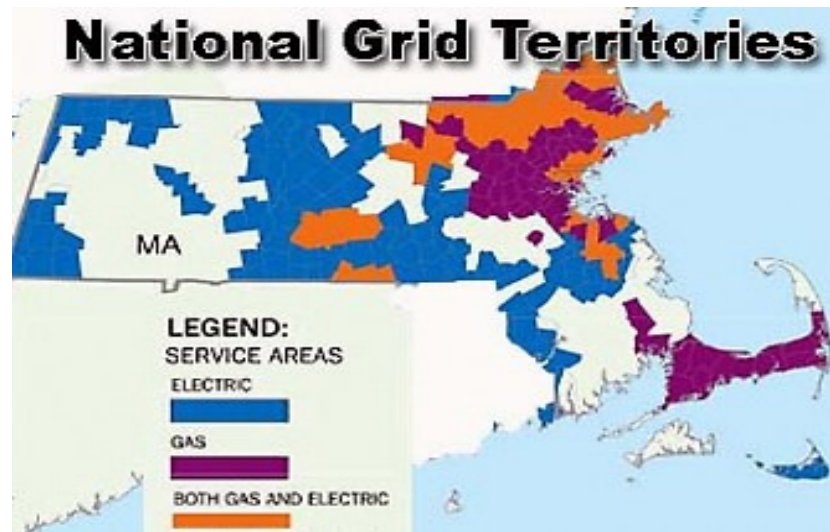


Implementation Update

Recalibrating Efforts at National Grid to Achieve 3-Year Plan Goals

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Sean Mongan, Vice President Sales & Program Operations

Ezra McCarthy, C&I Strategy

Ellen Pfeiffer, Residential Strategy

April 8, 2014



National Grid Structure

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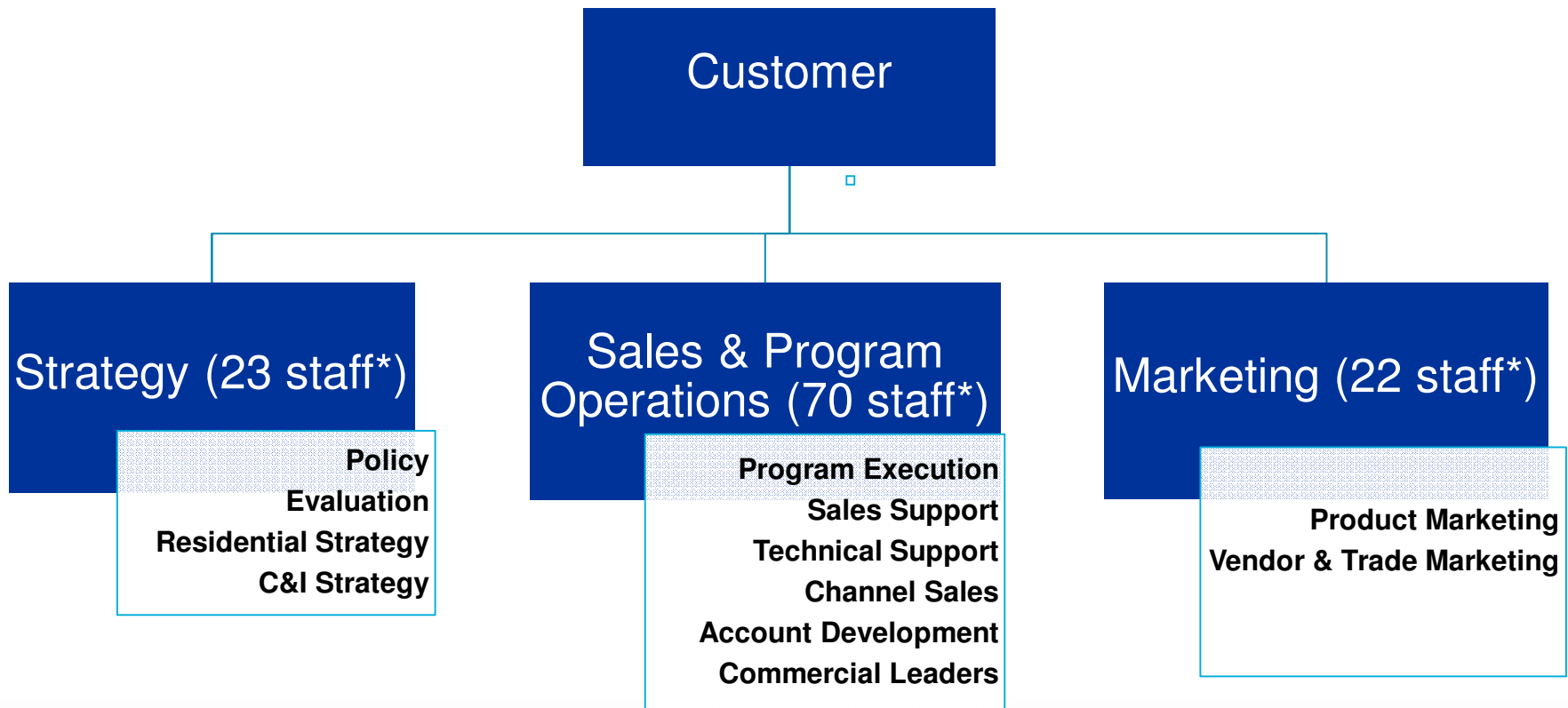
- Restructured in 2011 to create an organization with scalability to meet customer needs and aggressive energy efficiency targets
- Jurisdiction focus rather than multi-state focus
- Organized by function to provide **leadership and ownership** for their functional area
- Additional realignment completed in Q1 2014 to create more Commercial capacity and regional focus



National Grid Organization

100+ staff focused on MA energy efficiency

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* Represents staff with a MA focus

2013 Results and Path Forward

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Gas Portfolio

- Achieved 111% of goal for portfolio-level annual therm savings in 2013, far exceeding targets in residential and low income sectors.
- Served over 500,000 residential and 10,000 commercial & industrial customers
- On a good trajectory to achieve 3-year plan results. Plan continues to focus on 2013 savings levels from residential efforts and a 20% year over year increase in C&I results for next two years.

Electric Portfolio

- Achieved 84% of goal for portfolio-level annual kWh savings in 2013.
- Met or exceeded savings goals in residential, low income, and C&I Direct Install efforts
- Served 1.5 million residential and 18,000 commercial & industrial customers
- Plan forward includes continued over goal performance in residential programs and C&I Direct Install and a 25% year over year increase in Large C&I Retrofit and C&I New Construction for next two years.

Commitment to Achieving the 3-Year Goals

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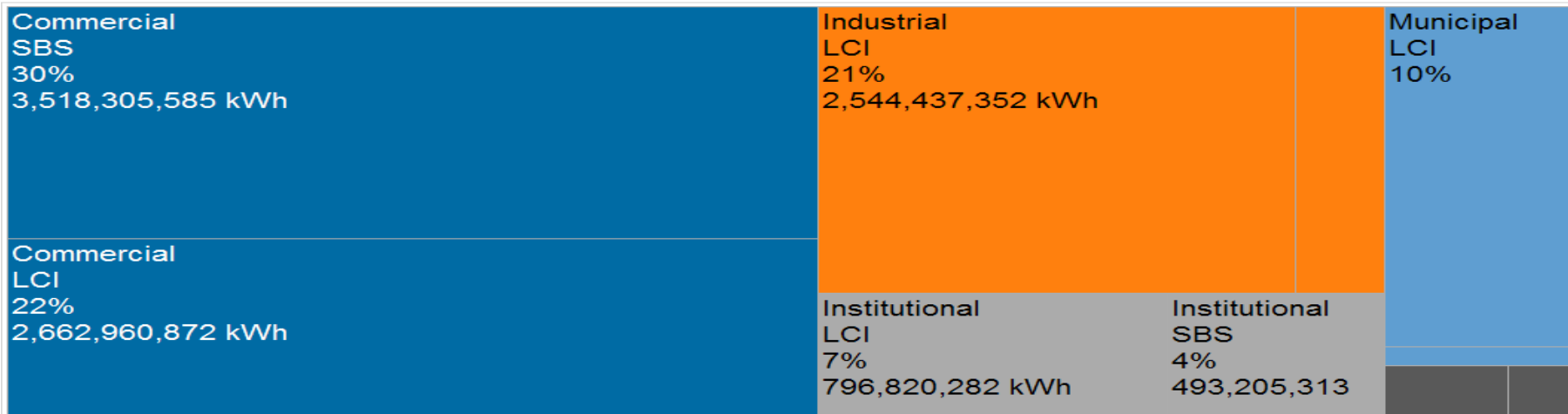
1. Recalibrate efforts in response to sector demand
2. Continue to focus on driving results in all customer sectors
3. Continue to focus on identifying and implementing industry best practices

C&I Sector Usage & Savings Comparison

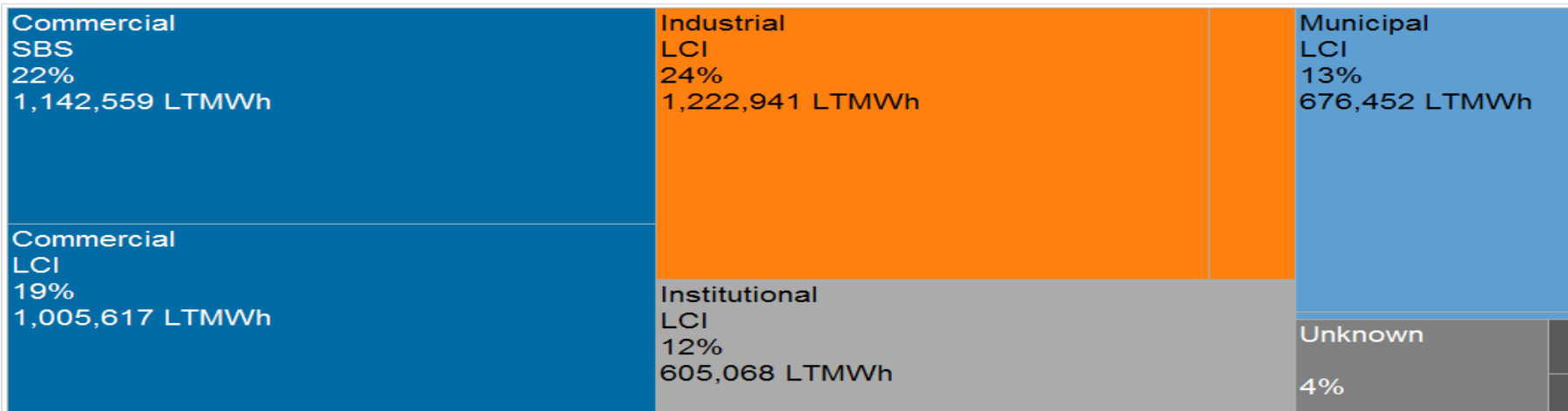
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MA C&I Electric - Usage by Sector



MA C&I Electric - Savings by Sector (2012-2013)



C&I Strategies & Tactics

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Customer & Segment Strategies

Quartile	# of Cust.	Part. Rate%	% of Savings	Activities
Q1	≈90	91%	33%	SEMPs or Strategic Sales Plans
Q2	≈400	71%	26%	Strategic Sales Plans or Commercial Sales
Q3	≈2,000	42%	22%	Channel Sales, Segmented Strategies, Trade Allies, New Technologies/ Approaches
Q4	≈100,000	5%	19%	DI Track & Offering Expansion, Segmented Marketing Strategies

C&I Strategies & Tactics (cont.)

Process Improvements

- Technical Assistance & Technical Review Consistency
- Sales Processing end of year posture now
- Developing Advanced Data Analytic/Building Analytic Capabilities

Program Design & Delivery

- Channel Sales to target technological and segmented channels
- New Construction
- Targeted Initiatives for Energy Intensive Customers
- New Approaches for Retro Commissioning
- SBDI Delivery Channel Expansion: Turnkey, Customer Directed & Comprehensive

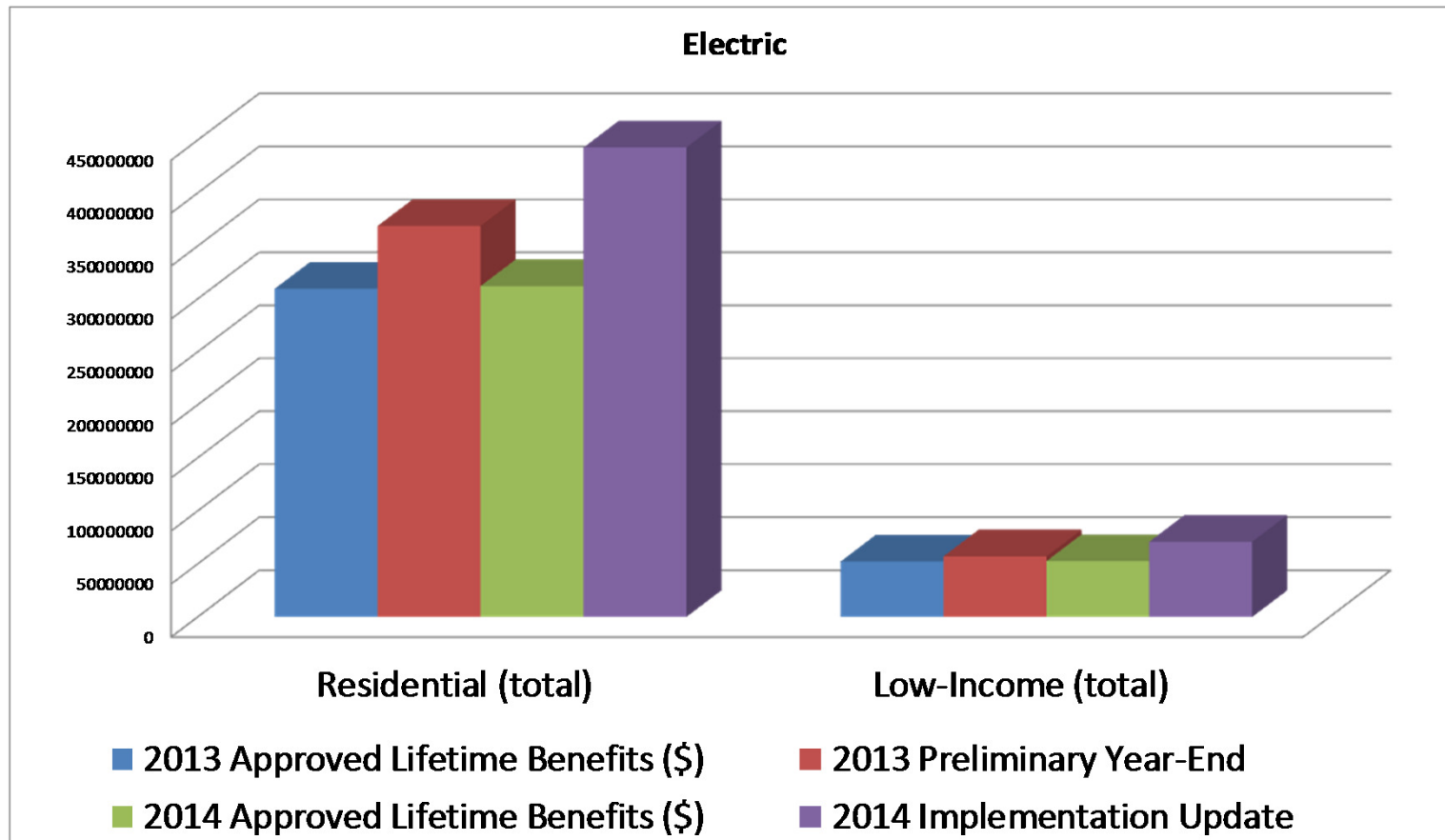
Marketing

- Targeted at Segments using data analytics
- Continued Strategic Outreach through Associations, Industry Groups, & Events
- Continued Focus Groups with All Sizes/Shapes of Customers

Building on Residential Success

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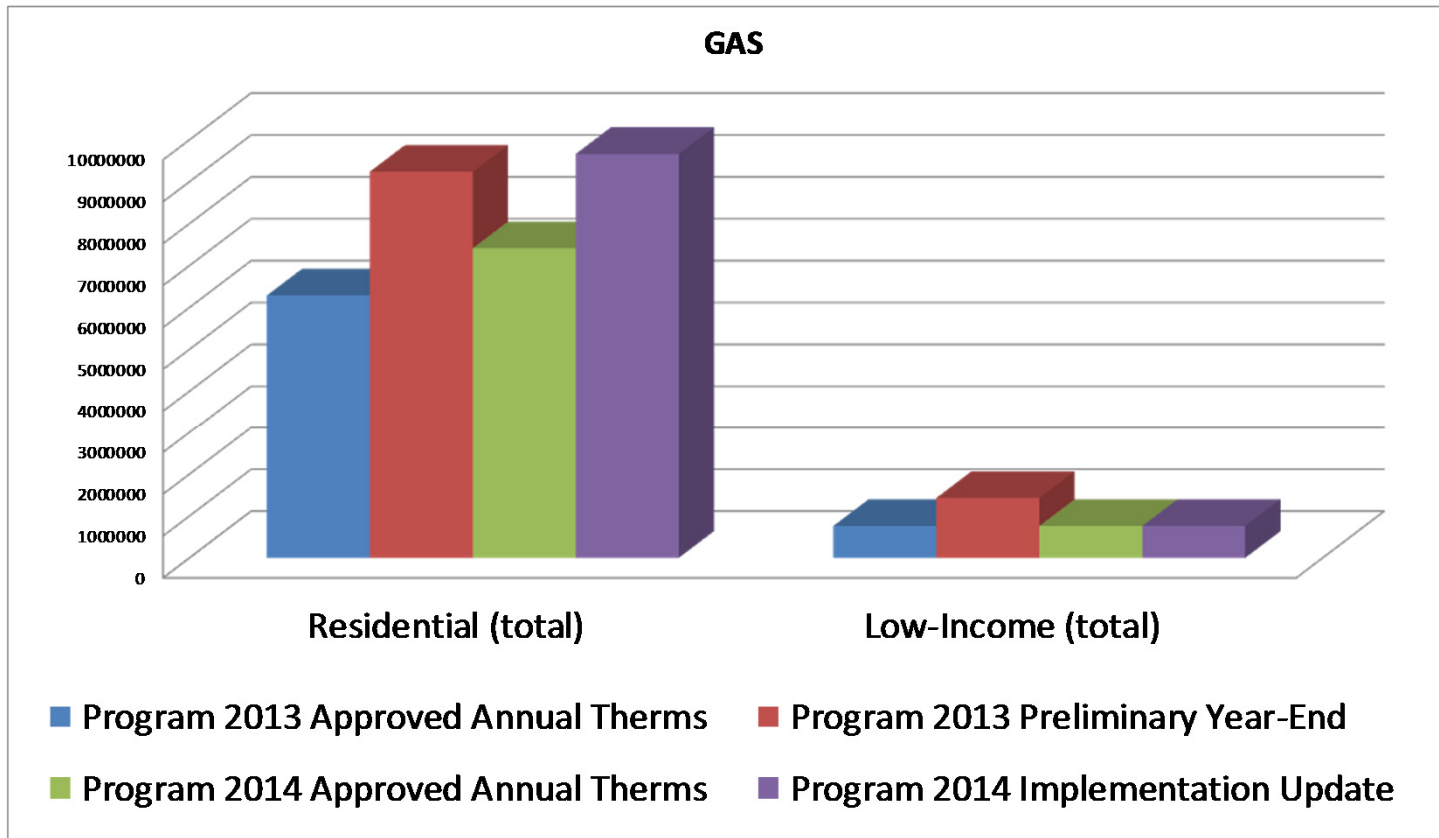
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Building on Residential Success

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Tactics for Higher Savings

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Technology

Most Efficient Products

Early Furnace Replacement

Big Data

HES Propensity Modeling

Energy Savvy

Contractor Partnerships

HPC Performance Incentives

HEHE Contractor SPIFS

New Marketing Campaigns

MF – Condo Media

Facebook Lighting and Products Sales