EEAC Presentation – National Grid MTM

7/17/24

nationalgrid

Electric MTM

Program	2022-2024 Planned	Proposed MTM	2022-2024 with Proposed MTM	% of Goal
Residential	**$544,270,126**	**$19,293,751**	**$563,563,877**	**104%**
Residential Hard-to-Measure	$91,702,253	$19,293,741	$110,995,994	121%
Income Eligible	**$153,746,596**	**$ 81,388,171**	**$235,134,767**	**153%**
Income Eligible Coordinated Delivery	$148,605,482	$ 81,172,584	$229,778,065	155%
Income Eligible Hard-to-Measure	$5,141,114	$215,376	$5,356,702	104%

*Sector totals include programs/core initiatives not listed in the table above

Drivers of forecasted overspend

Residential and Income Eligible Hard-to-Measure	• Greater than anticipated customer participation in the Mass Save® HEAT Loan financing caused by higher average loan size and higher interest rates than planned.
Income Eligible Coordinated Delivery	• Income eligible projects experienced higher costs per job than planned that will require additional spending to achieve savings. • In 2023, the Company introduced a new delivery channel for 1-4 unit buildings that allows home performance contractors to serve income eligible customers. This delivery channel has been extremely popular and has a significant queue for work. • Windows were added as a new measure in 2023 and have been very popular.

Gas MTM

Program	2022-2024 Planned	Proposed MTM	2022-2024 with Proposed MTM	% of Goal
Residential	**$399,274,515**	**$87,930,168**	**$487,204,683**	**122%**
Residential New Homes & Renovations	$17,752,758	$5,987,000	$23,739,758	134%
Residential Retail	$94,511,831	$100,618,794	$195,130,625	206%
Residential Hard-to-Measure	$21,564,786	$ 7,571,626	$29,136,412	135%
Income Eligible	**$135,835,306**	**$61,007,663**	**$196,842,969**	**145%**
Income Eligible Coordinated Delivery	$131,469,153	$61,124,113	$192,593,266	146%

*Sector totals include programs/core initiatives not listed in the table above

Drivers of forecasted overspend

Residential New Homes & Renovations	• The Residential New Buildings Program outperformed the predicted number of installations and incentives paid. • The Company had planned for a reduction in incentive spending in 2024 due to lower gas projects but the adoption of all electric homes as opposed to natural gas homes has proven to be more challenging than anticipated.
Residential Retail	• Unanticipated high demand for heat pumps from gas customers, driving the spending to be near 200% over budget in 2023. • In 2024 PAs planned to phase out gas heating and water equipment but strong demand for heat pumps will push 2024 planned budget as well.
Residential Hard-to-Measure	• Greater than anticipated customer participation in the Mass Save® HEAT Loan financing caused by higher average loan size and higher interest rates than planned for customers in gas service territory and muni electric territory.
Income Eligible Coordinated Delivery	• Income eligible projects experienced higher costs per job than planned that will require additional spending to achieve savings. • In 2023, the Company introduced a new delivery channel for 1-4 unit buildings that allows home performance contractors to serve income eligible customers. This delivery channel has been extremely popular and has a significant queue for work. • Windows were added as a new measure in 2023 and have been very popular.

Previous MTMs

23-154 (Electric) – Approved (submitted December 2023, approved June 2024)

- Residential Hard to Measure
- C&I sector underspend/underperformance
- **23-155 (Gas) – Approved (submitted December 2023, approved May 2024)**
- Residential New Buildings
- Residential Existing Buildings
- Residential Hard to Measure
- Income Eligible Existing Buildings
- C&I Sector underspend/underperformance
- **23-54 (Electric) – Refrigerants MTM – Awaiting Ruling**

nationalgrid