

Attachment A

Mid-Term Modification Request for Eversource

Eversource is on track to achieve its Three-Year Plan portfolio level savings goals. In order to do so, Eversource is proposing to make adjustments to budget allocations to meet customer demand for services and to achieve desired results. It is important to note that Eversource is not requesting an increase to its approved overall portfolio budget, and instead will only reallocate dollars among existing program budgets in the same sector. However, the current trajectory of spending is expected to trigger the need for Energy Efficiency Advisory Council (“EEAC” or “Council”) approval for Eversource pursuant to § 3.8.1(3) of the revised Energy Efficiency Guidelines issued by the Department of Public Utilities (“Department”) in D.P.U. 11-120-A, Phase II. Eversource requests Council support to make the following modifications to its Energy Efficiency Plans (“Plan”).

Eversource is committed to securing energy savings consistent with its portfolio level savings goals for the period 2013 – 2015 that were endorsed by the Council and approved by the Department, and is not proposing a change to the savings goals. WMECo’s Residential Products and C&I New Construction programs have been successful, with each program achieving over 150% of its 2014 goal. However, continuing these successful programs will require dollars to be reallocated from the Residential Whole House and C&I Retrofit programs. NSTAR Electric’s HEAT Loan program helps remove financial barriers for customers, but Eversource will need to reallocate dollars from the Residential Whole House and Products programs to continue to offer HEAT Loan. Finally, NSTAR Gas’ Large C&I Retrofit program is on track to achieve its goal, but this is expected to be accomplished by spending less than 80% of the budget.

The following is a summary of the four requests for Council support to adjust program budget categories for the Eversource gas and electric companies.

Service Territory	Program	Additional Program Budget Requested for Approval	Percentage Change from Plan	Percent of Total Portfolio Budget	Projected Overall Portfolio Spending
Western Mass Electric	Residential Products	\$5.3 million	+46%	4%	-8%
	C&I New Construction	\$5.5 million	+49%	4%	
NSTAR Electric	Residential Hard-to-Measure	\$10.1 million	+55%	2%	-7%
NSTAR Gas	C&I Retrofit	\$0	-52%	n/a	-19%

Eversource (Western Massachusetts Electric)

In order to meet increased demand for energy efficiency services, Eversource is requesting support for budget increases in its electric Residential Products and Commercial and Industrial (C&I) New Construction programs, serving the Western Massachusetts Electric (“WMECo”) service territory, as follows:

Program	Planned Budget	2013-2015 Projected (2013 Plan Yr Report Actuals + 2014 Q4 Actuals + 2015 Projections)	Additional Budget Requested for Approval	Percentage Change from Plan
Residential Products	\$11.5 million	\$16.8 million	\$5.3 million	+46%
C&I New Construction	\$11.2 million	\$16.7 million	\$5.5 million	+49%

WMECo Residential Products

The request for a budget increase in the Residential Products program is driven by the continued success of the Residential Lighting initiative and higher than anticipated demand for central air-conditioning, and various heat pump technologies. In 2013, Eversource achieved 196% of its Residential Lighting lifetime savings goal due to the higher than anticipated demand for LED bulbs as well as increased participation in almost all other lighting-related measure categories (i.e., CFL and LED fixtures and specialty CFL bulbs). In 2014, Eversource also achieved 225% of its Cooling and Heating Equipment lifetime savings goal due to the higher than anticipated demand for central air-conditioning, and various heat pump technologies. In 2015, Eversource anticipates sustaining its efforts with LED bulbs in order to continue to meet customer demand for these products. Although a smaller component of the products program, Eversource also anticipates a continued interest in heat pump technologies and plans to sustain the efforts achieved in 2014 into 2015.

WMECo New Construction

The request for a budget increase in the C&I New Construction program is driven by the continued success of the Upstream Lighting efforts. In 2014, Eversource achieved 237% of its C&I New Construction savings goal due to the higher than anticipated demand for Commercial High Efficiency T8 and LED bulbs. The impact of upstream lighting, which is a part of the New Construction Program budget, affected both new construction projects as well as retrofit projects. In 2015, Eversource anticipates continuing its efforts with upstream lighting products even further in order to continue to meet customer demand for these products. Eversource estimates that the increase in spending in the New Construction program will not cause a significant increase in the spending in the C&I sector, as the upstream spending will be allocating dollars from the remaining retrofit budget.

Eversource (NSTAR Electric)

In order to meet increased demand for the HEAT Loan, Eversource (NSTAR Electric) is requesting Council support for a budget increase in its Residential Hard-to-Measure program, as follows:

Program	Planned Budget	2013-2015 Projected (2013 Plan Yr Report Actuals + 2014 Q4 Actuals + 2015 Projections)	Additional Budget Requested for Approval	Percentage Change from Plan
Residential Hard-to-Measure	\$18.3 million	\$28.4 million	\$10.1 million	+55%

NSTAR Electric Residential Hard-to-Measure

At the beginning of 2013, Eversource and the other Program Administrators expanded the availability of the HEAT Loan to a wider group of participants, including those customers who received rebates for heating equipment and heat pump water heaters or participated through the Multi-Family Retrofit initiative. Due to a combination of high participation in the HES initiative and higher than anticipated uptake of newly eligible measures, Eversource spent 153% of its HEAT Loan budget through 2014. Eversource anticipates this level of activity will continue in 2015, and is requesting additional funds to be able to meet the increased demand for HEAT Loan funding.

Eversource (NSTAR Gas)

While Eversource (NSTAR Gas) anticipates meeting gas savings goals, it does not expect to spend its entire C&I planned budget. Eversource (NSTAR Gas) is requesting Council support to decrease its C&I Retrofit program spending as follows:

Program	Planned Budget	2013-2015 Projected (2013 Plan Yr Report Actuals + 2014 Q4 Actuals + 2015 Projections)	Additional Budget Requested for Approval	Percentage Change from Plan
C&I Retrofit	\$42.4 million	\$20.1 million	\$0	-52%

NSTAR Gas C&I Retrofit

Eversource has been able to capitalize on large, extremely cost-effective, custom project opportunities throughout the three-year plan with dedicated sales staff added in 2013. Through the first two years of the plan, Eversource has spent only 47% of its C&I budget, primarily driven by Large C&I retrofit. Eversource anticipates that this level of spending

and activity will continue in 2015, and while it expects to meet its savings goals, it expects to achieve these results by spending at least 20% less than the planned budget. Therefore, Eversource is asking for the Council to support this budget decrease.

At the portfolio level, Eversource does not anticipate requesting any additional budget increases over what has been approved by the Department. Eversource still anticipates meeting or exceeding its three year commitment for lifetime savings for all sectors for all operating companies. Since Eversource is not requesting changes to its Three-Year Plan approved savings goals, no changes to the Performance Incentive pool or mechanism filed with the Department on February 28, 2014 in docket D.P.U. 14-05 are requested.¹

For informational purposes only, the tables below show Eversource's 2013-2015 anticipated adjustments for annual savings, lifetime savings, benefits and budget for each sector. These projections incorporate 2013 Plan-Year Report results, 4th Quarter Report data for 2014, and proposed budget adjustments for 2015.

¹ Eversource notes that the Department's Annual Report Orders have impacted the performance incentive pool due to the ruling on performance metrics. However, it still notes there will be nothing that impacts that allocation based on this request.

Appendix A

Eversource - WMECo

EVERSOURCE (WMECO) ELECTRIC 2013-2015 PROPOSED ADJUSTMENTS & PROJECTIONS BY SECTOR												
Sector	ANNUAL SAVINGS (MWh)			LIFETIME SAVINGS (MWh)			BENEFITS (LIFETIME \$)			BUDGET		
	2013-15 Approved	2013-15 with Proposed Adjustments	% of Goal	2013-15 Approved	2013-15 with Proposed Adjustments	% of Goal	2013-15 Approved	2013-15 with Proposed Adjustments	% of Goal	2013-15 Approved	2013-15 with Proposed Adjustments	% of Goal
Residential	102,831	112,455	109%	569,048	806,718	142%	195,425,855	215,041,981	110%	44,538,117	46,288,983	104%
Low Income	11,093	11,402	103%	113,575	113,892	100%	43,366,530	36,970,866	85%	14,854,637	14,814,331	100%
C&I	180,524	180,638	100%	2,190,829	2,258,383	103%	337,388,360	334,999,756	99%	87,262,456	74,314,649	85%
TOTAL	294,449	304,495	103%	2,873,452	3,178,992	111%	576,180,745	587,012,603	102%	146,655,210	135,417,964	92%

EVERSOURCE (WMECO) ELECTRIC 2013-2015 PROPOSED ADJUSTMENTS & PROJECTIONS BY RESIDENTIAL PROGRAM												
Program	ANNUAL SAVINGS (MWh)			LIFETIME SAVINGS (MWh)			BENEFITS (LIFETIME \$)			BUDGET		
	2013-15 Approved	2013-15 with Proposed Adjustments	% of Goal	2013-15 Approved	2013-15 with Proposed Adjustments	% of Goal	2013-15 Approved	2013-15 with Proposed Adjustments	% of Goal	2013-15 Approved	2013-15 with Proposed Adjustments	% of Goal
Res Whole House	47,429	38,060	80%	171,284	178,087	104%	141,061,491	132,026,612	94%	29,528,938	26,228,948	89%
Res Products	55,402	74,395	134%	397,764	628,631	158%	54,364,364	83,015,368	153%	11,530,403	16,771,856	145%
Res Hard-to-Measure	0	0	0%	0	0	0%	0	0	0%	3,478,776	3,288,180	95%
Res Total	102,831	112,455	109%	569,048	806,718	142%	195,425,855	215,041,981	110%	44,538,117	46,288,983	104%

EVERSOURCE (WMECO) ELECTRIC 2013-2015 PROPOSED ADJUSTMENTS & PROJECTIONS BY COMMERCIAL & INDUSTRIAL PROGRAM												
Program	ANNUAL SAVINGS (MWh)			LIFETIME SAVINGS (MWh)			BENEFITS (LIFETIME \$)			BUDGET		
	2013-15 Approved	2013-15 with Proposed Adjustments	% of Goal	2013-15 Approved	2013-15 with Proposed Adjustments	% of Goal	2013-15 Approved	2013-15 with Proposed Adjustments	% of Goal	2013-15 Approved	2013-15 with Proposed Adjustments	% of Goal
C&I New Construction	26,754	69,788	261%	383,785	801,263	209%	53,322,907	99,686,669	187%	11,181,973	16,721,576	150%
C&I Retrofit	153,770	110,851	72%	1,807,045	1,457,120	81%	284,065,453	235,313,087	83%	75,205,237	56,775,531	75%
C&I Hard-to-Measure	0	0	0%	0	0	0%	0	0	0%	875,246	817,542	93%
C&I Total	180,524	180,638	100%	2,190,829	2,258,383	103%	337,388,360	334,999,756	99%	87,262,456	74,314,649	85%

Eversource - NSTAR Electric

EVERSOURCE (NSTAR ELECTRIC) 2013 - 2015 PROPOSED ADJUSTMENT & PROJECTIONS BY SECTOR												
Sector	ANNUAL SAVINGS (MWh)			LIFETIME SAVINGS (MWh)			BENEFITS (LIFETIME \$)			BUDGET		
	2013-2015 Approved	2013-2015 with Proposed Adjustments	% Of Goal	2013-2015 Approved	2013-2015 with Proposed Adjustments	% Of Goal	2013-2015 Approved	2013-2015 with Proposed Adjustments	% Of Goal	2013-2015 Approved	2013-2015 with Proposed Adjustments	% Of Goal
Residential	324,014	396,968	123%	2,018,760	2,894,063	143%	696,785,382	863,323,020	124%	178,496,352	193,652,889	108%
Low Income	27,971	41,186	147%	270,506	368,460	136%	112,042,126	117,701,725	105%	61,151,896	59,996,521	98%
C&I	1,155,661	1,110,338	96%	16,034,625	14,952,023	93%	1,937,626,521	2,004,672,219	103%	371,969,284	318,004,986	85%
TOTAL	1,507,646	1,548,492	103%	18,323,891	18,214,546	99%	2,746,454,029	2,985,696,964	109%	611,617,532	571,654,395	93%

EVERSOURCE (NSTAR ELECTRIC) 2013 - 2015 PROPOSED ADJUSTMENT & PROJECTIONS BY RESIDENTIAL PROGRAM												
Program	ANNUAL SAVINGS (MWh)			LIFETIME SAVINGS (MWh)			BENEFITS (LIFETIME \$)			BUDGET		
	2013-2015 Approved	2013-2015 with Proposed Adjustments	% Of Goal	2013-2015 Approved	2013-2015 with Proposed Adjustments	% Of Goal	2013-2015 Approved	2013-2015 with Proposed Adjustments	% Of Goal	2013-2015 Approved	2013-2015 with Proposed Adjustments	% Of Goal
Res Whole House	138,888	163,834	118%	604,788	856,844	142%	500,486,135	579,216,273	116%	111,278,051	111,790,734	100%
Res Products	185,126	233,134	126%	1,413,972	2,037,220	144%	196,299,248	284,106,747	145%	48,921,713	53,447,917	109%
Res Hard-to-Measure	0	0	0%	0	0	0%	0	0	0%	18,296,588	28,414,237	155%
TOTAL	324,014	396,968	123%	2,018,760	2,894,063	143%	696,785,382	863,323,020	124%	178,496,352	193,652,889	108%

Eversource - NSTAR Gas

EVERSOURCE (NSTAR GAS) 2013 - 2015 PROPOSED ADJUSTMENT & PROJECTIONS BY SECTOR												
Sector	ANNUAL SAVINGS (Therms)			LIFETIME SAVINGS (Therms)			BENEFITS (LIFETIME \$)			BUDGET		
	2013-2015 Approved	2013-2015 with Proposed Adjustments	% Of Goal	2013-2015 Approved	2013-2015 with Proposed Adjustments	% Of Goal	2013-2015 Approved	2013-2015 with Proposed Adjustments	% Of Goal	2013-2015 Approved	2013-2015 with Proposed Adjustments	% Of Goal
Residential	5,723,705	6,989,502	122%	67,120,313	86,277,111	129%	129,828,103	154,375,154	119%	54,734,912	54,778,500	100%
Low Income	941,740	1,354,311	144%	16,886,725	25,447,047	151%	36,179,274	50,143,921	139%	24,933,793	24,204,597	97%
C&I	10,056,451	9,825,355	98%	147,075,808	139,342,775	95%	156,506,062	151,132,432	97%	42,418,027	20,135,689	47%
TOTAL	16,721,896	18,169,169	109%	231,082,846	251,066,933	109%	322,513,439	355,651,506	110%	122,086,731	99,118,786	81%

EVERSOURCE (NSTAR GAS) 2013 - 2015 PROPOSED ADJUSTMENT & PROJECTIONS BY C&I PROGRAM												
Program	ANNUAL SAVINGS (Therms)			LIFETIME SAVINGS (Therms)			BENEFITS (LIFETIME \$)			BUDGET		
	2013-2015 Approved	2013-2015 with Proposed Adjustments	% Of Goal	2013-2015 Approved	2013-2015 with Proposed Adjustments	% Of Goal	2013-2015 Approved	2013-2015 with Proposed Adjustments	% Of Goal	2013-2015 Approved	2013-2015 with Proposed Adjustments	% Of Goal
C&I New Construction	3,886,911	3,410,930	88%	77,760,192	67,154,286	86%	71,562,845	61,587,885	86%	15,982,295	7,476,340	47%
C&I Retrofit	6,169,540	6,414,425	104%	69,315,616	72,188,489	104%	84,943,217	89,544,547	105%	26,206,126	12,413,718	47%
C&I Hard-to-Measure	0	0	0%	0	0	0%	0	0	0%	229,605	245,632	107%
TOTAL	10,056,451	9,825,355	98%	147,075,808	139,342,775	95%	156,506,062	151,132,432	97%	42,418,027	20,135,689	47%