



February 14, 2012

Marketing Opportunity Analysis

Project Overview

Analysis Objectives

Inform go-to-market strategy:

- Industry sectors
- Building types
- End uses/measures/technologies
- Geographic area

Leverage the key findings via:

- Sales force planning and deployment
 - Direct sales force
 - Indirect sales
- Focused channel partnerships
- Identifying target segments
- Tailored messaging
 - Relevant to customer needs
 - End uses, measures and technologies

Analysis Objectives (Cont.)

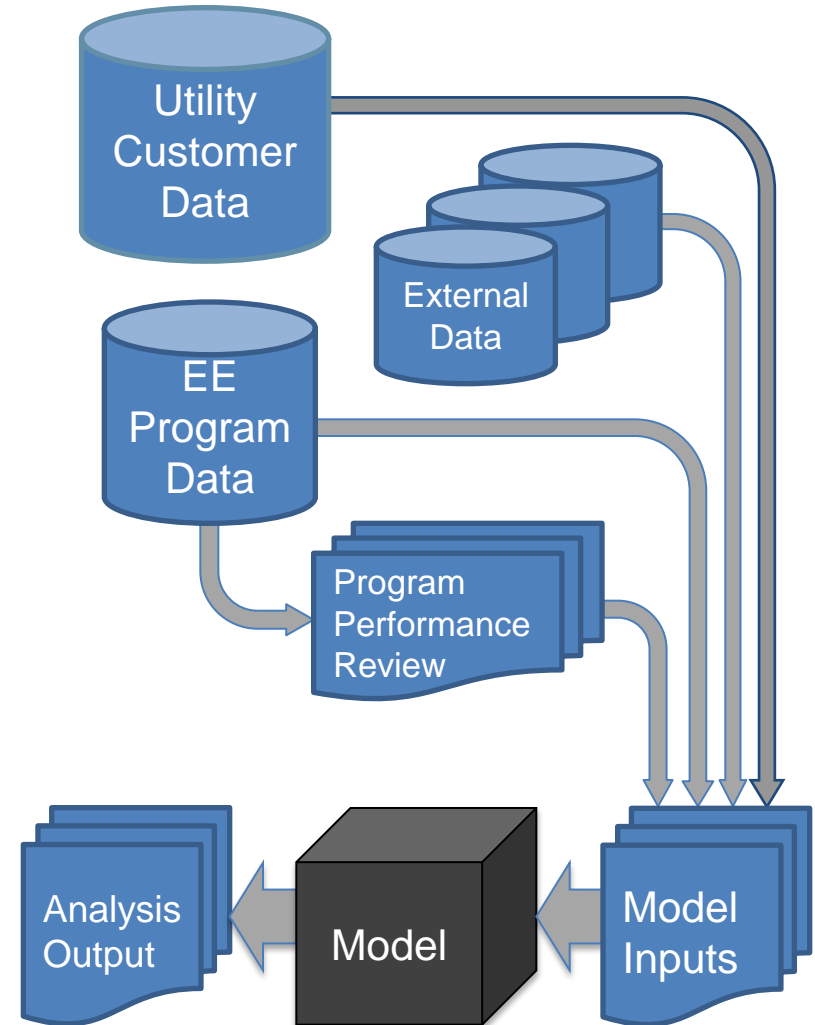
- Relative market opportunity study
 - Not a potential study
- Study confirms that there are large opportunities
 - Directionally points to those opportunities
- Speed of ramp up
 - Slope of s-curve is not defined
- Discount rate and other assumptions
 - Big impact on total estimated potential
- Executed a similar study three years ago
 - Leveraged for go-to-market strategy
 - Helped us achieve goals

Data Inputs

Utility customer data, EE program data and external data are used to customize and refine specific model inputs, such as:

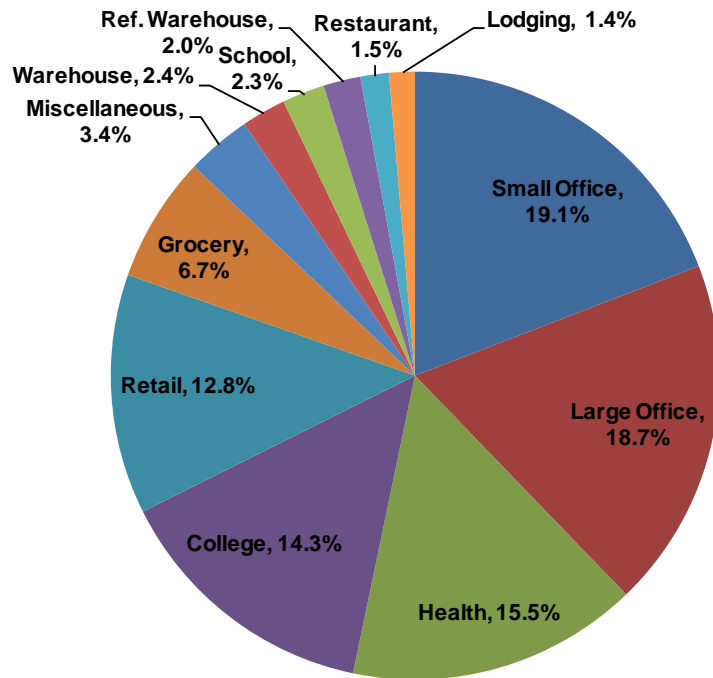
- Previous program performance data
- Building sector data (NAICS, SIC, etc.)
- Filed efficiency plans and annual reports
- Financial inputs (discount rate, program admin. costs)
- Cost and incentive estimates
- Demand and sales forecasts
- C&I project datasets

These data are used to segment the customer base and provide the framework and methodology of the savings opportunity estimates

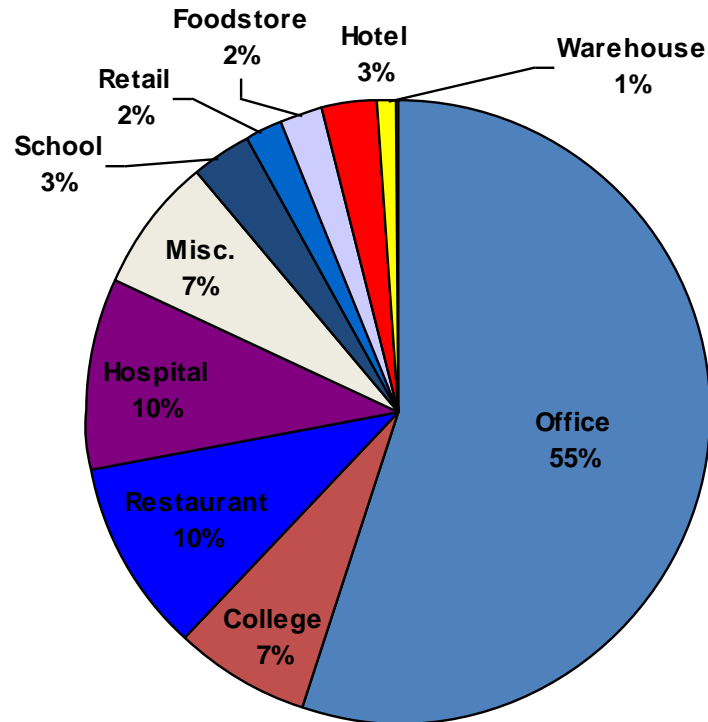


Commercial Findings by Segment

- Office (both small and large) represent nearly 38% of electric savings opportunity
- Office also represents the greatest gas savings opportunity at 55%
- Lodging represents a relatively small opportunity at 1.4% of electric savings
- Restaurants and Hospitals each represent approximately 10% of the gas savings opportunity



Electric



Gas

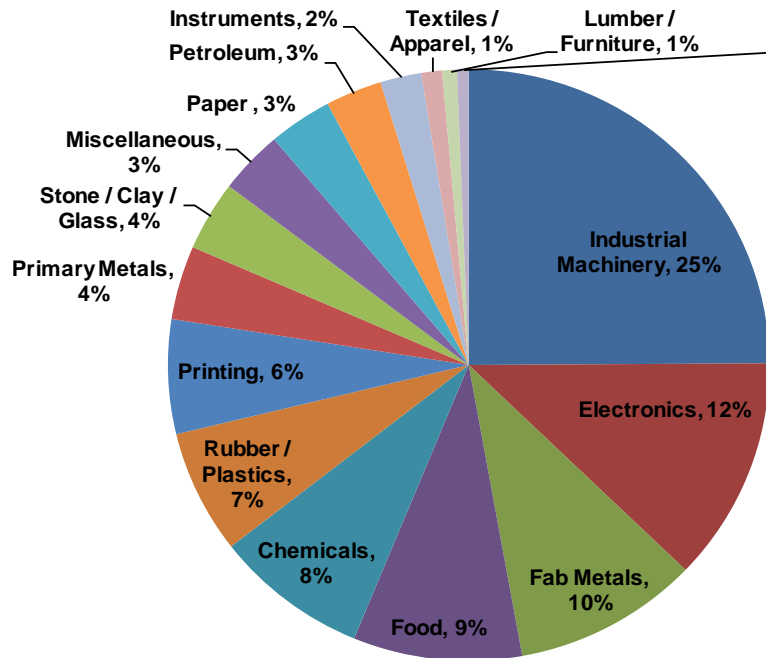
Commercial Findings by End Use and Segment: Electric

- Lighting represents nearly 68% of total electric opportunity with 26% in Office (Small and Large)
- Other large lighting opportunities are in Health, Retail and College
- HVAC represents more than 23% of total electric opportunity with 11% in Office and 5% in College
- Refrigeration offers approximately 7% of electric opportunity split between Grocery and Refrigerated Warehouse

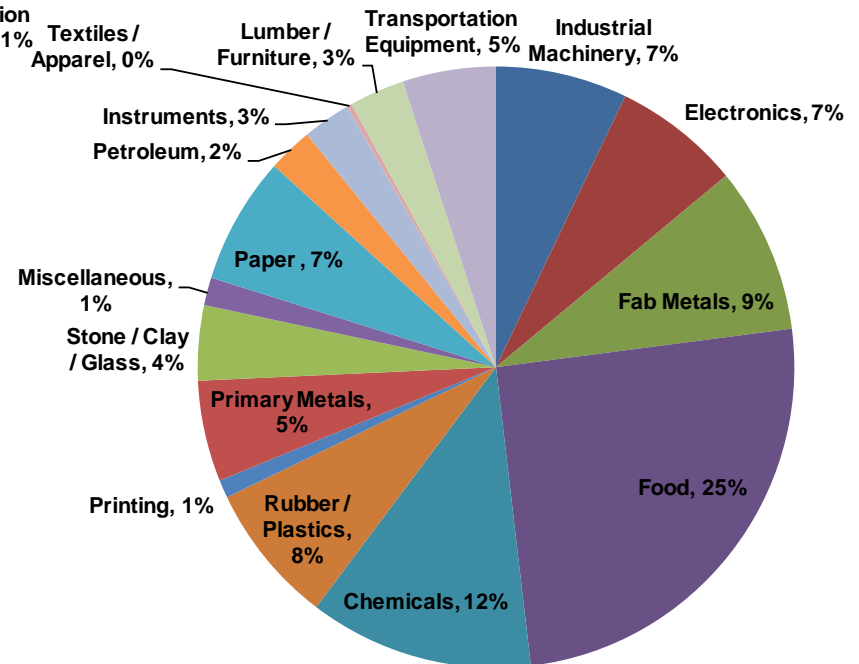
Savings % of Total Savings Opportunity								
End Use -->	Cook	HVAC	Lights	Misc	REFG	WaterHeat	NC Pkg	Total
Small Office	-	6%	13%	0%	-	-	0%	19.1%
Retail	0%	3%	9%	0%	-	-	0%	12.8%
Health	0%	1%	14%	0%	-	-	0%	15.5%
Miscellaneous	0%	0%	3%	0%	-	-	0%	3.4%
Grocery	0%	0%	1%	0%	6%	-	0%	6.7%
College	-	5%	9%	0%	-	-	0%	14.3%
School	0%	1%	2%	0%	-	-	0%	2.3%
Warehouse	-	0%	2%	0%	-	-	0%	2.4%
Large Office	0%	5%	13%	0%	-	-	0%	18.7%
Restaurant	0%	1%	1%	0%	-	-	0%	1.5%
Lodging	0%	0%	1%	0%	-	-	0%	1.4%
Ref. Warehouse	-	0%	0%	0%	2%	-	-	2.0%
Total	0.0%	23.1%	67.8%	1.8%	7.3%	0.0%	0.0%	100.0%

Industrial Findings by Segment

- Industrial Machinery accounts for 25% of commercial electric opportunities and 7% of commercial gas opportunities.
- Food (9% electric, 25% gas), Fabricated Metals (10% electric, 9% gas) and Chemicals (8% electric, 12% gas) also represent significant opportunities.



Electric



Gas

Industrial Findings by End Use and Segment: Electric

- Compressed Air (29%) and lighting (26%) represent the largest electric opportunities.
 - Industrial Machinery, Electronics, and Fabricated Metals comprise the largest opportunities in both end uses.
- Other notable opportunities include drives in Rubber/Plastics, pumps in Chemicals, and lighting in Printing

Segment	Compressed Air	Drives	Fans	Heating	Lighting	Other	Process Other	Pumps	Refrigeration	Cooling	TOTAL
Printing	0.5%	1.4%	0.5%	-	2.7%	-	-	0.3%	-	0.9%	6.3%
Stone / Clay / Glass	0.8%	0.5%	1.0%	0.1%	0.6%	0.0%	-	0.6%	-	0.2%	3.8%
Primary Metals	1.0%	0.6%	1.3%	0.4%	-	-	-	0.7%	-	0.1%	4.0%
Petroleum	1.1%	-	0.4%	-	0.2%	0.0%	-	1.3%	-	0.0%	3.0%
Miscellaneous	2.6%	-	0.0%	-	-	-	-	0.1%	-	0.8%	3.5%
Electronics	4.2%	0.3%	0.7%	0.4%	4.2%	0.1%	0.5%	0.4%	-	1.4%	12.3%
Paper	0.5%	0.7%	1.2%	-	-	-	-	0.9%	-	0.1%	3.4%
Lumber / Furniture	0.1%	0.2%	0.2%	0.0%	0.1%	0.0%	-	0.1%	-	0.0%	0.8%
Food	2.3%	0.1%	1.4%	0.7%	1.7%	0.1%	-	1.1%	1.2%	0.4%	9.1%
Chemicals	0.9%	1.4%	1.3%	-	1.6%	0.0%	0.3%	2.5%	-	0.2%	8.3%
Fab Metals	3.0%	0.5%	0.9%	0.6%	3.4%	0.0%	0.4%	0.5%	-	0.6%	10.0%
Rubber / Plastics	0.7%	3.0%	0.7%	-	1.8%	0.0%	-	0.4%	-	0.2%	6.7%
Industrial Machinery	10.2%	1.1%	2.0%	0.8%	7.9%	0.1%	0.1%	1.2%	-	1.5%	24.9%
Transportation Equipment	0.2%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	-	0.1%	0.6%
Instruments	0.6%	0.1%	0.2%	0.1%	1.1%	0.0%	0.0%	0.1%	-	0.1%	2.2%
Textiles / Apparel	0.3%	0.3%	0.0%	0.1%	0.0%	0.0%	-	0.1%	-	0.2%	1.1%
TOTAL	29.1%	10.3%	11.9%	3.1%	25.4%	0.4%	1.5%	10.3%	1.2%	6.7%	100.0%

Industrial Findings by End Use and Segment: Gas

- Boiler use represents over half of all gas opportunities with nearly 20% of it accounted for by Food mfg.
- Other large boiler opportunities are in Chemicals, Paper, and Rubber/plastics
- Process heat accounts for nearly a third of all gas opportunities with Food mfg., Fabricated Metals and Primary Metals representing near 50% of all process heat opportunities.

Segment	Boiler	HVAC	Process Heat	Total
Food	18.3%	0.5%	6.4%	25.2%
Chemicals	9.9%	0.1%	2.2%	12.2%
Fab Metals	2.3%	1.8%	4.8%	8.9%
Rubber / Plastics	6.1%	0.6%	0.9%	7.6%
Industrial Machinery	2.5%	2.7%	1.9%	7.1%
Electronics	4.7%	0.8%	1.4%	6.9%
Paper	6.3%	0.1%	0.5%	6.9%
Primary Metals	1.0%	0.2%	4.2%	5.4%
Transportation equipment	2.6%	1.0%	1.6%	5.1%
Stone / Clay / Glass	0.3%	0.1%	3.6%	4.0%
Lumber	1.6%	0.2%	1.2%	3.0%
Instruments	1.5%	0.7%	0.5%	2.6%
Petroleum	1.1%	0.0%	1.3%	2.4%
Miscellaneous	0.6%	0.9%	-	1.5%
Printing	0.4%	0.5%	-	1.0%
Textile mill products	0.2%	-	-	0.2%
Apparel	0.1%	-	-	0.1%
TOTAL	59.5%	10.1%	30.4%	100.0%

Residential Findings

- Lighting represents nearly 50% of the electric savings opportunity while Refrigeration represents 27% and HVAC 12%
- With regard to gas, Envelope represents 51% and HVAC 44% of savings opportunity
- Single family represents 82% of the electric savings opportunity compared to just 18% for multi-family
- With regard to gas, Multi-family represents roughly 3% of the savings opportunity compared to 97% for single-family

Electric

Segment	HVAC	Lights	Msc	Ref	WHeat	TOTAL
Single Family	10.1%	35.9%	11.1%	22.3%	2.3%	81.8%
Multi Family	2.3%	10.6%	0.0%	4.9%	0.4%	18.2%
TOTAL	12.4%	46.5%	11.1%	27.2%	2.7%	100.0%

Gas

Segment	DHW	Envelope	HVAC	Laundry	Other	TOTAL
Single Family	1.2%	51.2%	41.9%	2.7%	0.4%	97.5%
Multi Family	0.1%	0.2%	2.2%	0.0%	0.0%	2.5%
TOTAL	1.3%	51.4%	44.1%	2.7%	0.4%	100.0%