shows the Company's 2019-2021 Plan values for annual savings, lifetime savings, benefits, and budget for each sector. These projections incorporate 2019 and 2020 Plan-Year Report actual results and the Company's projections for program year 2021.

Table 2: Unitil Electric 2019-2021 Anticipated Outcomes with Proposed Budget

	Unitil Electric 2019-2021											
SECTOR	ANNUAL SAVINGS (MWh)			LIFETIME SAVINGS (MWh)			BENEFITS (LIFETIME $000s)			BUDGET ($000s)		
	2019-2021 Approved (a)	**2019-2021 with Proposed Budget Adjustment** (b)	**% Of Goal** (b)/(a)	**2019-2021 Approved** (d)	**2016-18 with Proposed Budget Adjustment** (e)	**% Of Goal** (e)/(d)	**2019-2021 Approved** (g)	**2019-2021 with Proposed Budget Adjustment** (h)	**% Of Goal** (h)/(g)	**2019-2021 Approved** (j)	**2019-2021with Proposed Budget Adjustment** (k)	**% Of Goal** (k)/(j)
Res	4,781 MWh	6,305 MWh	132%	18,825 MWh	15,023 MWh	80%	$17,313,405	$20,548,073	119%	$6,958,627	$7,128,083	102%
LI	258 MWh	746MWh	289%	1,742 MWh	5,155 MWh	296%	$6,410,946	$3,908,305	61%	$2,156,089	$2,431,850	113%
C&I	14,118 MWh	10,062 MWh	71%	168,656 MWh	129,648 MWh	77%	$33,430,002	$22,852,584	68%	$7,940,884	$5,897,529	74%
Existing Buildings Program	12,650MWh	8,800 MWh	70%	147,467 MWh	106,540 MWh	72%	$26,111,096	20,859,599	80%	$6,706,388	$4,925,565	73%