

Eversource and
National Grid



Mid Term Modifications

WE ARE MASS SAVE®:



EVERSOURCE



nationalgrid



Residential New Construction Overspend (NSTAR Gas, EGMA, National Grid Gas)

PAs had planned for declining participation from gas-heated homes

- Production did not decline as much as anticipated; substantial market perception barriers persist which the PAs are working to address.

| Company | Planned Budget | Projected Spend | % Overspend |
|-------------------|----------------|-----------------|-------------|
| NSTAR Gas | \$5,825,000 | \$6,959,000 | 19% |
| EGMA | \$3,640,000 | \$4,882,000 | 34% |
| National Grid Gas | \$17,752,758 | \$20,197,025 | 14% |

Residential Existing Buildings Overspend (NSTAR Gas, National Grid Gas)

Programs experienced significantly higher than planned demand for heat pumps

- Full displacement rebates in particular out performed expectations

The additional budget translates to an overperformance in savings

| Company | Planned Budget | Projected Spend | % Overspend |
|-------------------|----------------|-----------------|-------------|
| NSTAR Gas | \$108,610,000 | \$132,961,000 | 22% |
| National Grid Gas | \$359,956,971 | \$406,221,917 | 13% |

Residential HTM Overspend

(NSTAR Gas, EGMA, National Grid Gas, National Grid Electric)

Higher than anticipated demand for the HEAT Loan program

- The funding request will support the increased customer demand for HEAT Loan financing and drive further adoption of energy efficiency measures

| Company | Planned Budget | Projected Spend | % Overspend |
|------------------------|----------------|-----------------|-------------|
| NSTAR Gas | \$6,385,000 | \$7,562,000 | 18% |
| EGMA | \$6,030,000 | \$6,630,000 | 10% |
| National Grid Electric | \$91,702,253 | \$99,245,847 | 8% |
| National Grid Gas | \$21,564,786 | \$26,308,521 | 22% |

Income-Eligible Existing Buildings Overspend (National Grid Gas)

Overspend due to an increase in production and a rise in program costs

- Two additional CAP agencies have been added to the program which will bring more participants. This will involve an increased number of contractors and increase spend and savings.

| Company | Planned Budget | Projected Spend | % Overspend |
|-------------------|----------------|-----------------|-------------|
| National Grid Gas | \$131,469,153 | \$139,192,805 | 6% |

C&I New Buildings Overspend (NSTAR Gas)

- Greater construction market activity in this area than projected while planning
- Additionally, a programmatic change to encourage all-electric buildings saw substantial uptake

The additional budget translates to an overperformance in savings

| Company | Planned Budget | Projected Spend | % Overspend |
|-----------|----------------|-----------------|-------------|
| NSTAR Gas | \$4,440,000 | \$9,142,000 | 106% |

C&I Sector Underspend (All Companies)

The underspend is primarily driven by challenges with large electrification projects.

- The technical barriers, and customer appetite for ongoing operational cost implications, on these projects are much more substantial than understood while planning. PAs are working extensively with customers, manufacturers, and building design professionals to develop long-term solutions.

| Company | Planned Budget | Projected Spend | % Underspend |
|------------------------|----------------|-----------------|--------------|
| Eversource Electric | \$556,685,000 | \$339,474,000 | 39% |
| NSTAR Gas | \$68,095,000 | \$54,872,000 | 19% |
| EGMA | \$67,295,000 | \$42,940,000 | 36% |
| National Grid Electric | \$584,666,240 | \$297,306,223 | 49% |
| National Grid Gas | \$157,417,912 | \$106,563,221 | 32% |

Income-Eligible Underspend (Eversource Electric)

Strong efficiency performance

- Projecting to expend the full amount that was budgeted for weatherization

As of September, performance was indicating that full electrification budgets were unlikely to be expended. Unexpected barriers included:

- Technical barriers for large buildings
- Customer reluctance due to maintenance concerns (especially in larger MF)
- Difficulty finding installs that do not increase renter energy burdens (2-4 family)

LEAN and PAs made a number of program changes during 2023 to address these barriers, and the projections for year 3 are substantially higher than earlier years.

- If program production continues at pace seen in Q4, MTM may not be needed. However, to be transparent and responsive to regulatory mandates, Eversource projected term performance based on earlier production trends.

Questions

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