

Pre-Weatherization Initiative Proposal

Dated March 9, 2012

On behalf of the Electric and Gas Energy Efficiency Program Administrators, the following is an outline of a pre-weatherization initiative proposal agreed to by representatives of the EEAC, the Office of the Attorney General, CLU, and DOER during a meeting held on February 28, 2012 at the offices of DOER. This proposal was subsequently adopted by the Residential Management Committee on February 29th. The following proposal is provided for overview purposes and is not intended to represent detailed implementation specifics. Funding for this initiative is not expected to have a major impact on filed 2012 MTM budgets and would not trigger a mid-term modification filing requirement requiring a Department of Public Utilities proceeding. The PAs will seek the EEAC's support for this initiative at the April 10, 2012 EEAC meeting. If such support is obtained, the initiative is planned to begin being implemented effective May 1, 2012.

Limited Time Initiative (May-July)

- Establish a three month/\$300,000¹ statewide pre-weatherization initiative to measure and test effectiveness of providing funding support on actual implementation rates and attributed savings.
- \$300,000 funding budget paid through existing electric Home Energy Services or gas Weatherization budgets. Company specific budgets are represented in the table set forth at Attachment A.
- Up to \$300 barrier allowance per household² - limited to most common and lower cost barriers:
 - Knob and tube wiring inspections (up to \$250)
 - General combustion safety inspection/repair (up to \$300)
 - Repair of improper dryer venting (up to \$250)

Incentive Structure

- Barrier allowance based on same incentive structure as current weatherization incentive structure (75% Program Administrator / 25% Customer contribution).
 - Example: Barrier allowance would be added to the current \$2,000 cap incentive structure; thus, the 75/25 incentive structure would be based on a new cap of \$2,300.

Implementation Process³

¹ Three months or PAs budget allowance expended – whichever comes first.

² Customers with multiple barriers would only be allowed one pre-weatherization measure incentive.

³ Proposed model - subject to PA/vendor roll-out modifications.

- Barrier is addressed subject to and as part of customers' contractual weatherization agreement with HPCs or Non-HPCs (i.e., PA vendors). HPCs allowed to recommend or contract with contractors subject to PA adopted guidelines (e.g., CORI checks, proper licenses, insurance etc.).
- HPCs responsible for payment terms with contractors. PAs will reimburse HPC's through normal invoicing process.
- Non-HPCs – vendor to recommend or contract with contractors. Contractors bill vendor directly. Vendor reimbursed through normal invoice process.

Complementary HEAT Loan Provision

- Provide up to a \$1,000 loan provision towards remediation of knob and tube circuit upgrades and up to a \$1,000 loan provision towards remediation of moisture related repairs. DOER endorsement of use of HEAT loan proceeds for these purposes is an element of this initiative.

Evaluation Component

- Upon conclusion of the initiative, the PAs will conduct an evaluation to analyze post initiative data, lessons learned, penetration rates, customer survey, etc. This component also includes a good faith agreement that CLU will be able to review and make suggestions⁴ to the customer survey outline during the development process.

Follow-up Component

- The original parties represented at the meeting of February 28, 2012 will reconvene in a follow up session to review evaluated results and discuss potential options to address pre-weatherization issues going forward.

Next Steps

- 1) PAs provide this proposal to attendees at February 28, 2012 conference for confirmation/comment by noon on Friday, March 23, 2012.
- 2) PAs provide this proposal (with any comments) to the Executive Committee to gain approval (at the Executive Committee meeting on March 26, 2012) for inclusion on the full EEAC agenda for April 10, 2012 EEAC meeting.
- 3) PAs provide proposal to full Council (assuming support of Executive Committee), by no later than April 5, 2012.
- 4) EEAC review and action on initiative on April 10, 2012.
- 5) May 1 – implementation of initiative commences.

⁴ Edits subject to PA approval

Submitted by: Charles Olsson, NSTAR, on behalf of the Electric & Gas Energy Efficiency Program Administrators.

Attachment A

Statewide Residential Allocations			
	<i>Number Residential Customers</i>	<i>Participating Percentage Customers</i>	<i>Shared Cost 300,000</i>
Company Name			
Columbia Gas of Massachusetts	266,341	7%	\$ 21,350.44
Berkshire Gas	31,307	1%	\$ 2,509.63
Cape Light Compact	178,504	5%	\$ 14,309.25
New England Gas	48,891	1%	\$ 3,919.20
NGRID - Electric MA	1,118,961	30%	\$ 89,698.21
NGRID - Gas MA	817,795	22%	\$ 65,556.13
NSTAR - Electric	814,003	22%	\$ 65,252.15
NSTAR - Gas	241,273	6%	\$ 19,340.94
Unitil - Electric MA	24,520	1%	\$ 1,965.57
Unitil - Gas MA	13,684	0%	\$ 1,096.94
WMECo	187,140	5%	\$ 15,001.53
Total	3,742,419	100%	\$300,000.00