

Residential High Efficiency Heating Program

<p>Primary Objective</p>	<p>The Residential High Efficiency Heating Program is designed to promote the installation of ENERGY STAR-rated high efficiency gas furnaces, hot water boilers and energy efficient steam boilers in residential homes. Incentives/rebates are administered via the GasNetworks collaborative.</p> <p>The objective of the program is to overcome market barriers to energy efficient heating equipment and increase program awareness among consumers, plumbing/heating contractors, and home builders/developers, through rebates, incentives, education, and training opportunities.</p>
<p>Program Inception</p>	<p>The program was initially offered in 1997.</p> <p>GasNetworks is a nationally-recognized and award-winning collaborative of local natural gas companies serving nearly 2 million residential and C&I customers throughout New England. It has been promoting energy efficiency and the use of high efficiency natural gas technologies since 1997. The mission of this unique collaborative of natural gas utilities is to work with governmental agencies and affiliates to promote energy-efficient technologies, create common energy efficiency programs, educate consumers, and promote contractor training and awareness of ever-changing natural gas technologies. Massachusetts members include Bay State Gas, Berkshire Gas, National Grid, New England Gas, NSTAR Gas, and Unitil.</p>
<p>2010-2012 Savings Targets</p>	<p>To be provided with October 2009 Filings.</p>
<p>2010-2012 Budget</p>	<p>To be provided with October 2009 Filings.</p>
<p>Joint vs. Program Administrator-Specific Offering</p>	<p>Joint</p>

<p>Program Design</p>	<p>The program offers rebates for equipment in the new construction and replacement market (<i>i.e.</i>, lost-opportunity applications). Qualifying customers are eligible to receive mail-in rebates for high efficiency gas furnaces, boilers, combination units, and energy efficient steam boilers all with input ratings of 300,000 BTU less.</p> <p>In collaboration with the Cool Smart electric efficiency program, GasNetworks also offers a dual electric/natural gas rebate program for high-efficiency furnaces equipped with Electronically Commutated Motor (“ECM”) or equivalent advanced furnace fan systems. This program was launched on May 1, 2003, and represents the first dual-rebate program of its kind in the country.</p>
<p>Target Market</p>	<p>Residential Target Markets include:</p> <ul style="list-style-type: none"> • New Construction - Heating Equipment / Systems • Existing Homes - Replacement of Existing Heating Equipment (new equipment/old systems) <p>The Program Targets these Market Segments:</p> <ul style="list-style-type: none"> • Residential Home Owners with natural gas heating equipment • Home Designers and Architects • Engineers • HVAC Contractors and Technicians • Suppliers of High Efficiency Heating equipment and related parts/accessories • Manufacturers and Distributors of High Efficiency Heating equipment • New Home Builders and Remodeling Contractors
<p>Marketing Strategy/Approach</p>	<p>The program is jointly marketed by GasNetworks member companies. The program will be promoted through a variety of marketing and educational campaigns including, but not limited to: upstream outreach, direct mail, radio and print media, bill inserts, trade ally events, sponsorships, and program brochures.</p> <p>The program will also be promoted via the individual Program Administrator websites, and the GasNetworks collaborative website, www.gasnetworks.com, where consumers and contractors can learn about the programs, download rebate applications, and obtain other valuable energy efficiency information. The website and its functions will be integrated into the unified, statewide website set to be completed by the end of 2009. The integrated site will ultimately provide consumers will more transparency specific to</p>

	<p>program integration, incentive offers, and benefits of consolidated co-branding marketing strategies.</p> <p>In addition to PA-specific marketing activities, the Program Administrators have learned over the years that trade ally events and training sessions prove to be a very critical and effective means of promoting these types of programs. Thus, the Program Administrators will promote this rebate program through various PA-sponsored plumbing and heating training events, trade shows, and trade ally events in conjunction with the GasNetworks training seminars. In addition, the Program Administrators will promote program education and awareness utilizing manufacturer/distributor level marketing and training infrastructure as a platform to educate contractors and wholesalers at a regional level.</p> <p>Program marketing will be supplemented by direct vendor outreach to equipment suppliers and installation contractors. This will provide direct communication on programs and qualifying equipment, as well as maximize exposure to the contractor base.</p> <p>In addition to customer rebates, installation contractors may also receive incentives for the installation of high-efficiency heating equipment to break through the barriers of awareness and understanding with new technology.</p> <p>Further, the Program Administrators will market and leverage all available federal tax credits where applicable as well as all supplemental consumer incentives (e.g., equipment manufacturers) as a means to increase consumer adoption of purchases of high efficiency heating equipment.</p> <p>Additionally, the Program Administrators plan to provide continued support and promotion of Statewide branding efforts and strategic marketing plans to establish common branding themes across programs that will leverage program integration opportunities and broad-based outreach efforts that promote broader and deeper energy savings.</p>
Target End Uses	Residential space heating fueled by natural gas.
Recommended Technologies	<ul style="list-style-type: none"> ▪ Super-efficient condensing furnaces and boilers where feasible ▪ Electronically commutated fan motors, which provide higher electric efficiency for warm air distribution ▪ Elevating installation practices and standards

<p>Financial Incentives</p>	<p>The equipment criteria and incentive levels proposed for residential heating customers who participate in this program are as follows:</p> <table border="0"> <tr> <td>Furnace, 92% AFUE or greater</td> <td>\$400</td> </tr> <tr> <td>Furnace, 92% AFUE or greater w/ECM*</td> <td>\$500</td> </tr> <tr> <td>Furnace, 94% AFUE or greater w/ECM*</td> <td>\$650</td> </tr> <tr> <td>Boiler, 85% AFUE or greater</td> <td>\$700</td> </tr> <tr> <td>Boiler, 90% AFUE or greater</td> <td>\$1,500</td> </tr> <tr> <td>Heat Recovery Ventilator</td> <td>\$500</td> </tr> <tr> <td>Combo Boiler-On Demand condensing unit</td> <td>\$1,600</td> </tr> <tr> <td>Combo Boiler-On Demand non-condensing unit</td> <td>\$1,000</td> </tr> <tr> <td>Steam boiler, 82% AFUE with electronic ignition</td> <td>\$200</td> </tr> </table> <p>* \$200 of this rebate is funded by electric Program Administrators as part of an integrated approach that promotes high efficiency gas furnaces that are also electrically efficient.</p>	Furnace, 92% AFUE or greater	\$400	Furnace, 92% AFUE or greater w/ECM*	\$500	Furnace, 94% AFUE or greater w/ECM*	\$650	Boiler, 85% AFUE or greater	\$700	Boiler, 90% AFUE or greater	\$1,500	Heat Recovery Ventilator	\$500	Combo Boiler-On Demand condensing unit	\$1,600	Combo Boiler-On Demand non-condensing unit	\$1,000	Steam boiler, 82% AFUE with electronic ignition	\$200
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<p>Delivery Mechanism</p>	<p>The program is administered by each gas Program Administrator and coordinated regionally through GasNetworks collaborative. GasNetworks utilizes a third-party contractor, secured through a competitive bid process, to administer the rebates to customers. The contractor is responsible for tracking and reporting program activity to GasNetworks.</p> <p>Further, the Program Administrators plan to take advantage of additional delivery mechanisms such as MassSAVE to promote equipment installations as part of a comprehensive whole house approach to</p>																		

	<p>achieve broader and deeper energy savings. This scenario also affords seamless integration opportunities as well as the ability to develop “packaged” incentive offerings to drive consumer participation and adoption of new technologies.</p>
<p>Joint Program Administrator Enhancements Planned for 2010-2012</p>	<p>The Program Administrators, and GasNetworks as a group, will strive towards creating a seamless integration of the gas energy efficiency programs and the electric energy efficiency programs as Program Administrators and energy providers continue to educate residential customers and market actors such as contractors, builders, and engineers about the benefits of using ENERGY STAR-rated high efficiency heating and cooling equipment.</p> <p>The Program Administrators also plan to support development of workforce and contractor training efforts that provide increased educational opportunities as a means to insure that new and existing contractors acquire the necessary skill sets to sell and install high efficiency heating equipment. Training will be oriented to raising the bar for quality installations and development of certification standards (e.g., Building Performance Institute) and licensing where appropriate. The Program Administrators plan to utilize all publicly available institutional resources such as community colleges, vocational schools, and state licensing boards as well as independent and national organizations dedicated to quality installation standards and practices.</p>
<p>Program Administrator-Specific Elements</p>	<p>To be completed in the October filing if applicable.</p>
<p>Three-Year Deployment/Road Map</p>	<p>The gas Program Administrators believe that increases in equipment incentive levels may be required to address market barriers and achieve higher levels of participation and savings goals during 2010-2012. Indeed, rebate levels approaching full system incremental cost may be required to address certain market barriers including the current and forecasted outlook on the economy.</p> <p>The depressed economy may dramatically reduce consumer spending towards the replacement of functional as well as old, broken, but repairable heating equipment. In order to address this potentially significant barrier, the Program Administrators will explore an “early replacement” program that will target old, inefficient--but still operating--heating equipment for replacement with high efficiency equipment. The Program Administrators are aware that significantly higher incentive levels may be needed to address this</p>

	<p>very important market.</p> <p>The gas Program Administrators will work to progressively expand attic duct sealing offerings, preferably integrated with the electric Program Administrators via the MassSAVE and CoolSMART programs.</p> <p>In addition, GasNetworks will continue to:</p> <ul style="list-style-type: none"> • Make customers aware of high-efficiency gas heating equipment and the energy savings achievable • Increase market sector awareness and demand for high-efficiency gas heating equipment • Facilitate the purchase of high efficiency gas heating equipment • Provide training to trade allies, such as plumbing and heating contractors • Increase trade ally awareness of the benefits of high-efficiency gas heating equipment • Work with regional groups to support research on and adoption of building code and appliance standards <p>Further, the gas Program Administrators will also strive to identify and support gas and electric program integration opportunities where appropriate as a means to increase consumer participation, gain economies of scale, create consumer-focused transparency across programs, and achieve broader and deeper energy savings.</p> <p>As is standard practice, gas Program Administrators will continue to evaluate emerging natural gas or equipment related technologies (e.g., micro combined heat and power – CHP units) that provide opportunities to either pilot or introduce on a broad scale that maximize our ability to achieve greater savings and increased market penetration.</p>
<p>Special Notes</p>	<p>The Program Administrators are considering the introduction of an early replacement program to promote the early retirement of inefficient but functioning boilers and furnaces.</p> <p>The GasNetworks programs have received numerous national awards and recognition including:</p> <ul style="list-style-type: none"> • <i>ACEEE Exemplary Program GasNetworks Joint Gas & Electric High Efficiency Furnace Rebate</i> • <i>ACEEE GasNetworks Regional Multi-Utility Collaborative Comprehensive Portfolio – 2004</i> <p>The preceding program description is designed to support the successful attainment of the Green Communities Act’s energy efficiency investment goals and environmental benefits. Further, it is the intent of the Program Administrators to support the Council and its Consultants through a recognized ongoing</p>

iterative planning process to develop and implement plans that meet the objectives of the Council's Priorities document. This program design is intended to address a number of applicable Council priorities including:

- Providing program consistency through this program.
- Focusing on maximizing incentive values and minimizing overhead costs in this program.
- Striving to provide all customers with an opportunity to lower utility bills through the purchase of energy efficient products.
- Striving to provide seamless delivery and integration of incentives through other program delivery mechanisms such as the MassSAVE, CoolSMART, New Construction, and Multi-family programs.
- Providing user-friendly program by offering multiple paths/opportunities for participation
- Coordinating with other programs for outreach communication and marketing strategy.
- The deeper savings will result from addressing elements such as a focus on higher tiered equipment, evolving technologies and through the integration into other programs where potential bundling of consumer incentives could generate deeper and broader energy savings.
- Coordinating with other programs on integrated website.
- Continued coordination of contractor trainings to support a sufficient and quality installation focused workforce.

Residential High Efficiency Water Heating

Primary Objective	To increase the demand and market share for residential high-efficiency natural gas water heaters through rebates, education, and increased customer, builder/developer, and plumbing/heating contractor awareness of high efficiency water heating technologies.
Program Inception	The program was initially offered in 2001.
2010 – 2012 Savings Targets	To be provided with October 2009 Filings.
2010 - 2012 Budget	To be provided with October 2009 Filings.
Joint vs. Program Administrator-Specific Offering	Joint
Program Design	The Residential High Efficiency Water Heating Rebate Program is designed to promote the installation of high efficiency gas water heating equipment by overcoming current market barriers. The program offers rebates for new construction and replacement equipment (<i>i.e.</i> , lost-opportunity applications).
Target Market	<ul style="list-style-type: none"> ▪ Residential customers who heat water with natural gas ▪ Contractors ▪ Trade allies ▪ Equipment manufacturers and distributors ▪ Builders ▪ Architects ▪ Engineers
Marketing/Strategy Approach	<p>The program is jointly marketed by GasNetworks member companies. The program will be promoted through a variety of marketing and educational campaigns including, but not limited to: direct mail, radio and print media, bill inserts, trade ally events, sponsorships, and program brochures.</p> <p>The program will also be promoted via the member company websites, and the GasNetworks integrated website, www.gasnetworks.com, where consumers and contractors can learn about the programs, download rebate applications and obtain other valuable energy efficiency information. The website and its functions will be integrated into the unified, statewide website set to be completed by the end of 2009. The integrated site will ultimately provide consumers will more transparency specific to program integration, incentive offers, and</p>

<p>Marketing/Strategy Approach (cont.)</p>	<p>benefits of consolidated co-branding marketing strategies.</p> <p>In addition to PA-specific marketing activities, the Program Administrators have learned over the years that trade ally events and training sessions prove to be a very critical and effective means of promoting these types of programs. Thus, the Program Administrators will promote this rebate program through various Program Administrator-sponsored plumbing and heating training events; trade shows and trade ally events in conjunction with the GasNetworks training seminars. In addition, the Program Administrators will promote program education and awareness utilizing manufacturer/distributor level marketing and training infrastructure as a platform to educate contractors and wholesalers at a regional level.</p> <p>Program marketing will be supplemented by vendor outreach directly to equipment suppliers and installation contractors.</p> <p>In addition to customer rebates, installation contractors may also receive incentives for the installation of high efficiency water heating equipment.</p> <p>Further, the Program Administrators will market and leverage all available federal tax credits where applicable as well as all supplemental consumer incentives (e.g., equipment manufacturers) as a means to increase consumer adoption of purchases of high efficiency water heating equipment.</p> <p>Additionally, the Program Administrators plan to provide continued support and promotion of statewide branding efforts and strategic marketing plans to establish common branding themes across programs that will leverage program integration opportunities and broad-based outreach efforts that promote broader and deeper energy savings.</p>
<p>Target End Uses</p>	<p>Residential natural gas water heating customers</p>
<p>Recommended Technologies</p>	<p>The Program Administrators will initially focus on the three water heating technologies: tankless on-demand water heaters, indirect water heaters, and the recently announced, ENERGY STAR-labeled storage water heaters. The Program Administrators constantly strive to ensure that they remain on the cutting edge of promoting new technologies as they become available.</p>

Financial Incentives	<p>The incentive levels and equipment criteria for residential customers who participate in this program are as follows:</p> <table border="1" data-bbox="489 305 1549 881"> <thead> <tr> <th data-bbox="489 305 795 415">Equipment</th> <th data-bbox="795 305 1341 415">Criteria</th> <th data-bbox="1341 305 1549 415">Rebate</th> </tr> </thead> <tbody> <tr> <td data-bbox="489 415 795 526">Indirect Water Heater</td> <td data-bbox="795 415 1341 526">Connected to a high efficiency boiler, 30-75 gals</td> <td data-bbox="1341 415 1549 526">\$500</td> </tr> <tr> <td data-bbox="489 526 795 724">ENERGY STAR Labeled Tankless, On-Demand Water Heater</td> <td data-bbox="795 526 1341 724">Minimum 0.82 Energy Factor and no standing pilot</td> <td data-bbox="1341 526 1549 724">\$700</td> </tr> <tr> <td data-bbox="489 724 795 881">ENERGY STAR-Labeled Storage Water Heater</td> <td data-bbox="795 724 1341 881">Minimum 0.62 Energy Factor</td> <td data-bbox="1341 724 1549 881">\$50</td> </tr> </tbody> </table>	Equipment	Criteria	Rebate	Indirect Water Heater	Connected to a high efficiency boiler, 30-75 gals	\$500	ENERGY STAR Labeled Tankless, On-Demand Water Heater	Minimum 0.82 Energy Factor and no standing pilot	\$700	ENERGY STAR-Labeled Storage Water Heater	Minimum 0.62 Energy Factor	\$50
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ENERGY STAR-Labeled Storage Water Heater	Minimum 0.62 Energy Factor	\$50											
Delivery Mechanism	<p>The program is administered by each gas Program Administrator and coordinated regionally through GasNetworks collaborative. GasNetworks utilizes a third-party contractor, secured through a competitive bid process, to administer the rebates to customers. The contractor is responsible for tracking and reporting program activity to GasNetworks.</p> <p>Further, the Program Administrators plan to take advantage of additional delivery mechanisms such as MassSAVE to promote equipment installations as part of a comprehensive whole house approach to achieve broader and deeper energy savings. This scenario also affords seamless integration opportunities as well as the ability to develop “packaged” incentive offerings to drive consumer participation and adoption of new technologies.</p>												
Joint Program Administrator Enhancements Planned for 2010-	<p>Similar to the “early retirement” initiative being considered by the Program Administrators for the High Efficiency Heating system, the Program Administrators will explore offering incentives to customers to update existing functioning water heaters to high efficiency ENERGY STAR-rated water heaters and/or tankless water heaters.</p>												

2012	The Program Administrators also plan to support development of workforce and contractor training efforts that provide increased educational opportunities enabling new and existing contractors to acquire the necessary skill sets to sell and install high efficiency water heating equipment. Training will be oriented to raising the bar for quality installations and development of certification standards (e.g., Building Performance Institute) and licensing where appropriate. The Program Administrators plan to utilize all publicly available institutional resources such as community colleges, vocational schools, and state licensing boards as well as independent and national organizations dedicated to quality installation standards and practices.
Program Administrator-Specific Elements	To be completed during the October filing if applicable.
Three-Year Deployment/Road Map	<p>The gas Program Administrators believe that increases in equipment incentive levels may be required to address market barriers and achieve higher levels of participation and savings goals during the 2010-2012 period. Indeed, rebate levels approaching full system incremental cost may be required to address certain market barriers including the current and forecasted outlook on the economy.</p> <p>The depressed economy will likely dramatically reduce consumer spending for the replacement of functional as well as old, broken, but repairable water heating equipment. In order to address this potentially significant barrier, the Program Administrators will explore an “early replacement” program that will target old, inefficient—but still operating—water heating equipment for replacement with high efficiency equipment. The Program Administrators are aware that significantly higher incentive levels may be needed to address this very important market.</p> <p>Further, the gas Program Administrators will also strive to identify and support gas and electric program integration opportunities, where appropriate, as a means to increase consumer participation, gain economies of scale, create consumer-focused transparency across programs, and achieve broader and deeper energy savings.</p> <p>As is standard practice, gas Program Administrators will continue to evaluate emerging natural gas or equipment related technologies (e.g., condensing water heaters) that provide opportunities to either pilot or introduce on a broad scale that maximize our ability to achieve greater savings and increased market penetration.</p>
Special Notes	<p>The GasNetworks programs have received numerous national awards and recognition including:</p> <ul style="list-style-type: none"> ■ <i>AESP National Award for Outstanding Achievement in Energy Program Design and Implementation</i>

2007

The preceding program description is designed to promote energy efficiency investment goals and environmental benefits of the Green Communities Act. Further, it is the intent of the Program Administrators to support the Council and its Consultants through a recognized ongoing iterative planning process to develop and implement plans that meet the objectives of the Council's Priorities document. This program design is intended to address a number of applicable Council priorities including:

- Providing program consistency through this program.
- Focusing on maximizing incentive values and minimizing overhead costs in this program.
- Striving to provide all customers with an opportunity to lower utility bills through the purchase of energy efficient products.
- Striving to provide seamless delivery and integration of incentives through other program delivery mechanisms such as the MassSAVE, CoolSMART, New Construction, and Multi-family programs.
- Providing user-friendly program by offering multiple paths/opportunities for participation
- Coordinating with other programs for outreach communication and marketing strategy.
- The deeper savings will result from addressing elements such as a focus on higher tiered equipment, evolving technologies and through the integration into other programs where potential bundling of consumer incentives could generate deeper and broader energy savings.
- Coordinating with other programs on integrated website.
- Continued coordination of contractor trainings to support a sufficient and quality installation focused workforce.

Residential ENERGY STAR-Labeled Programmable Thermostat Rebate

Primary Objective	The primary objective of the Programmable Thermostat Rebate program is to educate customers of the savings that they may incur, both in energy and financially, by installing an ENERGY STAR-Labeled Programmable Thermostat. A rebate is offered to entice the natural gas heating customer to purchase and install an ENERGY STAR-Labeled Programmable Thermostat.
Program Inception	The program was initially offered in 2004.
2010-2012 Savings Targets	To be provided with October 2009 filings.
2010-2012 Budget	To be provided with October 2009 filings.
Joint vs. Program Administrator-Specific Offering	This program is offered as a joint program.
Program Design	The Program Administrators offer incentives to customers for purchasing/installing and ENERGY STAR-labeled thermostats.
Target Market	<ul style="list-style-type: none"> • Residential customers who heat their home with natural gas • Heating and Cooling Contractors • Heating Equipment Supply Houses • Homebuilders

Marketing Strategy/Approach	<p>The program will be marketed to residential heating customers, heating and cooling contractors, and homebuilders through the following:</p> <ul style="list-style-type: none"> • Direct Mail Promotions • Retail outlets • GasNetworks e-newsletter • Plumbing wholesalers • Contractor Training Seminars • MassSAVE, GasNetworks and Program Administrator websites • Community Events • Customer Newsletters • Utility Bill Messages • Utility Bill Inserts <p>The Program Administrators will continue their efforts to partner with large hardware chains and look to establish potential “upstream” opportunities that will broaden the outreach and further the market penetration of the program.</p>
Target End Uses	Residential space heating and integrated cooling
Recommended Technologies	ENERGY STAR-Labeled Programmable Thermostat or equivalent programmable device
Financial Incentives	\$25 rebate per ENERGY STAR-Labeled Programmable Thermostat (limit 2 per residential gas account)

<p>Delivery Mechanism</p>	<p>The program is administered by each gas utility Program Administrator and coordinated regionally through the GasNetworks collaborative. GasNetworks utilizes a third-party contractor, secured through a competitive bid process, to administer the rebates to customers. The contractor is responsible for tracking and reporting program activity to GasNetworks.</p> <p>Further, the Program Administrators plan to take advantage of additional delivery mechanisms such as MassSAVE to promote equipment installations as part of a comprehensive whole house approach to achieve broader and deeper energy savings. This scenario also affords seamless integration opportunities as well as the ability to develop “packaged” incentive offerings to drive consumer participation and adoption of new technologies.</p>
<p>Joint Program Administrator Enhancements Planned for 2010-2012</p>	<p>The Program Administrators will endeavor to partner the programmable thermostat offerings with all programs that promote incentives/rebates for installing high efficiency heating equipment. In addition, the Program Administrators will work with their electric Program Administrators to integrate programmable thermostat rebates to contractors and customers installing cooling equipment and explore the potential for including demand response programmable thermostats in our incentive offerings.</p>
<p>Program Administrator-Specific Elements</p>	<p>To be completed for the October filing if applicable.</p>
<p>Three-Year Deployment/Road Map</p>	<p>Because of the challenges inherent in educating consumers about the benefits of installing ENERGY STAR-Labeled Programmable Thermostats, the Program Administrators will work with manufacturers, distributors, contractors and retailers to broaden the awareness of the program and the energy-saving potential of programmable thermostats. Also during the three-year deployment, Program Administrators will explore alternative marketing forums in order to reach and educate a larger volume of residents. Further, in an attempt to streamline the mail-in rebate process and expand on the existing relationship between the gas Program Administrators and a number of retailers, including “big box” retailers, the Program Administrators will</p>

	<p>explore the possibility of offering “instant” rebate offerings at the retailer level.</p> <p>Further, the gas Program Administrators will strive to identify and support gas and electric program integration opportunities where appropriate as a means to increase consumer participation, gain economies of scale, create consumer-focused transparency across programs, and achieve broader and deeper energy savings.</p>
<p>Special Notes</p>	<p>Unlike other areas of the country, the ENERGY STAR Programmable Thermostat program in the Northeast has been found to be cost effective after recent evaluations and the Program Administrators will explore the continuation of this program should ENERGY STAR decide to discontinue their support of this technology nationally.</p> <p>Gas Program Administrators, in coordination with the electric Program Administrators, plan to investigate new technology and advancements in programmable “all-in-one” types of thermostats. These new thermostats, in combination with home energy management, can be installed to regulate heating, cooling, lighting, appliances and electronics in the residence.</p> <p>The GasNetworks programs have received numerous national awards and recognition including:</p> <ul style="list-style-type: none"> ■ <i>ACEEE Exemplary Portfolio of Energy Efficiency Programs 2007</i> <p>The preceding program description is designed to support the successful attainment of the Green Communities Act energy efficiency investment goals and environmental benefits. Further, it is the intent of the Program Administrators to support the Council and its Consultants through a recognized ongoing iterative planning process to develop and implement plans that meet the objectives of the Council’s Priorities document. This program design is intended to addresses a number of applicable Council priorities including:</p> <ul style="list-style-type: none"> • Providing program consistency through this program. • Focusing on maximizing incentive values and minimizing overhead costs in this program. • Striving to provide all customers with an opportunity to lower utility bills through the purchase of energy efficient products. • Striving to provide seamless delivery and integration of incentives through other program delivery mechanisms such as the MassSAVE, CoolSMART, New Construction, and Multi-family programs. • Providing user-friendly program by offering multiple paths/opportunities for participation

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Residential Conservation Services (“RCS”) / MassSAVE

Primary Objective	To provide residential customers with energy efficiency recommendations that enable them to identify and initiate the process of installing cost-effective energy efficiency upgrades. The RCS/MassSAVE Program makes it easy, clear and compelling for customers to participate in all comprehensive energy efficiency programs by providing information through bold outreach mechanisms, incentives, and multiple financing options. The Program exemplifies a house-as-a-system approach where all components work together to support the success of achieving deeper energy savings per customer. The Program Administrators plan to increase the number of energy efficiency vendors and contractors while raising the level of quality control.
Program Inception	During the period 1980 through 2000, the RCS/MassSAVE program was an educational program encouraging customers to upgrade the efficiency of their homes. Beginning in 2001, the RCS/MassSAVE program began to change its emphasis from education only to education and measure implementation. Customers are now offered incentives to implement energy saving measures in their homes. The program has continued to increase cost effective incentive packages each year leading to greater energy savings and increased implementation.
2010-2012 Program Goals	To be provided with October 2009 filings.
2010-2012 Budget	To be provided with October 2009 filings.
Joint vs. Program Administrator-Specific Offering	Joint
Program Design	The program is committed to a comprehensive whole-house approach and seeks to maximize both gas and electric energy savings. The program plans to fully integrate the RCS/MassSave and Gas weatherization programs, so that customers experience “one program” as opposed to multiple offerings. One program is

essential to achieving maximum program success and deep energy savings. This is a significant leap forward, making distinctions between programs indiscernible to customers. The Program clearly defines the process and expectations of customers upfront and identifies those customers interested in investing in their future energy costs.

The level of service is intended to be flexible, providing information to a broad group of customers, with information regarding deep retrofit services and renewable opportunities supplied to interested parties. All customers who call the MassSAVE toll-free number to learn about the program are asked several questions to determine their need for, and general interest in, making energy-efficient improvements. The Program Administrators are dedicated to providing prompt customer service, the goal is to limit the response time between the initial customer call and the first visit of 30 days or less. The Program Administrators wish to provide an even quicker response time and will strive to achieve that outcome while recognizing factors outside of the Program Administrators control that create a demand for services. Customers are guided to appropriate program services provided by energy efficiency vendors including targeted energy efficiency information, advanced diagnostics, efficiency rebates, and deep energy retrofit support. (Low-income customers are referred to appropriate low-income programs.) When appropriate, a series of home visits are offered to further engage the customer and proceed in a logical and methodical process of identifying and informing customers of all available energy savings opportunities.

The home visits include:

- The first visit, referred to as the Screening Visit, is scheduled by a PA-approved vendor promptly after the initial customer phone call and is available at a variety of times to encourage maximum customer participation. This is an in-home visit designed to provide general information and education about energy efficiency and identify opportunities and challenges for energy saving installations. Identification of opportunities may include estimating time and labor needs for subsequent direct installation measures and a solar site assessment during the second or Diagnostic Visit. The Screening Visit will identify customers' specific needs and direct them to other energy-efficiency resources as appropriate. Should a customer choose not to proceed with the Diagnostic Visit, the initial assessment allows Program Administrators to collect customer data for future targeted marketing efforts. Instant energy savings are realized during the Screening Visit. With the customer's permission, CFLs and, where applicable, LEDs are installed for free in all appropriate locations, as are low-flow shower heads, and faucet aerators. The instant savings measures installed during the Screening Visit are intended, on average, to exceed the expected average cost to deliver this initial visit.

Program Design

<p>(cont.)</p>	<ul style="list-style-type: none"> • The Diagnostic Visit includes a comprehensive energy assessment including a variety of diagnostic techniques such as blower door tests, infrared scanning, and duct leakage testing (based on vendor determination). Wherever feasible, full installation of air sealing, duct sealing, and programmable thermostats are provided at no cost to the customer. The savings derived from the direct install measures are designed to cover the cost of the visit. This visit will also identify and recommend specific energy-efficient upgrades. This Diagnostic Visit will also identify and recommend more significant energy efficiency upgrades that require professional contractors, as well as, a customer contribution. The energy advisor explains the contractor services required to install recommended measures, as well as all available energy efficiency financial incentives. • The Quality Assurance Visit includes follow up by a PA-approved vendor. The Quality Assurance Visit is intended to verify that all energy efficiency measures were installed to the levels deemed appropriate by Program Administrators and to ensure Program savings. <p>Program Administrators strive to maximize energy savings by promoting and supporting contractor training and education in an effort to establish a broader workforce knowledgeable in proper installation techniques. The goal is to have a sustainable and experienced workforce that is focused on achievable maximum energy savings ready and able to meet customer demand.</p>
<p>Target Market</p>	<p>All non-low income residential customers living in single-family houses or one- to four-unit multi-family buildings, whose primary heating source is natural gas and who are committed to making their homes more energy efficient. Program Administrators plan to shift more attention toward targeting trades that influence homeowners' decisions. The Program Administrators are currently discussing and addressing the major program design modifications needed to bring in new contractors and plan to have a structure in place for bringing new contractors into the program by January 01, 2010. Program Administrators are also exploring ways to identify and reach landlords to make them aware of the program benefits that increase property value and provide energy savings to tenants.</p>
<p>Marketing Strategy/ Approach</p>	<p>The Program Administrators will collaborate to proactively drive demand the demand needed to support the 2010 – 2012 increase savings goals. Marketing efforts will focus on single family homeowners, developing leads for identifying owners of 2-4 family homes (decision makers) and recruiting and training contractors. Efforts will include:</p>

<p>Marketing Strategy/ Approach (cont.)</p>	<ul style="list-style-type: none"> • Designing a comprehensive education package to get customers thinking about ways to optimize their home’s energy performance with a consistent statewide marketing message. • Creating a tool that informs customers how far they could go over the long-term that could put them on the path to Zero Net Energy. The tool will lay out steps customers can take this year, next year, and over the years as they make home improvements. • Providing a statewide audit package that ensures customers are given consistent energy efficiency data and recommendations <p>Outreach and marketing efforts will be expanded to include building relationships with realtors, home improvement contractors, architects and others involved in renovations of one-to-four family homes. Marketing efforts will be designed to meet the objectives of reaching more customers (going broader into the customer base) and maximizing energy savings opportunities (going deeper into each home to find ways to save energy). The program’s multi-media outreach campaign plans are to focus on strategic television partnerships with local affiliate or cable programming providers, radio, print advertising, web-based marketing through various social media sites, and through part of a new consolidated website planned for the fourth quarter of 2009 that integrates all the Massachusetts energy efficiency programs and websites into a single portal.</p> <p>Current forms of multi-media outreach include:</p> <ul style="list-style-type: none"> • MassSAVE website (enhanced via the Statewide Integrated Energy Efficiency Website) • Bill inserts • Radio, print and visual media advertising • New media advertising (advanced online options) • Targeted marketing through community outreach programs such as Cambridge Energy Alliance, Marshfield Energy Challenge and the Energy Smack-Down initiatives. • Targeted marketing through the use of data collected during the screening visits <p>Individual Program Administrators may conduct additional marketing and may ramp their marketing up or down as needed to meet participation and budget goals.</p>
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<p>Target End Uses</p>	<p>The program targets any cost-effective energy-saving improvements using a comprehensive, whole-house, approach including, but not limited to:</p> <ul style="list-style-type: none"> • Building Envelope • HVAC/Mechanical systems • Water Heating • Energy saving appliances and lighting • Deep retro fit measures • New technology/renewable
<p>Recommended Technologies</p>	<p>Recommended technologies include air sealing, duct sealing, insulation, refrigerators, thermostats, ventilation, and heating/cooling systems. The program also provides general information about energy efficiency and solar DHW systems to consumers on request. Other measures may include heating system controls, super-insulation, CHP technologies, and opportunities for piloting “deep retrofit” enhancements of major renovation projects. Customers will see these offerings as an integrated program.</p>
<p>Financial Incentives</p>	<p>The RCS/MassSAVE program provides on site customer-specific information at no cost to the customer, free installation of instant savings measures, as well as, an educational experience including information regarding all statewide program incentives and financing options, and where to find information about Federal and state tax credits. The RCS/MassSAVE program currently offers free direct installation measures, incentives of 75% of the installed cost of contractor-installed measures, up to \$2,000. The Program will coordinate with other programs such as GasNetworks, Cool Smart, by educating customers about rebates and financial incentives available to them through the Comprehensive Education Package and marketing materials proving a roadmap to achieving whole-house energy savings.</p> <p>The gas RCS/MassSAVE program provides customers with information regarding financing options available via electric Program Administrators.</p> <p>The HEAT Loan program provides qualified customers with a 0% interest loan to be applied towards the following energy efficiency upgrades:</p> <ul style="list-style-type: none"> • Insulation • Duct System Improvements • High-efficiency heating systems

	<ul style="list-style-type: none"> • High-efficiency DHW systems • Solar DHW systems (standardized incentive amount across all Program Administrator’s) • ENERGY STAR labeled thermostats • ENERGY STAR labeled windows • ENERGY STAR labeled water heaters • Other renewable technologies on a pre-approved basis <p>A portion of the HEAT Loan may be used to finance the mitigation of barriers preventing the installation of energy efficient measures. In the past, safety barriers have been a significant obstacle in maximizing energy savings. Using HEAT Loan funds to manage safety issues will allow Program Administrators to access a broader spectrum of efficiency in the future.</p>
<p>Delivery Mechanism</p>	<p>The program is administered within each service territory by its Program Administrator and is coordinated statewide through the Residential Management Committee (“RMC”) that actively manages and steers the statewide MassSAVE program. The program is delivered by program vendors, selected through a competitive bidding process. The Program Administrators are discussing how the structure and relationships will work as new vendors are brought into the Program. The Program Administrators will explore developing a comprehensive “Scope of Work” to be included in the Request for Proposal (“RFP”) used statewide to ensure vendors adhere to:</p> <ul style="list-style-type: none"> • Consistent statewide training • Data reporting • Achieving aggressive savings • Customer satisfaction • Quality Control standards • Scheduling requirements • Technical Assistance • Maintain and report health and safety information <p>Vendors capable of serving large numbers of customers and that have appropriate resources and experience will be included in the bidders list. Work completed by RCS/MassSAVE Program Vendors and their subcontractors must meet Building Performance Institute standards or similar standards set by the individual Program Administrators. These standards require a systematic approach to home improvement that addresses all aspects</p>

	<p>of building systems.</p> <p>In order to increase the number of energy efficiency contractors, the Program offers an incentive/rebate to customers who are installing retrofit weatherization measures such as insulation and air sealing. Once approval/certification criteria are determined, a statewide marketing campaign to recruit contractors will begin and a central database of authorized (certified) contractors will be established. Customers are required to have an RCS Site Visit through the Program Administrator’s vendor to identify and prioritize all cost effective energy efficiency upgrades in order to receive an incentives or program rebate. All insulation work, whether performed by an authorized independent contractor or a vendor’s subcontractor, will have a Quality Control inspection performed by the Program Administrator vendor when the work is complete. This will ensure that, either through an authorized installer or the Program Administrator’s RCS vendor, installations meet Building Performance Institute standards or similar standards set by the Program Administrators.</p> <p>RMC members are working together toward a “best practices” approach and to provide a more coordinated statewide training as a means to ensure correct installation techniques for the RCS/MassSAVE Program. It is expected that training requirements will increase over time in order for contractors to retain their status as an authorized program contractor. Contractors must maintain a high level of customer satisfaction to continue in the program.</p> <p>The RMC apply a “best practices” approach and work together to make quality control an integral part of the RCS/MassSAVE Program. The Program Administrators plan to issue an RFP for a third-party Quality Control (“QC”) vendor responsible for performing QC inspections of program implementation vendors, subcontractors, and contractors. The QC vendor will provide valuable information and feedback to the RMC on the program successes and areas that can be improve upon.</p>
<p>Joint Program Administrator Enhancements Planned for 2010-2012</p>	<p>In an effort to further penetrate the residential market, the RCS/MassSAVE program will evaluate the success of pilot programs such as the Marshfield Energy Challenge and the Energy Smack-Down and will explore offering similar initiatives within other communities. Also, the Program Administrators, in their efforts to enhance the current services, will look to incorporate infrared and blower door testing where applicable.</p>
<p>Program Administrator-</p>	<p>To be completed for the October filing if applicable.</p>

<p>Specific Elements</p>	
<p>Three-Year Deployment/ Road Map</p>	<p>The RCS/MassSAVE program design is undergoing an effort to significantly increase the number of properties serviced by the program, which will also lead to higher energy savings achieved. The design will also allow Program Administrators to better capture and utilize property data for the purpose of identifying all available energy efficient measures, as well as, targeting marketing efforts. Program Administrators will continue to explore new technologies in conjunction with significantly increasing the implementation of known cost effective measures. Program Administrators intend to increase the number of qualified major measure installers through establishing qualification/training guidelines using the Building Performance Institute or its equivalent as a benchmark.</p> <p>The RCS/MassSAVE program will undergo an evolutionary redesign with emphasis being placed on reaching more customers while achieving deeper and broader energy savings. Program design issues that are currently being addressed:</p> <ul style="list-style-type: none"> • The Marketing working group is collecting and reviewing marketing data to further promote the program effectively. • The Evaluation working group is determining the cost-effectiveness of new MassSAVE measures • The Technology working group is screening packages that strategically group measures that leverage customer interest, provide deeper energy savings per home, and potentially offer higher incentives • Developing a Home Energy Use Index that shows in a single number or grade, how the home is performing relative to comparable homes. This is a 2009 metric (Existing Home Rating) and the Program Administrators are partnering with NEEP to research and develop a rating system for potential incorporation into the MassSAVE program as a pilot in 2010. • Investigate custom incentive approach based on projected savings for the individual home (\$ per MMBtu, \$ per Kwh) • Identify alternative/new technologies and approaches (<i>e.g.</i>, spray foam in attics) as eligible for program rebates • Work to connect additional complementary contractors with the Program, find ways to address “what’s in it for them?”

	<ul style="list-style-type: none"> • The Program Administrators are currently funding training that addresses the Program workforce needs and will continue to explore how specific Program technical training requirements can be introduced to training programs across the state • Evaluate other financing options such as on-bill financing and work with all stakeholders to potentially include cost of upgrades on property tax bills • Consider increasing the \$2,000 incentive/rebate • Evaluate a higher incentive/rebate for landlords • Investigate funding sources to help eliminate health and safety barriers (<i>e.g.</i>, knob & tube wiring and other construction related repairs, subject to acceptable cost-effective levels, that currently prohibit or reduce the effectiveness of energy efficient measures)
<p>Special Notes</p>	<p>The preceding program description is designed to support the successful attainment of the Green Communities Act’s energy efficiency investment goals and environmental benefits. Further, it is the intent of the Program Administrators to support the Council and its Consultants through a recognized ongoing iterative planning process to develop and implement plans that meet the objectives of the Council’s Priorities document. This program design is intended to addresses a number of applicable Council priorities including:</p> <ul style="list-style-type: none"> • Coordinating with other programs for outreach communication and marketing strategy • Reducing program differences across the PAs • Engaging in open, transparent and competitive solicitation. Maintain high standards of performance and accountability. • Developing an iterative process where learning and improvement is achieved over time. Phasing in new programs, with ongoing re-evaluation and improvement throughout the three year plan • New service providers are trained, achieve quality control, and create benefits for the Commonwealth from associated job creation and economic growth • Striving to provide customer rebate/incentives that encourage deeper energy savings by modifying customer incentives/rebate levels and incentive caps to encourage the best energy savings. Consider

performance-based incentives structure. Add customer incentives for low-tech solutions such as air sealing that result in energy savings.

- Striving to maximize seamless delivery to the customer.
- The program is exploring a single number or grade for how the home is performing relative to comparable homes.
- The program description has addressed all bullets specific to the MassSave Program
- Through the development of a marketing tool that informs the customer of how far they go over the long-term, putting them on the path to Zero Net Energy, the RCS/MassSAVE will look to further promote near zero energy homes.
- Coordinating with other programs on integrated website.
- Continued coordination of contractor trainings to support a sufficient and quality installation focused workforce.

Deep Retrofit 1-4 Family Pilot

Primary Objective	To investigate the potential of energy savings of 50% or more through deep retrofits of existing residential buildings and to identify how to reduce the costs associated with deep retrofits.
Initially Offered	This pilot is being offered in 2009.
2010-2012 Program Goals	To be provided with October 2009 Filings.
2010-2012 Budget	To be provided with October 2009 Filings.
Joint vs. Program Administrator-Specific Offering	Joint by 2011, potentially individual during 2010
Program Design	<p>The pilot will assess the costs and benefits of deep energy retrofits in Massachusetts residences. The design will include a plan to develop and support deep retrofits and to gather information on building data, customer satisfaction, behavior modification, and energy savings. The pilot will help the Commonwealth continue to develop information on appropriate measures for deep retrofits, proper modeling of potential energy savings for deep retrofits, and approaches for diverse housing types. The pilot will also address important components such as the training of energy-retrofit contractors, customer awareness and education, the development of comprehensive marketing materials, financing mechanisms, and appropriate incentive levels.</p> <p>It is expected that program evaluation and case study review of the homes treated during the 2009-2010 program will substantially inform an expanded effort in subsequent years.</p> <p>The pilot also serves as a launching mechanism for a more robust Zero Net Energy Buildings initiative under the direction of the Governor's Zero Net Energy Building task force.</p>
Target Market	<ul style="list-style-type: none"> ▪ Home owners considering renovations and or extensive energy use and carbon reductions ▪ Advanced Remodelers and Builders ▪ Architects ▪ Designers ▪ Trade allies ▪ Others involved in renovation of one- to four- family, owner-occupied homes

Marketing Approach	Initially a small number of existing homes will be selected to participate in this pilot. Homes where renovations are planned (e.g., additions, siding and/or window replacements) will be targeted. Homeowner investments will be leveraged to maximize the effectiveness of the deep energy retrofits. It is expected that incentives may be reduced over time and the number of homes treated will increase in subsequent years.
Target End Uses	<ul style="list-style-type: none"> • Building shell • Heating equipment • Water heating equipment
Recommended Technologies	<ul style="list-style-type: none"> • Exterior wall super-insulation build-outs • Attic insulation enhancements • Foundation wall/slab insulation • Extensive whole-house air sealing • High-performance windows • High-efficiency heating and cooling systems • Advanced thermostatic controls • High-efficiency appliances and products • Mechanical ventilation • Solar photovoltaic systems • Solar thermal systems
Financial Incentives	High levels of incentives will initially be offered to ensure that deep retrofits are completed on a relatively small sample of existing homes. Where possible, incentives and appliance use and lifestyle education will be used to leverage selection of desired project (including housing style) types and maximum household energy reductions.
Delivery Mechanism	Pilot program services will be delivered through the existing RCS network, with possible energy modeling and other assistance provided through the residential new construction program.

Joint Program Administrator Enhancements Planned for 2010 – 2012	<p>Each project completed during the initial phase will be carefully reviewed to identify areas of success and areas where improvements may be made. Depending on outcomes of cost-benefit analysis, the pilot may be expanded into a more full-scale statewide program starting in 2011.</p>
Program Administrator-Specific Elements	<p>To be completed for the October Filing if applicable.</p>
Three-Year Deployment/Road Map	<ul style="list-style-type: none"> • Publicity from completed Deep Energy Retrofit (“DER”) projects will generate a heightened interest for more home owners to participate. The training of additional DER contractors should also increase awareness and participation. There are a number of other points of entry that can be explored for timely leads including work related to basement remediation, heating system repair and replacement work, siding contractors and others, if the program expands to a broader scale. • Identifying lower cost HVAC and mechanical ventilation as well as build-out approaches are vital to reduce total project costs. HVAC change-outs are often required as sealed combustion units are generally required. • There are a number of commercially-viable technologies, including advanced windows, integrated HVAC, ventilation, and water heating, that are ideal for low-energy load homes which are not yet available on the US market. Through DER projects across throughout the Northeast and Canada, the market for these types of technologies will grow and can be tested and adopted by the program. (One example is R7 windows with cork insulation between the metal spacers that are currently only available in Europe.)
Special Notes	<p>Depending on outcomes of cost benefit analysis, the pilot may be expanded into a full-scale electric and gas collaborative statewide program starting in 2011. The pilot also serves as a potential precursor for a more robust Zero Net Energy Buildings initiative under the direction of the Governor’s Zero Net Energy Building task force.</p> <p>The preceding program description is designed to support the successful attainment of the Green Communities Act’s energy efficiency investment goals and environmental benefits. Further, it is the intent of the Program Administrators to support the Council and its Consultants through a recognized ongoing iterative planning process to develop and implement plans that meet the objectives of the Council’s Priorities document. This program design is intended to addresses a number of applicable Council priorities including:</p>

	<ul style="list-style-type: none">• Providing program consistency through this program.• Focusing on maximizing incentive values to entice more aggressive energy efficient investments as part of a whole-house approach.• Striving to provide customers/builders with an opportunity to lower utility bills through the investment in high efficiency products.• Striving to provide seamless delivery of this program to customers.• Providing user-friendly program by offering multiple paths/opportunities for participation (e.g., MassSAVE and new construction program)• Coordinating with other programs for outreach communication and marketing strategy.• Comprehensive program delivery through integrating gas and electric Program Administrators in a fuel blind nature• Coordinating with other programs on integrated website• Market based HERS Rater Model, Trainings and Technical Assistance
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Residential New Construction

Primary Objective	To capture lost opportunities, encourage the construction of energy-efficient homes and drive the market to one in which new homes are moving towards net-zero energy.
Program Inception	The program was initially offered in 1998.
2010-2012 Program Goals	To be provided with October 2009 Filings.
2010-2012 Budget	To be provided with October 2009 Filings.
Joint vs. Program Administrator-Specific Offering	Joint
Program Design	<p>The Program Administrators continue their strong commitment to a comprehensive whole-house approach for the Massachusetts New Homes with ENERGY STAR[®] Program. The Massachusetts program is a proud participant of the national ENERGY STAR new homes program and benefits from the regional, as well as national advertising efforts that ENERGY STAR Homes implements. The program is committed to achieving both a broader market penetration of energy-efficient homes from 2010 to 2012 as well as move builders toward deeper energy savings where possible. The Program Administrators strive to retain 75% of the participating builders and recruit additional homebuilders and contractors working in the major renovations market.</p> <p>Homebuilders must target ENERGY STAR certification for all homes submitted to the program. However, the program will also provide incentives for an enhanced CODE Plus (a level above Massachusetts State Code but shy of the ENERGY STAR certification standards) as an avenue for broader reach as an entrée to ENERGY STAR. Direct installation of quality ENERGY STAR-qualified compact fluorescent lights (“CFLs”) in appropriate hard wired sockets, on-site training, and a final verification inspection is required for all homes participating in the</p>

**Program Design
(cont.)**

program. The list of available lighting products has been expanded to include almost every type of bulb including candelabra based lighting. The JMC will also cross-promote with the Lighting group to introduce Solid State Lighting into this program.

All projects consisting of four units or fewer will be designated as single family, and all projects of five units or more will be classified as multi-family. Buildings that are five stories or fewer that are permitted under the residential use group are eligible to participate in the program and to be certified as an ENERGY STAR-qualified Home.

Mixed-use (residential/C&I) buildings may participate if they are permitted in the commercial use group as long as: (1) the entire structure is five stories or fewer and (2) each residential unit has its own heating, cooling, and hot water systems separate from the other units. Homes that exceed these requirements will be treated under the Multi-Family group's purview because of its mixed use nature. The Mid-Rise New Construction Program will encompass more than three stories for those that cannot be treated under the Massachusetts New Homes with ENERGY STAR Program. Additional qualifications for program participation are: **ENERGY STAR Certification:**

- ENERGY STAR compliance with a Home Energy Rating System ("HERS") Index of 85 or less for ENERGY STAR Tier I and a minimum modeled improvement over the current Massachusetts Baseline Home/User Defined Reference Home ("UDRH") of at least 30% and 60% respectively for ENERGY STAR Tiers II and III. Three tiers of ENERGY STAR certification will be offered in the 2010 program. The criteria for each tier are listed in the Financial Incentives section.
- Meeting the envelope leakage and duct leakage criteria
- Successful completion of a Thermal Bypass Inspection Checklist ("TBC") and potentially five additional checklists as introduced by U.S. Environmental Protection Agency ("EPA") for Version III of the national ENERGY HOMES standard in 2010 with potential Version III adoption.
- Meeting the EPA's ENERGY STAR homes qualifications and/or the most rigorous standard available at the time (see www.energystar.gov/index.cfm?c=new_homes.hm_index).
- Program required percentage of CFL installations, and increased emphasis of direct installation of all available hard-wired sockets.

Code Plus Certification:

- Meeting envelope leakage and duct leakage criteria
- Program required percentage of CFL installations

Target Market	<ul style="list-style-type: none"> ▪ Homebuilders ▪ Contractors ▪ Architects/Designers ▪ Trade allies ▪ HERS Raters ▪ Homebuyers ▪ Realtors ▪ Developers ▪ Low Income and Affordable Housing Developers ▪ Code Officials ▪ Consumers (in the market for new homes and or major renovations)
Marketing Approach	<p>The program will continue to educate homebuilders, consumers, and trade partners regarding the energy-saving benefits and value of ENERGY STAR-qualified homes. Marketing efforts will focus on: homebuilder recruitment, continued training and support, public relations and the implementation of large scale multi-media advertising campaigns geared toward homebuilders, consumers and trade ally groups. The program will continue to support development of leads through building permit lists in cities and towns throughout the Commonwealth. These lists will be provided to market-based raters to use as prospecting tools. Hosting, sponsoring, and attending various trade show exhibitions and homebuilder conferences remain crucial to marketing the program.</p> <p>The program’s multi-media advertising campaign will include vehicles such as: strategic television partnerships with local affiliate or cable programming providers, radio live reads and on-air interviews, print advertising in builder and trade publications, direct marketing via email/fax lists, and a very heavy online advertising presence which includes comprehensive social media outlets. The program will participate in the new statewide consolidated website that will further promote the program and aid in cross-program promotion. There will continue to be heavy emphasis on “earned media” and editorial PR involvement to ensure market penetration and an increased program capture rate. In addition, individual Program Administrators will use targeted marketing as needed to meet program participation and spending goals.</p>
Target End Uses	<ul style="list-style-type: none"> ▪ Energy-efficient building shell ▪ Proper duct and air sealing techniques ▪ Quality Installation of HVAC equipment ▪ Increased use of energy-efficient lighting ▪ Energy efficient water and heating upgrades

	<ul style="list-style-type: none"> Increased Indoor Air Quality
Recommended Technologies	<ul style="list-style-type: none"> ENERGY STAR-qualified heating and cooling systems, lighting, appliances and windows Increased levels of insulation using better materials, <i>i.e.</i>, blown in and/or foam board Improved construction techniques to minimize air leakage, duct leakage, infiltration, and heat loss Improved HVAC installation techniques and guidelines Incorporate mechanical ventilation Renewable ready-PV/Solar Thermal. Solar Thermal will likely be needed in order to achieve Tier 3 below.
Financial Incentives	<p>Incentive levels may be adjusted to respond to market conditions. Current levels are shown in the table below. In addition, free ENERGY STAR-qualified CFL products are provided for each home. Participating homes are currently eligible for the following incentives which the program processes in addition to base incentives.</p> <ul style="list-style-type: none"> This program will coordinate with other programs such as Lighting, and Products to ensure that the program offers all available incentives that encourage deeper energy savings.

2010 Incentives

Package	Requirements	Single-Family Incentive ^[1]	Multifamily Incentive ^[2]		
			5-99 units	100-199 units	200+ units
CODE Plus	6 ACH CFM 50, 8 percent duct leakage	\$325	\$225.00	\$225.00	\$225.00
ENERGY STAR I	ENERGY STAR compliance with a minimum HERS Index of 85 or less	\$750	\$650.00	\$500.00	\$350.00

ENERGY STAR II	ENERGY STAR compliance with a minimum HERS Index of 85 or less and 30% improvement or better over the Massachusetts Baseline Home	\$1,250	\$1,150.00	\$850.00	\$550.00
ENERGY STAR III	ENERGY STAR compliance with a minimum HERS Index of 85 or less and 60% improvement or better over the Massachusetts Baseline Home	\$8,000.00	\$4,000.00 ^[3]	\$3,000.00 ^[3]	\$2,000.00 ^[3]
^[1] Starting in 2010 the program will define a single-family home as a structure that contains one to four units.					
^[2] Starting in 2010 the program will define a multi-family home as a structure that contains five or more units.					
^[3] ENERGY STAR III Multifamily projects will be reviewed for final fee structure; listed are the maximum incentives paid by Program Administrators.					

Delivery Mechanism	The program is administered by a Program Administrator in each service territory and coordinated regionally through the Joint Management Committee (“JMC”). The JMC, through a competitive bid process will select an implementation contractor to oversee the day-to-day operations of the program statewide. The contractor is responsible for tracking and reporting program activity to the respective JMC Program Administrator. The contractor will also conduct quality assurance/quality control of field activities and advise the JMC on necessary program changes and enhancements. Throughout the planned timeframe, the JMC plans to continuously strive towards a market-based network of trained contractors who offer energy-efficiency and rating services to homebuilders for a fee. The Program Administrator may consider continuing to support rater fees for low income projects in their service territories.
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	<p>The program recognizes the enhanced emphasis on training necessary to make this program successful, as well as to support workforce development efforts through the Green Jobs Act. The program will support training of increased frequency and greater depth in the fundamentals of building science and the latest available technologies, including those for air sealing and insulation. The Program Vendor will be a HERS provider of last resort to help new raters become established as part of the open market structure. The program will also provide trainings (by raters or the Vendor) as well as potential classroom trainings. Through this effort, we can commit to training more than 50% of the builders in the program.</p>
<p>Joint Program Administrator Enhancements Planned for 2010-2012</p>	<ul style="list-style-type: none"> ▪ With the advent of a new version (“Version III”) of the ENERGY STAR Homes Program, the JMC will consider adoption of that program, which may require changes in 2010. ▪ There are ongoing discussions on Version III with regard to the verification process of quality HVAC installations. The discussions center on the testing requirements and the seasonal limitations in Massachusetts; the program will make every effort to work with the ENERGY STAR Homes Program and CoolSmart to increase quality installation and provide achievable, verifiable, savings to the program. ▪ The Program Administrators are currently working together to identify a way to provide complete support to multi-family structures of five stories or fewer and they are considering allowing master metered electric buildings to participate in the program, as they are ineligible currently. ▪ The 2009 major renovation pilot projects being conducted by the Program Administrators will provide further understanding for the JMC to garner greater savings by administering a Major Renovation Program during 2010-2012. A plan for a consistent unified program – either within RCS/MassSAVE or within new construction will be part of the October filing. ▪ Support code amendments that add to energy efficiency and explore with all entities the possibility of offering incentives to municipalities that adopt “stretch code” revisions in their communities. The JMC will provide stretch code training support to towns and builders participating in the program where it has been adopted. Further details will be provided in an appendix on codes and standards. ▪ The program will promote building science technologies which help interested homebuilders construct net zero energy homes. • Support workforce development efforts through Green Jobs Act by encouraging new raters to enter into the marketplace.
<p>Program Administrator-</p>	<p>To be provided with October 2009 Filings.</p>

Specific Elements	
Three-Year Deployment/Road Map	<p>For new construction, the efforts to achieve both deeper savings and gain broader market penetration will continue through multiple tiers of participation, one of which continues to push homes closer to net zero energy. These goals will be daunting in the recognition of the downturn in the economy and the resultant slow down of the building market. However, the program will have significant resources dedicated to “putting feet on the ground” to promote the program and support participating builders and other key stakeholders in the residential new construction market.</p> <p>For the three-year deployment, the Program Administrators will focus on:</p> <ul style="list-style-type: none"> • Expansion of the current HERS rater network of nine competing companies • Moving closer to a fully market based program where Program Administrators reduce and ultimately phase out subsidies to raters shifting those monies directly to builders who, in turn will negotiate directly with raters for associated fees to rate homes • Expansion of the base of participating builders • Continued expansion of existing and new market allies • Training the market effectively in order to stay ahead of the introduction of more stringent building codes as well as new versions of the national ENERGY STAR Homes which will be significantly harder to achieve • Collaboration with Green Communities through technical support • Continued ramp up of consumer awareness <p>The Program Administrators, in conjunction with the Consultants and LEAN, where appropriate, will be performing an assessment of the multi-family programs in Massachusetts. Because the target market for this program includes multi-family customers, the results of the statewide assessment may apply here. Please refer to the multi-family section for an update on the programs.</p>
Special Notes	<p>The preceding program description is designed to support the successful attainment of the Green Communities Act’s energy efficiency investment goals and environmental benefits. Further, it is the intent of the Program Administrators to support the Council and its Consultants through a recognized ongoing iterative planning process to develop and implement plans that meet the objectives of the Council’s Priorities document. This</p>

program design is intended to address a number of applicable Council priorities including:

- Providing program consistency through this program.
- Focusing on maximizing incentive values and minimizing overhead costs in this program.
- Striving to provide customers/builders with an opportunity to lower utility bills through the purchase of energy efficient products.
- Striving to provide seamless delivery of this program to customers.
- Providing user-friendly program by offering multiple paths/opportunities for participation
- Coordinating with other programs for outreach communication and marketing strategy.
- The deeper savings will result from addressing elements such as additions that have not been addressed before. From the 2009 findings, we will amend the program to address deeper savings as a result.
- Comprehensive program delivery through JMC integrating gas and electric Program Administrators in a fuel blind nature
- Coordinating with other programs on integrated website
- Market based HERS Rater Model, Trainings and Technical Assistance
- Performance based incentive structure, Third Tier
- Through tier development and refinement informed by the 2008-09 Zero Energy Challenge, the JMC will look towards deeper energy savings to promote near zero energy homes

Multi-Family Retrofit Program

Primary Objective	To maximize the acquisition of cost-effective gas and electric energy and demand savings by addressing the informational, economic, institutional, and technical barriers that historically have made the multi-family market a “hard-to-reach” sector. Moreover, the program aims to broaden participation and achieve deeper savings per participant through an incentive structure that encourages such action.
Program Inception	The Massachusetts Program Administrators have offered energy efficiency services to the multi-family sector, through various program designs, since the 1980s.
2010-2012 Program Goals	To be provided with October filings.
2010-2012 Budget	To be provided with October filings.
Joint vs. Company Specific Offering	The Program Administrators are proposing a common statewide program with the goal of offering a consistent customer experience throughout the state. In designing a program for this multi-faceted market, the Program Administrators recognize the need to allow for the flexibility to ensure that the needs of all participants are met.
Program Design	<p>The program design was developed based upon the following guiding principles:</p> <ul style="list-style-type: none"> • Participants will be able to initiate a request for all program services through one party, without the need to directly contact multiple program administrators or multiple parties within the same program administrator. Throughout the project life cycle, the participant will have access to a single point-of contact that will facilitate all programmatic communication and coordination. • Eligibility for program measures and services will be based on cost-effectiveness and will not be restricted by the rate class associated with the meter(s) for the facility. • The program will be structured to ensure that participants are provided with a “whole building” fully integrated offering, targeting both gas and electric end-uses. While on-site, however, all opportunities, regardless of fuel source, will be identified and documented for the customer. <p>All efforts required to deliver a fully integrated offering to a participant, regardless of fuel source, service territory or rate class, will be performed in a manner that will result in a seamless customer experience, thus</p>

**Program Design
(Cont.)**

mitigating the potential for customer confusion and lost opportunities. The cornerstone of the program design involves the services of a Program Expeditor who will provide project management services to ensure the seamless delivery of the program phases described below. (Additional detail on the role of the Program Expeditor will be described in the section titled Program Delivery).

Enrollment

Because of the diversity within the multi-family sector and the various market actors that may be involved in lead generation, the program provides for multiple points of entry that will all ultimately provide participants with a comprehensive program offering and a seamless experience. Participants may enroll in the program via the statewide web site, which is currently under development, or their request for services may be initiated by other parties such as an Account Executive, a contractor, a consultant or engineer. Trying to force all project initiation through a single point of entry for this market would result in participant frustration and lost opportunities. Rather, as stated in the Guiding Principle above, each participant will only need to contact one party (as opposed to requiring all participants to contact the same party) to avail themselves of comprehensive services. Once the Program Expeditor is made aware of a project (either the web site or lead from another market actor), he or she reviews the information provided from the website screening questions or from the lead generator and then makes the initial contact with the customer and conducts further screening as required.

Participant Screening

Delivering energy efficiency services to the multi-family market is challenging because of the many variations in size and construction as well as ownership and decision-making structures that exist. The Program Administrators will ensure that the services offered by the program are easily scalable to accommodate simple projects, highly complex projects, and everything in between. In addition, there will be a screening process to identify where along this continuum a project lies. As stated above, some screening data will be available from the web site or lead generator and, in addition, usage data will be supplied by the appropriate Program Administrators (provided authorization from the customer paying the bills is obtained). The remaining screening information will be obtained when the participant is contacted upon enrollment. It is during this discussion, that the Program Expeditor will gain a better understanding of the end uses available for treatment and the motivations that drove the participant to solicit energy efficiency services. Armed with this information, the Program Expeditor will explain that, in addition to the measures initially requested, a whole building assessment can be performed which can identify other energy savings opportunities. By motivating the participant to accept the whole building assessment, the project could ultimately result in deeper savings than otherwise would have been realized.

<p>Program Design (Cont.)</p>	<p><u>Whole Building Assessment</u></p> <p>Based on the outcome of the screening process, the appropriate technical resources will be assigned to conduct a whole building, (fuel blind) assessment. The Program Expeditor will attempt, through the screening process, to identify all resources required for the assessment; however, there may be instances where additional expertise is required and therefore a second site visit is necessary. Technical assessments, benchmarking, and engineering studies will be conducted as needed. At the time of the assessment, education will be provided and instant saving measures will be installed, as appropriate and authorized by the customer.</p> <p><u>Integrated Proposal for Energy Efficiency Services</u></p> <p>Using the findings from the site-specific assessment, the appropriate parties will draft a project proposal that will include measures, other available services and incentives for both gas and electricity (where applicable). Once the comprehensive offer has received Program Administrator approval, it will be presented to the participant by the parties required to help the customer fully understand the offering.</p> <p><u>Delivery of Measures and Services</u></p> <p>The Program Expeditor will coordinate the delivery of the measures and services elected by the customer. The Program Expeditor or other appropriate party will strive to have all dwelling unit measures installed in a single visit to minimize disruption for the tenants; however, multiple visits may be required for the installation of common area measures. Commissioning services will be performed as appropriate.</p> <p><u>Quality Assurance</u></p> <p>Quality assurance will be performed in support of this program. The Program Administrators anticipate that the quality assurance will be performed by an independent third party. Customer satisfaction surveys will also be administered to provide additional feedback for the Program Administrators.</p> <p><i>Additional Program Design Elements for Consideration</i></p> <ul style="list-style-type: none"> • The Program Administrators will examine the viability of and potential methods for informing customers of the change in their energy consumption one year after participating in the program. This may be accomplished via a letter or email. The Program Administrators will factor into the decision-making process both the costs and benefits from such an approach. • Research will be performed on tools available to allow customers to benchmark their energy use against like buildings to determine if this option should be used to supplement the current program design. • The Program Administrators recognize that proper training for building operators and maintenance staff is a
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	<p>key factor in ensuring that expected savings are realized. As such, the Program Administrators will assess the feasibility of offering incentives for the building owner/manager and/or their staff to obtain applicable training and certifications.</p> <ul style="list-style-type: none"> As the program evolves, and more experience is gained through the Deep Retrofit 1-4 Family Pilot, a deep retrofit track will also be explored for the multi-family sector. 										
Target Market	Residential facilities with five or more dwelling units. The program will address the unique circumstances associated with mixed use buildings.										
Marketing Approach	The program will be supported by the statewide energy efficiency marketing effort; however, direct outreach to building owners and/or property managers via trade associations will be used as a cost-effective mechanism for communicating with this population.										
Target End Uses	<p>The program targets, through a comprehensive energy assessment, gas and electric end-uses. Instant savings measures such as energy efficient lighting upgrades and DHW saving devices as well as major measures are included. Under the program re-design, participants will have access to both those measures that are traditionally deemed “residential” and those that are considered “commercial” without any limitations imposed by their rate class/metering. Listed below are the primary end-uses targeted through the program.</p> <p>All cost-effective applications, systems, and building shell improvements that impact gas and electric consumption are eligible for incentives under this program. These include, but are not limited to, lighting, DHW, building shell improvements, refrigerators, motors and drives, HVAC equipment and controls, energy management systems and building controls, chillers, compressed air, and other site specific end-uses.</p>										
Recommended Technologies	<p>Recommended technologies offered include, but are not limited to:</p> <table border="0"> <tr> <td><u>Electric</u></td> <td><u>Gas</u></td> </tr> <tr> <td>Energy efficient lighting upgrades & controls</td> <td>Insulation</td> </tr> <tr> <td>Occupancy sensors</td> <td>Air sealing</td> </tr> <tr> <td>DHW measures: low flow showerheads, aerators and pipe wrap</td> <td>DHW measures: (same as electric)</td> </tr> <tr> <td>Programmable thermostats</td> <td>Water heating equipment</td> </tr> </table>	<u>Electric</u>	<u>Gas</u>	Energy efficient lighting upgrades & controls	Insulation	Occupancy sensors	Air sealing	DHW measures: low flow showerheads, aerators and pipe wrap	DHW measures: (same as electric)	Programmable thermostats	Water heating equipment
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Programmable thermostats	Water heating equipment										

	<p><u>Electric (con't)</u></p> <p>Insulation</p> <p>Duct Sealing</p> <p>Air Sealing</p> <p>Space conditioning and hi-efficiency upgrades</p> <p>ENERGY STAR-rated refrigerators</p> <p>Motors and drives</p> <p>Chillers</p> <p>Variable Speed Drives</p> <p>Air compressors</p> <p>Solar water heaters</p> <p>CHP</p> <p>HRVs / ERVs</p> <p>Custom Technologies</p>	<p><u>Gas (con't)</u></p> <p>Hot air furnaces</p> <p>Programmable thermostats</p> <p>Boiler for hot water systems</p> <p>Combined boiler and water heating</p> <p>Furnaces equipped with ECM or equivalent</p> <p>Redistribution systems</p> <p>Boiler re-set controls</p> <p>Timers</p> <p>Solar thermal hot water</p> <p>Thermostatic radiator valves</p>
<p>Financial Incentives</p>	<p>The Program Administrators will be evaluating various incentive structures and incentive levels to encourage increased participation and deeper savings. Specifically, incentives will be developed for the measure packages comprised of the technologies listed above. In addition, the following options will be assessed:</p> <ul style="list-style-type: none"> • Offering incentives for soft costs such as technical assistance and owner/operator training. • Providing milestone payments and on-bill financing to address financial barriers. • Incorporating into the program design, to the greatest extent possible, a means for customers to calculate their potential incentives in future years. 	

	<ul style="list-style-type: none"> • Committing project-specific funding for up to one year for pre-approved projects, subject to regulatory and funding constraints.
<p>Delivery Mechanism</p>	<p>The program will be administered cooperatively by the gas and electric Program Administrators. Collectively, the Program Administrators will form a Multi-family Statewide Executive Committee which will be responsible for program oversight and promoting continuous improvement/best practices with regard to the multi-family market.</p> <p>As stated in the Program Design section, the Program Expeditor role will be key to the delivery of this fully integrated statewide program. The role was specifically created to ensure a seamless customer experience for participants regardless of the fuels, rates and service territories involved in a project. The Program Expeditor will be responsible for facilitating the delivery of program services as well as acting as the conduit through which participant questions and concerns are directed to ensure that participants are not required to directly contact multiple parties during the project lifecycle. A comprehensive scope of work will be prepared for the Program Expeditor role and a vendor will be selected via a competitive bidding process. It is anticipated that the competitive procurement process will also be utilized to obtain third party QA/QC services.</p> <p>To further encourage a competitive marketplace, multiple vendors will perform tasks including auditing and the installation of measures throughout the Commonwealth. The Program Administrators will be evaluating the need to have all participating audit, installation, commissioning and inspection service providers meet minimum requirements (such as BPI certification).</p> <p>Provisions will be made within the delivery process to allow for participants to use their own staff or contractors to install the measures provided that documentation of their qualifications is presented prior to the installation.</p>
<p>Joint Program Administrator Enhancements Planned for 2010-2012</p>	<p>N/A</p>

<p>Sponsor Specific Elements</p>	<p>Individual Program Administrators are encouraged to conduct pilot programs designed to allow for the evaluation of alternative program designs or specific technologies, especially those that encourage deeper savings. Findings from these pilots will be shared with the entire Multi-family Statewide Executive Committee and will be assessed to determine if enhancements to the current program design should be made based on the results of the pilots.</p>									
<p>Three-Year Deployment/Road Map</p>	<p>The multi-family program re-design effort is expected to develop a platform for gas and electric integration that may be adopted, or modified as required, by other programs. This endeavor, combined with the inherent complexities in serving this “hard to reach” market, will require program planning to extend beyond the October 31, 2009 timeframe. Specifically, the Program Administrators are currently planning to complete the program design and develop the scope of work for the Program Expeditor services by the end of 2009. To provide transparency for the Council between July and December, the Program Administrators will provide a progress report in the October 31, 2009 filing. The completed program design is expected to be submitted to the Council by December 31, 2009. In the event, however, that some issues remain outstanding on December 31, 2009, the Program Administrators will include the program design in its current state and will submit to the Council milestone completion dates for the remaining work.</p> <p>Provided below is the roadmap for the completion of the program design and program implementation.</p> <p>PHASE I – PROGRAM PLANNING</p> <table border="1" data-bbox="510 1000 1915 1448"> <thead> <tr> <th data-bbox="510 1000 1136 1076">Task Description</th> <th data-bbox="1136 1000 1398 1076">Target Completion Date</th> <th data-bbox="1398 1000 1915 1076">Deliverable</th> </tr> </thead> <tbody> <tr> <td data-bbox="510 1076 1136 1349"> 1. Identify Eligible Measures and Establish Incentives <ul style="list-style-type: none"> • Create measure packages for cost-effectiveness screening and establish incentive structures and levels that encourage participants to achieve deeper savings. </td> <td data-bbox="1136 1076 1398 1349">10/31/09</td> <td data-bbox="1398 1076 1915 1349">Set of measure packages and corresponding incentives</td> </tr> <tr> <td data-bbox="510 1349 1136 1448">2. Prepare draft scope of work for Program Expeditor services.</td> <td data-bbox="1136 1349 1398 1448">10/31/09</td> <td data-bbox="1398 1349 1915 1448">Draft work scope for Program Expeditor services.</td> </tr> </tbody> </table>	Task Description	Target Completion Date	Deliverable	1. Identify Eligible Measures and Establish Incentives <ul style="list-style-type: none"> • Create measure packages for cost-effectiveness screening and establish incentive structures and levels that encourage participants to achieve deeper savings. 	10/31/09	Set of measure packages and corresponding incentives	2. Prepare draft scope of work for Program Expeditor services.	10/31/09	Draft work scope for Program Expeditor services.
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Three-Year Deployment/Road Map (cont.)	3. Establish PA protocols for budgeting and expense tracking under new “meter/rate” blind model	10/31/09	Discussion in the October filing in the Budget section describing assumption used in the budgeting process
	4. Evaluate the feasibility of the following : <ul style="list-style-type: none"> • Informing customers of the change in their energy consumption one year after participating in the program. • Providing customers with a mechanism for benchmarking their energy use against like buildings. • Offering incentives soft costs such as technical assistance and for building owner/manager or their staff to obtain applicable trainings and certification. • Providing milestone payments and on-bill financing to address financial barriers. • Providing customers with mechanisms for calculating their potential incentive in future years. 	10/31/09	Documented findings from joint PA and Consultant assessment
	5. Develop detailed program delivery model	12/31/09	
	<ul style="list-style-type: none"> • Document detailed roles and responsibilities for each market actor required to support the program design. • Prepare second draft scope of work for Program Expeditor services. 	12/31/09	<ul style="list-style-type: none"> • Matrix including market actors along with their roles and responsibilities. • Second draft of work scope for Program Expeditor services.
	<ul style="list-style-type: none"> • Develop process flow documentation illustrating the customer experience and the interactions between other key market actors including the PAs, auditors, installation vendors, technical assistance and QA/QC providers. 	12/31/09	<ul style="list-style-type: none"> • Process flow

6. Create Marketing Plan	12/31/09	Marketing Plan including support provided by statewide marketing effort as well as additional communications to be funneled through trade organizations within the multi-family community.
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PHASE II – PROGRAM IMPLEMENTATION

Task Description	Target Completion Date	Deliverable
1. Conduct training for PA and vendor staff	2010	Documented completion of this task
2. Implement Marketing Plan	2010	Marketing materials and schedule for delivery
3. Program Implementation	2010	Notification of program launch
4. Monthly Multi-family Statewide Executive Committee Meetings	Ongoing	Meeting notes distributed to all participating Program Administrators

PHASE III – PROGRAM ASSESSMENT

Task Description	Target Completion Date	Deliverable
Annual Multi-family Statewide Executive Committee review of program successes and lessons learned with results feeding back into modifications to the program design as required.	2011- 2012	Narrative to be included in annual PA plan updates.

Special Notes

To provide a fully integrated energy efficiency offering, the program design is being developed by a cross-functional team including the Consultant and Program Administration staff representing gas and electric fuels, with experts from the both the residential and C&I sectors. To best utilize the expertise of each member of the team, the following subgroups have been formed.

The Technical subgroup is responsible for identifying the end-uses and associated technologies that are

appropriate for the multi-family market. This sub-group is also responsible for developing cost-effective measure packages and the associated incentives intended to achieve greater participation and deeper savings.

The Evaluation subgroup is charged with building on the success of the April 2009 Multi-family Workshop to obtain a greater understanding of the “market rate” sector. This will assist the Program Administrators in developing strategies to overcome market barriers and thus achieve increased participation and deeper savings. To this end, the PAs have contracted with Nexus Market Research to conduct focus groups which are scheduled for July, 2009. The findings from the focus group will be included in the October filing. Nexus will also be conducting “literature search” to identify successful programs across the country and then follow-up with in-depth interviews with the administrators of these programs. This information will inform the decisions made as the Program Administrators further develop the multi-family program design.

Additionally, the Program Administrators will be participating in pertinent webinars sponsored by organizations such as the Association of Energy Service Professionals (“AESP”) and ESource. Two recent and upcoming sessions are listed below:

- “50 Homes in One: Multi-family Efficiency Programs”, on July 8, 2009, with speakers from Conservation Services Group, Wisconsin Energy Conservation Corp., Cambridge Energy Alliance, Pacific Gas & Electric, Commonwealth Edison, and NYSERDA. This program is being sponsored by ESource.
- “Serving the Multi-family Market: New Construction to Existing Buildings to Policy Programs” on August 6, 2009 with speakers from the Wisconsin Energy Center, NYSERDA and the Hescong Mahone Group. This program is being sponsored by AESP.

The preceding program description is designed to support the successful attainment of the Green Communities Act’s energy efficiency investment goals and environmental benefits. Further, it is the intent of the Program Administrators to support the Council and its Consultants through a recognized ongoing iterative planning process to develop and implement plans that meet the objectives of the Council’s Priorities document. This program design is intended to address a number of applicable Council priorities including:

- “The PAs are encouraged to define “multifamily” as a building with more than four units”.
 - The target market for this program is a building with five or more units.
- “The PAs are encouraged to work in conjunction with the Consultant to determine how to implement a program that from a customer’s perspective will be blind to whether building meters are commercial or

residential”.

- Participants will have access to incentives for all cost-effective measures offered through the program regardless of billing rate.
- “The PAs are encouraged to work in conjunction with the Consultant to determine how to ensure that customers participating in the Multifamily Initiative need to fill out only one application for a given multi-family property and be required to interact with only one utility-related service provider or partner. For purposes of the multifamily program, the PAs are encouraged to define “property” as all buildings within a given property, regardless of the number of meters on that property. If the customer is not the building owner or landlord, the PA should seek to involve other customers on the property, whether other customers in the same development”.
 - The Program Expeditor will take the information necessary for the customer to apply for all eligible program services, so there will be no need for the customer to contact multiple parties to initiate a request.
 - The term property will not be limited to individual buildings, but rather can mean, where appropriate, a group of buildings.
 - The Program Administrators plan to involve tenants in the process, for example providing them with energy education.
- “The PAs are encouraged to develop mechanisms, including outreach and education to landlords to demonstrate the benefits of undertaking energy efficiency and provide equitable sharing of the costs and benefits of energy efficiency improvements”.
 - The marketing strategy for this program will include targeted outreach to the multi-family community.
- “The PAs are encouraged to offer technical assistance in the form of audits, design assistance, commissioning, and training, and cash incentives based on building performance in the Multifamily Initiative”.
 - As stated above, the program includes technical assistance in the form of a “whole building” assessment to identify opportunities regardless of fuel. Incentives are provided for cost-effective gas and electric measures.
- “The PAs are encouraged to explore a Multi-family Initiative deep energy retrofit track”.
 - As the program evolves, and more experience is gained through the Deep Retrofit 1-4 Family

Pilot, a deep retrofit track will also be explored for the multi-family sector.

- “To ensure the highest level of quality and consistency, the PAs are strongly encouraged, in conjunction with the Consultant, to research, analyze and report their findings to the Council requiring the accreditation of all auditors of multifamily facilities and associated contractors, through rapid but thorough review of successful models in other areas of the country including but not limited to New York, Wisconsin, Ohio, and the Pacific Northwest, and through researching BPI and other accreditation entities”.
 - The Program Administrators recognize the role that having trained professionals perform assessment and install measures plays in realizing expected savings. A research effort on accreditation requirements from other programs throughout the country as well programs offered will be performed and the findings provided to the Council.

- “PAs are encouraged to examine the experience of NYSERDA and other states’ multifamily programs”.
 - The Massachusetts Program Administrators held a conference call in April 2009 with NYSERDA and their Program Administrator to gain a better understanding of their delivery model.
 - In preparation for the Multi-family Workshop, the facilitator conducted best practice research and presented their findings to the workshop participants.
 - In June 2009, the Program Administrators retained the services of a market research firm to conduct in-depth telephone interviews pertaining to multi-family programs across the country.
 - Two up-coming webinars pertaining to multi-family programs will be attended by representatives from the Program Design Working Group.

C&I Multi-Family New Construction Program

Primary Objective	To address multi-family new construction that cannot be cost effectively served by either the ENERGY STAR Homes New Construction programs. In addition, to maximize the acquisition of cost-effective gas and electric energy and demand savings by addressing the informational, economic, institutional, and technical barriers that historically have made the multi-family market a “hard-to-reach” sector. Moreover, the program aims to broaden participation and achieve deeper savings per participant through an incentive structure that encourages a whole building approach.
Program Inception	The Massachusetts Program Administrators have offered energy efficiency services to the multi-family sector, through multiple programs implemented separately by the C&I, residential, electric and gas Program Administrators.
2010-2012 Program Goals	To be provided with October filings.
2010-2012 Budget	To be provided with October filings.
Joint vs. Company Specific Offering	The Program Administrators are proposing a common statewide program with the goal of offering a consistent customer experience throughout the state. In designing a program for this multi-faceted market, the Program Administrators recognize the need to allow for the flexibility to ensure that the needs of all participants are met.
Program Design	<p>The program design was developed based upon the following guiding principles:</p> <ul style="list-style-type: none"> • Participants will be able to initiate a request for all program services through one party, without the need to directly contact multiple Program Administrators or multiple parties within the same Program Administrator. Throughout the project life cycle, the participant will have access to a single point-of-contact who will facilitate all programmatic communication and coordination. • Eligibility for program measures and services will be based on cost-effectiveness for appropriate residential and commercial measures. • The program will be structured to ensure that participants are provided with a “whole building” fully

integrated offering targeting both gas and electric end-uses.

- All efforts required to deliver a fully integrated offering to a participant, regardless of fuel source, service territory or rate class, will be performed in a manner that will result in a truly seamless customer experience, thus mitigating the potential for customer confusion and lost opportunities.
- Increase program cost-effectiveness by eliminating a project-specific analysis and implementing a comprehensive package of prescriptive incentives.

The cornerstone of the program design involves a Prescriptive Whole Building program (similar to the Advanced Buildings[®] program for C&I projects) and the services of a Program Expeditor who will provide project management services to ensure the seamless delivery of the program as described below. (Additional detail on the role of the Program Expeditor will be described in the section titled Program Delivery).

Enrollment

Because of the diversity within the multi-family sector and the various market actors that may be involved in lead generation, the program provides for multiple points of entry that will all ultimately provide participants with a comprehensive program offering and a seamless experience. Participants may enroll in the program via a request for services initiated by themselves or by other parties such as a Program Administrator account executive, a contractor, a consultant or engineer. Trying to force all project initiation through a single point of entry for this market would result in participant frustration and lost opportunities. Rather, as stated in the Guiding Principle above, each participant will only need to contact one party (as opposed to requiring all participants to contact the same party) to avail themselves of comprehensive services. Once the Program Expeditor is made aware of a project he or she reviews the project information provided from screening questions or from the lead generator and then makes the initial contact with the customer and conducts further screening as required.

Participant Screening

Delivering energy efficiency services to the multi-family market is challenging because of the many variations in size and construction as well as decision making structures that can occur. There must be a well defined

screening process to identify the program best suited to any particular project.

Prescriptive Whole Building Approach

The Prescriptive Whole Building program under consideration would present both commercial measures and residential measures to the customer in a single package. All fuels would be considered. The measures will be presented as a menu of options that would be implemented as a package and result in a minimum of 20% savings beyond Code. The Program Expeditor would support the customer in selecting the package of measures best suited to their individual energy efficiency goals for the project. Modeling would not be required to implement the program, as deemed savings would be determined based on modeling prototype buildings, as was done with the Advanced Buildings program developed by the New Buildings Institute (“NBI”).

Savings would be documented as kWh savings and as therm savings and would be attributed to both the package of measures and each individual measure for ease in reporting the savings by each Program Administrator and, if desired, distributing the savings between Residential and Commercial program groups, according to the measures implemented.

Technical assistance and engineering studies will be conducted, as needed, for projects implementing custom measures not included in the prescriptive menu.

Integrated Proposal for Energy Efficiency Services

The Program Expeditor will draft a single project proposal that will include measures, other available services, and incentives for both gas and electricity (where applicable). Once the offer has received Program Administrator approval, it will be presented to the participant by the Program Expeditor and any additional staff required to help the customer fully understand the offering. The Program Expeditor will ensure that any additional questions are brought to the appropriate party and will facilitate the communications necessary to respond to the inquiries. The Program Expeditor will collect all supporting documentation required by the Program Administrator to approve the project proposal.

Delivery of Measures and Services

Upon execution of the customer agreement, the Program Expeditor will monitor the progress of construction and

	<p>notify the Program Administrator to schedule the post-installation inspection. Commissioning services will be supplied as required.</p> <p><u>Quality Assurance</u></p> <p>Customer satisfaction surveys will be administered to provide additional feedback for the program administrators.</p> <p><i>Additional Program Design Elements for Consideration</i></p> <p>The Program Administrators recognize that proper training for building operators and maintenance staff is a key factor in ensuring that expected savings are realized. As such, the Program Administrators will assess the feasibility of offering incentives for the building owner/manager/designer and/or staff to obtain applicable certifications.</p> <p>For consideration, the stretch code will provide multiple baselines by community throughout the state, which may impact cost-effectiveness of measures. This will be addressed in the general section on codes and standards.</p>
Target Market	<p>The target market is multi-family new construction projects that are too “large” to qualify for the ENERGY STAR Homes program and are eight stories or less in height. This market was identified based on the physical characteristics of the buildings being addressed, as well as customer segments. It was decided that the ENERGY STAR Homes program should remain intact and would serve as the “lower boundary” defining the new program. Projects that qualify to participate in the ENERGY STAR Homes program, would not qualify for this program. The upper boundary of the program has been defined as projects of eight stories or less. Projects larger than this tend to include various use types such as retail and office space and generally have systems similar to large C&I buildings. Based on the data collected during the Workshop, it was observed that customers building in the 4-8 story category more closely resemble those developing ENERGY STAR Homes projects than they resemble C&I developers who generally have more technical design resources available to them. It was observed that by treating 9+ story projects as C&I custom projects, and not as multi-family projects, this segment of developer would have a more consistent experience over their entire portfolio of projects.</p>

Marketing Approach	<p>The program will be supported by the statewide energy efficiency marketing effort; however, direct outreach to building developers and designers via trade associations will be used as a cost-effective mechanism for communicating with this population. In addition to the project management duties of the Program Expeditor, individual Program Administrators may choose to include marketing and promotional activities in the Scope of Work (“SOW”) of the Program Expeditor. In any case, it will be important that all marketing collateral have a consistent visual “brand” that is presented across the Commonwealth. Program Administrators with more internal resources to commit to marketing and promotion, may opt out of having the Program Expeditor provide this portion of the SOW.</p>
Target End Uses	<p>The program essentially targets, through a whole building approach, the installation of low cost efficiency measures, such as energy efficient lighting upgrades, high performance HVAC systems and DHW saving devices.</p>
Recommended Technologies	<p>Technologies to be evaluated for inclusion in the final program, include, but are not limited to:</p> <ul style="list-style-type: none"> • Installation of energy efficient lighting upgrades & controls • Installation of new ENERGY STAR-qualified refrigerators and dishwashers • Domestic electric hot water saving devices, such as low flow showerheads, aerators, and pipe wrap • High efficiency HVAC systems • Increased levels of insulation • High performance windows • Duct Sealing • ECM Motors • Solar DHW and Solar Heating, and other renewable technologies
Financial Incentives	<p>The Program Administrators will be evaluating various incentive structures and incentive levels to encourage increased participation and deeper savings. Specifically, incentives will be developed for the measure packages</p>

	<p>described above. In addition, the following options will be assessed by the Program Administrators and the Consultant:</p> <ul style="list-style-type: none"> • Offering incentives for soft costs such as technical assistance and owner/operator training • Providing milestone payments to address financial barriers
Delivery Mechanism	<p>Program design and implementation will remain the responsibility of the Program Administrators. Collectively the Program Administrators will form a Multi-Family Statewide Executive Committee (“MSEC”) which will be responsible for program oversight and promoting continuous improvement/best practices with regard to the multi-family market to insure a consistent customer experience across service territories.</p> <p>As stated in the Program Design section, the Program Expeditor role will be key to the delivery of this fully integrated program. The role was specifically created to ensure a seamless customer experience for participants regardless of the fuels, rates and service territories involved in a project. The Program Expeditor will be responsible for facilitating the delivery of program services as well as act as the conduit through which questions and concerns are funneled to ensure that participants are not required to directly contact multiple parties during the project lifecycle. A comprehensive scope of work will be prepared for the Program Expeditor role and a vendor will be selected via a competitive bidding process.</p>
Joint Program Administrator Enhancements Planned for 2010-2012	N/A
Sponsor Specific Elements	<p>Individual Program Administrators are encouraged to conduct pilot programs designed to allow for the evaluation of alternative program designs or specific technologies, especially those that encourage deeper savings. Findings from these pilots will be shared with the entire MSEC and will be assessed to determine if enhancements to the current program design can be made based on the results of the pilots. NSTAR Electric is currently conducting a pilot program which may serve as the foundation for the statewide program.</p>
Three-Year Deployment	<p>The multi-family program re-design effort is expected to design a platform for gas and electric integration that may be adopted, or modified as required, by other programs. This endeavor, combined with the inherent complexities in serving this “hard to reach” market, will require program planning to extend beyond the October 2009 timeframe. Specifically, the Program Administrators are currently planning to complete the program</p>

**Three-Year
Deployment
(cont.)**

design and develop the scope of work for the Program Expeditor services by the end of 2009. To provide transparency for the Council between July and December, the Program Administrators will provide a progress report in the October 2009 filing. The completed program design is expected to be submitted to the Council by December 31, 2009. In the event, however, that some issues remain outstanding on December 31, 2009, the Program Administrators will include the program design in its current state and submit to the Council milestone completion dates for the remaining work.

Provided below is the roadmap for both the completion of the program design and program implementation.

PHASE I – PROGRAM PLANNING

Task Description	Completion Date	Deliverable
1. Identify Eligible Measures and Establish Incentives	10/31/09	
<ul style="list-style-type: none"> Create measure packages for cost-effectiveness screening and establish incentive structures and levels that encourage participants to achieve deeper savings 	10/31/09	Set of measure packages and corresponding incentives
2. Prepare a draft scope of work for the Program Expeditor services	10/31/09	Draft scope of work for Program Expeditor Services
3. Establish PA protocols for budgeting and expense tracking under new “meter/rate” blind model	10/31/09	Discussion in the October filing in the Budget section describing assumption used in the budgeting process
4. Develop detailed program delivery model	12/31/09	
<ul style="list-style-type: none"> Document detailed roles and responsibilities for each market actor required to support the program design. 	12/31/09	Matrix including market actors along with their roles and responsibilities.
<ul style="list-style-type: none"> Develop process flow documentation illustrating the customer experience and the interactions between other key market actors including the PAs, designers, and technical assistance vendors. 	12/31/09	Process flow

Three-Year Deployment (cont.)	5. Develop Marketing Plan	12/31/09	Marketing Plan including support provided by statewide marketing effort as well as additional communications to be funneled through trade organizations within the multi-family sector.
	PHASE II – PROGRAM IMPLEMENTATION		
	Task Description	Completion Date	Deliverable
	1. Conduct training for PA and vendor staff	2010	Documented completion of this task
	2. Implement Marketing Plan	2010	Marketing materials and schedule for delivery
	3. Program Implementation	2010	Notification of program launch
	4. Monthly Multi-family Statewide Executive Committee Meetings	Ongoing	Meeting notes distributed to all participating Program Administrators
	PHASE III – PROGRAM ASSESSMENT		
	Task Description	Completion Date	Deliverable
	1. Multi-family Statewide Executive Committee review of program successes and lessons learned with results feeding back into modifications to the program design as required.	2011- 2012	Narrative to be included in annual PA plan updates.
Special Notes	<p>To provide a fully integrated energy efficiency offering, the program design is being developed by a cross-functional team including the Consultants and Program Administration staff representing gas and electric fuels, with experts from the both the residential and C&I sectors. To best utilize the expertise of each member of the team, the following subgroups have been formed.</p> <p>The Technical subgroup is responsible for identifying the end-uses and associated technologies that are appropriate for the multi-family market. This sub-group is also responsible for developing cost-effective</p>		

measure packages and the associated incentives intended to achieve greater participation and deeper savings.

The Evaluation subgroup is charged with building on the success of the April 2009 multi-family workshop to obtain a greater understanding of the “market rate” sector. This will assist the Program Administrators in developing strategies to overcome market barriers and thus achieve increased participation and deeper savings. To this end, the Program Administrators have contracted with Nexus Market Research to conduct focus groups which are scheduled for July 2009. The findings from the focus group will be included in the October filing. Nexus will also be conducting “literature search” to identify successful programs across the country and then follow-up with in-depth interviews with the administrators of these programs. This information will inform the decisions made as the Program Administrators further develop the multi-family program design.

Additionally, the Program Administrators will be participating in pertinent webinars sponsored by organizations such as the AESP and ESource. Two recent or upcoming sessions are listed below:

- “50 Homes in One: Multi-family Efficiency Programs”, on July 8, 2009, with speakers from Conservation Services Group, Wisconsin Energy Conservation Corp., Cambridge Energy Alliance, Pacific Gas & Electric, Commonwealth Edison, and NYSERDA. This program is being sponsored by ESource.
- “Serving the Multi-family Market: New Construction to Existing Buildings to Policy Programs” on August 6, 2009 with speakers from the Wisconsin Energy Center, NYSERDA and the Hescong Mahone Group. This program is being sponsored by AESP.

The preceding program description is designed to support the successful attainment of the Green Communities Act’s energy efficiency investment goals and environmental benefits. Further, it is the intent of the Program Administrators to support the Council and its Consultants through a recognized ongoing iterative planning process to develop and implement plans that meet the objectives of the Council’s Priorities document. This program design is intended to address a number of applicable Council priorities including:

- “The PAs are encouraged to define “multifamily” as a building with more than four units”.
 - The target market for this program is a building with five or more units.

- “The PAs are encouraged to work in conjunction with the Consultant to determine how to implement a program that from a customer’s perspective will be blind to whether building meters are commercial or residential”.
 - Participants will have access to incentives for all cost-effective measures offered through the program regardless of billing rate.
- “The PAs are encouraged to work in conjunction with the Consultant to determine how to ensure that customers participating in the Multifamily Initiative need to fill out only one application for a given multi-family property and be required to interact with only one utility-related service provider or partner. For purposes of the multifamily program, the PAs are encouraged to define “property” as all buildings within a given property, regardless of the number of meters on that property
 - The Program Expeditor will take the information necessary for the customer to apply for all eligible program services, so there will be no need for the customer to contact multiple parties to initiate a request.
 - The term “property” will not be limited to individual buildings, but rather can mean, where appropriate, a group of buildings.
- “The PAs are encouraged to develop mechanisms, including outreach and education to landlords to demonstrate the benefits of undertaking energy efficiency and provide equitable sharing of the costs and benefits of energy efficiency improvements”.
 - The marketing strategy for this program will include targeted outreach to the multi-family community.
- “The PAs are encouraged to offer technical assistance in the form of audits, design assistance, commissioning, and training, and cash incentives based on building performance in the Multifamily Initiative”.
 - As stated above, the program includes technical assistance to evaluate custom measures.

	<ul style="list-style-type: none">● “PAs are encouraged to examine the experience of NYSERDA and other states’ multifamily programs”.<ul style="list-style-type: none">○ The Massachusetts Program Administrators held a conference call in April 2009 with NYSERDA and their Program Administrator to gain a better understanding of their delivery model.○ In preparation for the multi-family workshop, the facilitator conducted best practice research and presented their findings to the workshop participants.○ In June 2009, the Program Administrators retained the services of a market research firm to conduct in-depth telephone interviews pertaining to multi-family programs across the country.○ Two upcoming webinars pertaining to multi-family programs will be attended by representatives from the Program Design Working Group.
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1. *Low Income Programs Descriptions*

Residential Low-Income Program

Primary Objective	To increase energy efficiency and reduce the energy cost burden for low-income customers through education and the installation of gas energy efficiency measures to achieve deeper and broader energy savings.
Program Inception	<p>Some Program Administrators' low-income programs date back to the early nineties.</p> <p>Since 1998, Program Administrators have been working with LEAN to improve the low-income program and increase funding. From this emerged the Best Practices Working Group to provide a more coordinated statewide low-income program and a means to ensure correct installation techniques for the program.</p>
2010-2012 Program Goals	To be provided with October 2009 Filings
2010-2012 Budget	To be provided with October 2009 Filings
Joint vs. Program Administrator-Specific Offering	This program is specific to individual Program Administrators. However, Program Administrators have been working in coordination with LEAN to offer common program elements. (See "Program Design.")
Program Design	<p>The Program Administrators, along with the LEAN, state organizations such as DHCD and the Network, make up the Best Practices Working Group. The working group's objective is to collaborate and coordinate on all aspects of the low-income program, including but not limited to planning, delivery, implementation, standardization, education, marketing, training, cost effectiveness, evaluation, and quality assurance.</p> <p>This program piggybacks on the current DHCD low-income energy efficiency program. Once customers are deemed eligible, they will receive an in-home energy assessment from their local Network agency. The Network agency will then arrange for weatherization and other services to be installed by a qualified contractor. Savings</p>

<p>Program Design (cont.)</p>	<p>will be deepened by installing additional efficiency measures, to the extent cost-effective, such as indirect water heaters with heating systems, exterior doors, front load clothes washers and repairs to make efficiency measures possible. Other measures will be investigated, such as solar water heaters, and usage monitoring systems. In addition, a change in rules as a result of the American Recovery and Reinvestment Act (“ARRI”) makes it possible to spend more federal money in each home which will allow Program Administrator funding to help address more items on the cost effective priority list for each customer. Savings will be distributed more broadly by treating additional homes, including mobile homes (including contractor training if needed) homes where tenants pay for heat. As a final step, the Network agency will perform a final quality assurance inspection to ensure that all work is performed to program guidelines.</p> <p>Education and information are included in all Program Administrators’ energy efficiency programs. The low-income program plans to develop/improve education materials and material distribution which will include:</p> <ul style="list-style-type: none"> • Customer education packages: common leave-behinds in customer audit packs • Materials for outreach workers (e.g., hospital intake people, senior centers) • A web link on Division of Unemployment Assistance website • Other outreach opportunities
<p>Target Market</p>	<p>Residential natural gas heating customers living in one- to four- unit dwellings who are at sixty percent (60%) of the state median income level.</p> <p>In the case of multi-unit dwellings, fifty percent (50%) of the occupants must qualify as low-income in order to be served by the low-income program.</p> <p>In special cases, where outside grant money can enhance program services, the Program Administrators may approve participation for customers in specific communities at eighty percent (80%) of the state median income.</p> <p>Any changes to eligibility will be addressed through the Best Practices Working Group.</p>
<p>Marketing Approach</p>	<p>Program Administrators will engage in outreach efforts to notify customers of the availability and value of energy efficiency services. Marketing will consist of contacting, by mail and/or telephone, customers subscribing to the low-income rates who have not received prior energy services. Direct mail, bill inserts, and literature distributed through social service agencies, government offices, and other networks are also used to market the program. In addition, Program Administrators and low-income advocates are participating in statewide marketing efforts to</p>

	<p>encourage income-eligible customers to take advantage of discount rates, energy efficiency programs and fuel assistance programs.</p> <p>The program is also being integrated into a unified, statewide website. This website will allow customers to go to one site to find out about all energy efficiency offerings available to them.</p> <p>Outreach and marketing efforts will be expanded to include building relationships with unemployment centers, medical service providers, and other venues that would reach potential income-eligible customers.</p> <p>Marketing efforts will be designed to meet the objectives of reaching more customers (going broader into the customer base, for example by participating in statewide education and marketing efforts) and maximizing energy savings opportunities (going deeper into each home to find ways to save energy, such as by an education by energy monitoring approach, with computerized feedback based on actual usage, if such a strategy proves to be cost-effective).</p>
Target End Uses	<p>Target end uses include but are not limited to:</p> <ul style="list-style-type: none"> • Comprehensive, whole house approach • Building shell • Heating • Domestic water heating • HVAC/Mechanical systems • General waste heat • New technologies and renewable
Recommended Technologies	<p>The Program Administrators will continue to work with the Best Practices Working Group to identify new cost-effective energy efficiency services, measures and technologies that are appropriate to offer to low-income customers. Current measures offered through the low-income program include, but are not limited to:</p> <ul style="list-style-type: none"> • Attic insulation • Wall insulation • Pipe insulation

<p>Recommended Technologies (cont.)</p>	<ul style="list-style-type: none"> • Duct insulation • Air sealing • Domestic hot water measures • Heating system repair and replacement • Major weatherization repairs (e.g., electrical repairs, roofs, etc.) • Landlord heating system retirement pilot (PA-specific) • Health and safety <p>Other technologies to be discussed in the Best Practices Working Group for future consideration include but are not limited to:</p> <ul style="list-style-type: none"> • Expanded landlord heating system retirement initiatives • Exterior doors • Super insulated roofs • Solar water heating • Green/hypoallergenic products • Window coverings • Mobile home insulation • ENERGY STAR Clothes washers • Other measures determined on a site-specific basis
<p>Financial Incentives</p>	<p>In all but exceptional cases, low-income products and services are directly installed and delivered with no co-payment from participating customers, subject to local Network agency discretion.</p>

Delivery Mechanism	Program Administrators, when warranted, use a lead vendor to administer the program. The Program Administrators work closely with their lead vendor and/or respective Network agencies on all aspects of the program design and implementation. The lead vendor/Network agencies are responsible for providing the actual weatherization services to the customer. The lead vendor/Network agencies work with installation contractors to ensure that the proper program guidelines are enforced. These agencies are also responsible for ensuring that the customer meets the eligibility requirements for program participation and providing the lead vendor and/or Program Administrator with the required documentation of all work performed.
Joint Program Administrator Enhancements Planned For 2010-2012	<p>In order for the low-income program to increase the number of program participants and achieve deeper energy savings over the next three years, the Program Administrators will:</p> <ul style="list-style-type: none"> • Work with LEAN, DHCD, and Network agencies to increase qualified contractor participation in the program through training and workforce development. • Continually review and evaluate new measures and technologies through the Best Practices Working Group process • Leverage all applicable revenue streams available to enhance services • Broaden program participation through coordinated marketing and outreach efforts • Deepen efficiency penetration consistent with a comprehensive, whole house approach
Program Administrator-Specific Elements	NSTAR Gas currently administers a Low-Income Multi-family Program and will continue to offer these services throughout the three-year period covered by this Plan. As part of the Multi-family Assessment, Program Administrators will consider NSTAR’s model in its analysis.
Three-Year Deployment	The Program Administrators, in conjunction with the Council’s Consultants and LEAN, where appropriate, will be performing an assessment of the multi-family programs in Massachusetts. Because the target market for this program includes multi-family customers, the results of the statewide assessment may apply here. For low-income multi-family retrofit projects, the assessment will include the development of strategies to serve low-income multi-family buildings in a manner that is fuel-blind, meter-blind, and integrates low-income, residential and commercial programs, as appropriate, with minimal or no co-payment (pending a review of the budget impact by each Program Administrator).

Special Notes	<p>The preceding program description is designed to support the successful attainment of the Green Communities Act’s energy efficiency investment goals and environmental benefits. Further, it is the intent of the Program Administrators to support the Council and its Consultants through a recognized ongoing iterative planning process to develop and implement plans that meet the objectives of the Council’s Priorities document. This program design is intended to addresses a number of applicable Council priorities including:</p> <ul style="list-style-type: none"> • Seamless Delivery. By coordinating Program Administrator programs with the U.S. Department of Energy and U.S. Department of Health and Human Services’ programs administered by DHCD, as well as other programs implemented by the network that implements the Program Administrator and DHCD programs, Program Administrators assure that a common set of programs is available to all low-income customers and that the programs are seamless from the viewpoint of customers. Program Administrators’ programs are also coordinated with each other, particularly across fuels. Nevertheless, experimentation and pilot programs implemented in particular territories allow development of improvements that are monitored by the Best Practices Working Group for possible adoption statewide. • Best Practices. The Program Administrators will continue to work in coordination with LEAN at the Best Practice Working Group meetings for successful program development. The Best Practice Working Group’s objective is to collaborate and coordinate on all aspects of the low-income program including ongoing planning, delivery, implementation, marketing, training, evaluation, and quality assurance. In addition, by piggy-backing on the DHCD weatherization program, the Program Administrators will maximize seamless delivery to the customer without duplication or complexity. • Training. The Program Administrators will continue to explore common protocols in auditor and contractor training development and outreach for all areas identified through the Best Practices Working Group. The quality standards for qualified contractors will be consistent with the Massachusetts Weatherization Assistance Program Technical Manual, which was developed as a working document to be used in conjunction with the Northeast Weatherization Field Guide. The guide provides comprehensive technical guidelines on appropriate weatherization protocols and techniques. In addition, the Program Administrators will provide to qualified auditors and contractors in-field training and materials related to energy efficiency technologies and help expand outreach efforts.
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<p>Special Notes (cont.)</p>	<ul style="list-style-type: none"> • Quality Control. All work is rigorously inspected to ensure high quality materials and installation practices are used. The Program Administrators, in coordination with the Best Practices Working Group, will work to maintain this high level of oversight. • Pilots. The Best Practices Working Group is continually looking for new and innovative technologies and measures to help low-income customers save energy. To that end, the Program Administrators will consider piloting, monitoring, and evaluating new technologies/measures to determine if a full program rollout is justified. • Deeper/Broader. Through the comprehensive, whole house approach, all available cost-effective energy efficiency measures offered through the program will be considered and, where feasible (dependent on health and safety as well as overall program cost effectiveness), implemented in order to attain greater savings. The program strives to provide all customers with an opportunity to lower utility bills through the purchase of energy efficient products. • Coordinating with other programs for outreach communication and marketing strategy. • Coordinating with other programs on integrated website. • Continued coordination of contractor trainings to support a sufficient and quality installation focused workforce. <p>The Program Administrators are aware that significant amounts of short-term economic stimulus funds may be made available to help underwrite low-income energy efficiency efforts. The levels and possible effect of this potential capital infusion is not yet known, but this issue will be re-visited by the Program Administrators, LEAN, and the Council as final, accurate information becomes available.</p>
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2. *C&I Programs Descriptions*

C&I Prescriptive Programs

Primary Objective	The C&I Prescriptive Rebate/Incentive Program is designed to promote the installation of energy efficient gas technologies in C&I properties during the equipment selection process.
Program Inception	1998
2010 – 2012 Program Goals	To be provided with October 2009 Filings.
2010 - 2012 Budget	To be provided with October 2009 Filings.
Joint vs. Program Administrator-Specific Offering	Joint
Program Design	The C&I Prescriptive Rebate/Incentive Program is designed to promote the installation of energy efficient gas technologies in C&I properties. Prescriptive incentives will be targeted primarily toward the small and medium C&I customers as well as multi-family customers. This effort will be supported by the extensive outreach and education effort to contractors, manufacturers, equipment vendors, engineers, as well as promotions directed at customers themselves. As outlined in the program terms and conditions, the Program Administrators reserve the right to negotiate incentives for multiple installations at a single site and/or multiple installations with in a portfolio of properties. The Program Administrators also reserve the right to inspect the property for the installation of the measures prior to issuing the rebate.
Target Market	In general, the C&I Prescriptive Rebate/Incentive Program targets all eligible C&I customer classes, as well as installation contractors and equipment vendors and specifiers of equipment. More specifically, the C&I Prescriptive Rebate/Incentive Program reaches out to select industry players based on the equipment type and application.
Target Market	This program directly targets C&I customers, business and facility owners, property management firms, and landlords who provide space and water heating to their businesses with natural gas. The program also targets heating/plumbing contractors who plan/install these systems, as well as the manufacturers, distributors, and wholesalers who bring this equipment to market. This program also targets customers that own or operate commercial kitchens. Virtually all food service

(cont.)	operations that provide hot food employ at least one fryer, steamer, convection oven, or pre-rinse spray valve in their food preparation equipment mix. This includes restaurants, school and institutional kitchens, office cafeterias and catering establishments. Fryers are also used in a variety of manufacturers that produce retail packaged food products.
Marketing Approach	<p>These programs will be promoted through direct mail, bill inserts, customer newsletters, and other PA- and collaborative-specific marketing activities as well as member company websites, and the GasNetworks collaborative website, www.gasnetworks.com, where consumers and contractors can learn about the programs, download rebate applications, and obtain other valuable energy efficiency information. The website and its functions will be integrated into the unified, statewide website set to be completed by the end of 2009. The integrated site will ultimately provide consumers will more transparency specific to program integration, incentive offers, and benefits of consolidated co-branding marketing strategies.</p> <p>Program Administrators will also use trade ally events and training sessions to provide effective means of promoting market transformation programs. In addition, the Program Administrators plan to participate in various equipment training and demonstration events.</p> <p>Additionally, the Program Administrators plan to provide continued support and promotion of statewide branding efforts and strategic marketing plans to establish common branding themes across programs that will leverage program integration opportunities and broad-based outreach efforts that promote broader and deeper energy savings.</p> <p>Further, the Program Administrators will market and leverage all available tax credits where applicable as well as all supplemental consumer incentives (<i>e.g.</i>, equipment manufacturers) as a means to increase consumer adoption of purchases of high efficiency heating equipment.</p>
Target End Uses	<ul style="list-style-type: none"> • Space heating and water heating in small, medium as well as large commercial and industrial customers. • Space and water heating in multi-family customers. • Commercial kitchen uses found in restaurants, schools, hospitals, nursing homes and other large food preparation facilities. • Both existing and the new construction markets will be targeted to influence the equipment selection process.
Recommended Technologies	<p>Measures include but are not limited to:</p> <ul style="list-style-type: none"> • High efficiency space and water heating equipment (ENERGY STAR-rated high efficiency gas furnaces and hot water boilers as well as larger systems with high thermal efficiencies, and energy

	<p>efficient steam boilers)</p> <ul style="list-style-type: none"> • High efficiency water heating equipment • Low intensity infrared heaters. In appropriate applications, low intensity infrared heating equipment is capable of reducing gas consumption by 20%-50% compared to traditional space heating equipment • Programmable thermostats • Energy efficient food service equipment (high efficiency, ENERGY STAR-qualified fryers, steamers and convection ovens, and low-flow, pre-rinse spray valves)
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Financial Incentives	Measure	Qualification	Rebate
	Infrared Heater	Low intensity	\$500 per unit
	Furnaces (forced hot air)	92% AFUE or greater	\$400
	Furnaces (with ECM)	92% AFUE or greater	\$500
	Furnaces (with ECM)	94% AFUE or greater	\$650
	Boiler (forced hot water)	85% AFUE or greater	\$700
	Boiler (forced hot water)	90% AFUE or greater	\$1,500
	Combined High Efficiency Boiler and Water Heating Unit	90% AFUE or greater	\$1,600
	Boiler (Steam w/ electronic ignition)	82% AFUE or greater	\$200
	Indirect Water Heater	Connected to a high efficiency boiler, 30 – 75 gallons	\$500
Financial Incentives (cont.)	On-demand Water Heater	Minimum .82 Energy Factor and no standing	\$700

		pilot		
	ENERGY STAR Storage Water Heater	Minimum .62 Energy Factor	\$50	
	Condensing Gas Water Heater	Minimum Energy Factor-TBD	\$500	
	ENERGY STAR Programmable Thermostat	ENERGY STAR-qualified or equivalent	\$25	
	High Efficiency Fryer	ENERGY STAR-qualified or high efficiency large vat fryers	\$1,000	
	ENERGY STAR Steamer	ENERGY STAR-qualified	\$1,000	
	ENERGY STAR Convection Oven	ENERGY STAR-qualified	\$1,000	
	Low-flow Pre-rinse Spray Valve	1.15 gpm or less	No cost to customer	
Delivery Mechanism	<p>The program is administered by the GasNetworks member utilities and jointly coordinated regionally through GasNetworks.</p> <p>Further, the Program Administrators plan to take advantage of additional delivery mechanisms such as the redesigned multi-family program to promote equipment installations as part of a comprehensive holistic approach to achieve broader and deeper energy savings. This scenario also affords seamless integration opportunities as well as the ability to develop “packaged” incentive offerings to drive consumer participation and adoption of new technologies.</p>			
Joint Program Administrator enhancements	<p>Joint Program Administrator enhancements are identified throughout the program description. Examples include developing an integrated website and statewide program marketing and customer outreach campaigns. Program Administrators plan to work together on technologies including CHP, introducing and promoting new</p>			

<p>planned for 2010-2012</p>	<p>and emerging technologies, integrating multi-family program options, and responding to Green Communities Act directives.</p> <p>The Program Administrators also plan to support development of workforce and contractor training efforts that provide increased educational opportunities as a means to insure that new and existing contractors acquire the necessary skill sets to sell and install high efficiency heating equipment. Training will be oriented to raising the bar for quality installations and development of certification standards (<i>e.g.</i>, Building Performance Institute) and licensing where appropriate. The Program Administrators plan to utilize all publicly available institutional resources such as community colleges, vocational schools, and state licensing boards as well as independent and national organizations dedicated to quality installation standards and practices.</p>
<p>Program Administrator-Specific Elements</p>	<p>To be provided with the October 2009 filings.</p>
<p>Three-Year Deployment/Road Map</p>	<p>There are clear opportunities to integrate natural gas prescriptive programs into delivery mechanisms such as the Advanced Buildings Program for new construction and the C&I Small Business Services offered by electric Program Administrators programs as a means to increase consumer participation, gain economies of scale, create consumer-focused transparency across programs, and achieve broader and deeper energy savings.</p> <p>A priority for the development of integrated programs is to determine the best practice to include these rebates and services with existing and planned outreach and implementation mechanisms that focus on electric end uses.</p> <p>In addition, GasNetworks will continue to:</p> <ul style="list-style-type: none"> ▪ Make customers aware of high-efficiency gas heating equipment and the energy savings achievable ▪ Increase market sector awareness and demand for high-efficiency gas heating equipment ▪ Facilitate the purchase of high efficiency gas heating equipment ▪ Provide training to Trade Allies, such as plumbing and heating contractors ▪ Increase trade ally awareness of the benefits of high-efficiency gas heating equipment ▪ Work with regional groups to support research on and adoption of building code and appliance standards <p>As is standard practice, gas Program Administrators will continue to evaluate emerging natural gas or equipment related technologies (<i>e.g.</i>, micro combined heat and power – CHP units) that provide opportunities to either pilot or introduce on a broad scale that maximize our ability to achieve greater savings and increased</p>

	market penetration.
Special Notes	<p>To ensure comprehensive consideration of highly efficient technologies, GasNetworks has hired GDS to identify potential gas rebate measures. Results of the study will be utilized in future program design and equipment support.</p> <p>The GasNetworks programs have received numerous national awards and recognition including:</p> <ul style="list-style-type: none"> • <i>AESP National Award for Outstanding Achievement in Energy Program Design and Implementation 2007</i> • <i>ACEEE Exemplary Portfolio of Energy Efficiency Programs 2007</i> • <i>ACEEE Exemplary Program GasNetworks Joint Gas & Electric High Efficiency Furnace Rebate 2004</i> • <i>ACEEE GasNetworks Regional Multi-Utility Collaborative Comprehensive Portfolio 2004</i> <p>The preceding program description is designed to support the successful attainment of the Green Communities Act's energy efficiency investment goals and environmental benefits. Further, it is the intent of the Program Administrators to support the Council and its Consultants through a recognized ongoing iterative planning process to develop and implement plans that meet the objectives of the Council's Priorities document. This program design is intended to addresses a number of applicable Council priorities including:</p> <ul style="list-style-type: none"> • Providing program consistency through this program. • Focusing on maximizing incentive values and minimizing overhead costs in this program. • Striving to provide all customers with an opportunity to lower utility bills through the purchase of energy efficient products. • Striving to provide seamless delivery and integration of incentives through other program delivery mechanisms such as the electric Program Administrators Advanced Buildings Program for new construction and the C&I Small Business Services Program. • Providing user-friendly program by offering multiple paths/opportunities for participation • Coordinating with other programs for outreach communication and marketing strategy. • Addressing elements such as a focus on higher tiered equipment, evolving technologies, and program integration where potential bundling of consumer incentives could generate deeper and broader energy savings. • Coordinating with other programs on integrated website.

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| | <ul style="list-style-type: none">• Coordinating of contractor trainings to support a sufficient and quality installation focused workforce. |
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C&I Custom Program

Primary Objective	The C&I Custom Program provides natural gas related energy efficiency expertise, services, and financial incentives to encourage C&I customers to install energy efficient natural gas equipment and implement natural gas-saving measures. The program also works to develop better building maintenance and operation practices.
Program Inception	Mid 1990's
2010 – 2012 Program Goals	To be provided with October 2009 Filings.
2010 - 2012 Budget	To be provided with October 2009 Filings.
Joint vs. Program Administrator-Specific Offering	Specific to Program Administrators
Program Design	<p>The Custom Program provides participants with technical assistance through an energy assessment and financial assistance to help defray the cost of an engineering study when warranted, as well as financial incentives to mitigate a portion of the cost of energy-saving measures. Technical assistance services available ranges from custom, site-specific reviews to engineering assistance and new construction design assistance. These services provide C&I customers with information and criteria related to energy efficiency options that can be used when new equipment is specified or enhancements can be made to existing heating, water heating and other natural gas fired mechanical systems.</p> <p>Small and medium sized customers are eligible for basic energy efficiency assessments that determine whether the customer will be best served through the prescriptive program or progress to the custom program. Where applicable, industry and/or site-specific recommendations are made in conjunction with electric-saving opportunities. Customers receive a report with estimated costs and energy savings. The report also guides the customer through the process of implementing the energy efficiency measures through either the prescriptive program or custom program.</p>

	<p>Larger customers and certain applications that require a more comprehensive energy analysis may receive custom audits for specific applications such as combustion controls, heating system redesigns, solar hot water and heat recovery from CHP applications. The custom audit will be developed in collaboration with electric Program Administrators to identify both gas and electric saving measures for larger customers.</p> <p>Comprehensive, whole-building, or specialized energy efficiency assistance beyond a custom audit is served through engineering studies. These studies must be completed by either a Professional Engineer or industry specialist with demonstrated expertise in a particular field or discipline. Customers are encouraged to use engineering firms that are partners in electric efficiency programs or understand whole building performance. Customers who receive this service will receive a detailed report including recommended measures, estimated costs, estimated energy savings potential and incentives available. Coordination with the electric Program Administrator will ensure fuel integration and a comprehensive energy assessment approach. In application-specific projects, the contracted engineering firm will identify electric savings as appropriate.</p> <p>New construction services support customers through the design process and offer design review services to identify appropriate energy saving measures for new construction. The process works with the customer as a part of the design team and engages the customers at the front end of the new construction process. Customers taking advantage of design assistance must be willing to move forward with the installation of energy efficiency measures with reliable savings and acceptable payback periods. New construction services are coordinated with electric efficiency programs to ensure fuel integration by comprehensively addressing the building performance and efficiency.</p>
Target Market	<p>Target market includes all C&I customers. New construction and existing building will be addressed through the Custom Program. Market actors such as engineers, architects, manufacturers, and vendors are also addressed through outreach activities.</p>

<p>Marketing Strategy/Approach</p>	<p>Communication to customers and market actors as well as education of trade allies is critical to the success of the energy efficiency efforts. The statewide media campaign and website design will work to integrate the services to similar target markets within the contractor, engineer, builder, and developer arenas. Ongoing efforts will continue with brochures, direct mail bill inserts and educational literature on gas use technologies.</p> <p>Opportunities remain to communicate the custom program through personal contact through industry trade shows, chamber events, technology seminars and trade conferences. Marketing and outreach also occurs through channel partners such as manufacturers, distributors, engineers and architects. Deeper savings can be achieved by educating partners of the electric Program Administrators to the gas technologies and program offers to ensure fuel integration when addressing a customer’s energy performance.</p> <p>In addition, customers with multiple properties will be guided through the programs to facilitate improvements in each building and simplify the work process for the customer.</p> <p>Trade ally training works to provide trade allies with technical tools to properly size, install and maintain energy efficient technologies. Market partners and industry experts are brought in through GasNetworks to disseminate information from efficiency programs and the building industry. A fluid, statewide, distribution list of mechanical engineers, contractors and associations such as the Association of Energy Engineers and the Plumbing Heating and Cooling Contractors Association is maintained to send updates on training seminars, code training and new technologies.</p>
<p>Target End Uses</p>	<p>Energy efficient technologies that exceed minimum code and prove reliable, long-term savings are considered in the program. This includes:</p> <ul style="list-style-type: none"> • Building envelope and glazing • Commercially sized space heating equipment • Commercially sized water heating equipment • Buildings and spaces that require large amounts of fresh air • Heat-intensive manufacturing processes • Steam Systems: steam system assessments, steam trap maintenance and replacement programs represent significant savings for large commercial, industrial users

<p>Recommended Technologies</p>	<p>Technologies that should be targeted include:</p> <ul style="list-style-type: none"> • Thermal membrane condenser for large steam systems. • Solar hot water in the right application can present significant energy savings as well as cooling. • System redesigns to allow for modulating burners can provide significant year long savings. • Controls such as O2 trim, parallel positioning • Energy management systems • Commercially sized solar hot water systems • Gas absorption chillers • Demand control ventilation • Heat recovery • Combined Heat and Power (“CHP”) equipment. CHP will continue to be addressed through the Custom Program. Only an appropriately designed and installed system will be managed through the Custom Program. Gas and electric Program Administrators will conduct custom analyses of potential CHP opportunities. The gas Custom Program will review the heat recovery from the system while the electric program will evaluate electrical reductions. Minimum specifications, historical data, and operating characteristics etc. must be evaluated in a proper framework in order to ensure positive environmental benefits and to ensure energy reductions are realized • Other emerging technologies as they become commercially viable
<p>CHP Initiative</p>	<p>Combined Heat and Power Measure Track</p> <p>The Retrofit Program is expected to be the primary delivery mechanism for CHP, with some systems implemented through the Lost Opportunity Program.</p> <p>The Program Administrators believe that that customers are best served by offering CHP jointly through the gas and electric programs, rather than through the electric Program Administrators exclusively. With the joint program offer, the gas Program Administrators can offer incentives within territories not served by Program Administrators (such as municipal electric territories). In addition, incentive contributions by gas Program Administrators are expected to have a less negative impact on gas ratepayers compared to the impact</p>

associated with a CHP incentive paid by electric rate-payers.

CHP presents unique challenges in that cost-effective operation--both from the perspective of the customer and the Program Administrator--requires substantial thermal load throughout the year which can be difficult to quantify with a high degree of certainty. In addition, because the capital cost is significant, a relatively small deviation from projections can render a project not cost-effective, and the customer will choose not to operate the system.

The key components of the proposed measure track include:

- Establishing a fixed incentive per kW of installed qualified capacity to provide transparency and simplicity to customers and their vendors. The Program Administrators propose that the incentive be set at \$750/kW.
- Because incentives could be extraordinarily large, in the order of millions of dollars, strategies will be employed to manage the CHP portfolio. Such strategies include:
 - Project caps of \$200,000. The project cap prevents a large individual project from creating a budget disruption, while permitting the smaller projects to proceed with the straightforward \$/kW incentive calculation.
 - Project caps of 33% of installed cost. The installed cost cap ensures that measures, such as a back-pressure turbine, are not over-paid.
 - Projects that bear the potential to exceed the caps will have an incentive negotiated within the framework of the Program Administrators program, in order to ensure that the CHP \$/kWh levels are appropriate.
 - Large projects have a long sales cycle and can be identified as a line item in future year budgets and therefore are subject to approval and planning.
- The proposed system will have a minimum efficiency of 60% for the year 2010 (which may increase in subsequent years), and passes the benefit/cost screening, to ensure that the project is both cost-effective and creates a net environmental benefit. The electric Program Administrator's screening will be the primary means by which a system proposal is evaluated.
- Studies **demonstrating** cost-effectiveness and thermal performance will be required, given recent evaluation results from New York indicating the frequent underperformance of units. Studies will be co-funded by the customer and the participating Program Administrator with a focus on thermal and financial performance. The study will also require a walk-through type identification of other energy efficiency

	<p>opportunities.</p> <ul style="list-style-type: none"> • Customers will be required to implement other available cost-effective energy efficiency measures. • Systems will require parallel metering of the electric output, the gas input, and the useful thermal output so that actual system performance can be tracked. This metering will support the AEPS calculations. <p>Go-to-Market Approaches</p> <ul style="list-style-type: none"> • The Program Administrators will capitalize upon CHP’s unique customer appeal in order to increase the penetration of CHP and engage customers in implementing other cost-effective energy efficiency measures. • The Program Administrators will exploit the current customer relationships of Gas Sales to identify customers who have already investigated CHP. • The Program Administrators will mine in-house customer data to identify customers with significant summer gas consumption, which is a marker of CHP potential; SIC code will also be analyzed to identify customer types that have traditionally been good CHP candidates. • The Program Administrators will develop customer education material including descriptive material, self-screening tools, and workshops. <p>Based on a preliminary analysis of the market conditions and CHP lead time, the electric and gas Program Administrators expect to implement 7 to 15 MW of CHP over the three year period, accounting for about 2-5% of reported electric savings. CHP measures are anticipated to account for approximately 2-5% of the Large Retrofit Program incentives budgets. Since CHP operation results in higher gas usage at the facility, it is also expected that negative non-electric resource benefits will reduce the electric benefit by about 20-50%.</p>
Financial Incentives	<p>In general, financial incentives will be offered to offset the higher costs associated with the selection and installation of high efficiency equipment or building upgrades. Where applicable, the gas Program Administrators will work with the electric Program Administrators to combine and leverage financial incentives.</p> <p>In general, Program Administrators will co-fund as much as 50%, up to a predetermined maximum level to offset the cost for engineering studies.</p>
Delivery	<p>The Custom Program is primarily delivered utilizing in-house staff for marketing, administration, and program implementation activities, and an implementation vendor to conduct audits. Contractor support</p>

Mechanism	includes the following: 1) technical review of some applications, 2) on-site energy analysis, and 3) technical and design assistance for comprehensive projects.
Joint Program Administrator Enhancements Planned for 2010-2012	<p>Opportunities for Program Administrators to work together to market and implement program initiatives that will maximize customers' potential for saving energy (gas and electric) and reducing demand will be explored in order to further integrate gas and electric programs.</p> <p>Introduction of technology demonstration projects of gas end uses as an effective way of gaining customer and trade ally awareness of new technologies as well as assessing the cost effectiveness of new technologies and identifying barriers to market penetration. Developing case studies that can be conducted and shared among Program Administrators that document the installation process, anticipated savings, including M&V plans to demonstrate effectiveness of the application that could then be used a marketing tool to encourage consumer investment in new and existing energy saving technologies.</p>
Program Administrator-Specific Elements	
Three-Year Deployment/Road Map	<p>In order to capture broader savings, a market characterization study will identify the customer base by building size, type and age, probable end uses. The market characterization will identify potential vendors and efficient end uses to link customer segments with trade partners and appropriate technologies.</p> <p>Market characterization study will provide a foundation of market intelligence for enhanced, target marketing that will facilitate broader participation and deeper savings by sector.</p> <p>Coordination of gas and electric programs will educate trade allies and market actors to the benefits of both electric and thermal savings. Comprehensive savings opportunities will be identified with every customer visit and market development will engage actors from all sectors in the pursuit of whole building assessments.</p> <p>The Program Administrators, in conjunction with the Council's Consultants and LEAN, are currently re-designing the multi-family programs in Massachusetts. Because the target market for this program includes multi-family customers, the redesign affords a great integration opportunity. The redesign also serves as an opportunity for serving low-income multi-family buildings in a manner that is fuel-blind, meter-blind, and integrates low-income, residential and commercial programs, as appropriate, with minimal or no co-payment (pending a review of the budget impacts by each Program Administrator).</p>

<p>Three-Year Deployment/Road Map (cont.)</p>	<p>Further, the gas Program Administrators will also strive to identify and support additional gas and electric program integration opportunities where appropriate as a means to increase consumer participation, gain economies of scale, create consumer-focused transparency across programs, and achieve broader and deeper energy savings.</p> <p>As is standard practice, gas Program Administrators will continue to evaluate emerging natural gas or equipment related technologies that provide opportunities to either pilot or introduce on a broad scale that maximize our ability to achieve greater savings and increased market penetration.</p>
<p>Special Notes</p>	<p>The preceding program description is designed to support the successful attainment of the Green Communities Act's energy efficiency investment goals and environmental benefits. Further, it is the intent of the Program Administrators to support the Council and its Consultants through a recognized ongoing iterative planning process to develop and implement plans that meet the objectives of the Council's Priorities document. This program design is intended to address a number of applicable Council priorities including:</p> <ul style="list-style-type: none"> • Providing program consistency through this program. • Focus on maximizing incentive values as one method to encourage broader and deeper investments in the C&I sector • Striving to provide all C&I customers with an opportunity to lower utility bills through the purchase of energy efficient products. • striving to provide seamless delivery and integration of incentives through other program delivery mechanisms such as the Multi-family programs. • Providing user-friendly program by offering multiple paths/opportunities for participation • Coordinating with other programs for outreach communication and marketing strategy. • Addressing elements such as a focus on higher tiered equipment, evolving technologies, and integration into other programs where potential bundling of consumer incentives could generate deeper and broader energy savings. • Coordinating with other programs on integrated website. • Coordinating contractor trainings to support a sufficient and quality installation focused workforce.

3. *Training & Education Programs*

Training & Education Programs

<p>Primary Objective</p>	<p>Training & Education efforts are designed to promote and increase the installation and acceptance of natural gas high efficiency technologies.</p> <p>The gas Program Administrators, through its GasNetworks collaborative, recognized early on that contractor education and training is an integral part of transforming the marketplace to accept new and more efficient equipment technologies. The gas Program Administrators have focused on promoting new technologies, promoting ENERGY STAR-qualified gas heating equipment and providing professional training seminars and programs to contractors and trade allies throughout the region. GasNetworks has been providing state-of-the-art training programs since 1998. The group has made significant advances in its goal of providing contractors with the necessary knowledge and tools to install and promote ENERGY STAR-qualified gas heating equipment and other energy efficiency natural gas equipment and technologies. In addition to producing its own training programs and providing sponsorship to other energy efficiency efforts, GasNetworks has teamed up with various organizations and manufacturers to promote and sponsor additional professional development training courses. Partnerships have included the MA PHCC, International Associational of Plumbing and Mechanical Officials, American Society of Heating, Refrigeration and Air-Conditioning Engineers (Boston), Honeywell and Weil-McLain among others. The members of GasNetworks have built strong working relationships with manufacturers and distributors, as well as with the plumbing and heating contractor community through their involvement in the marketplace. To date, GasNetworks has provided training to over 7,300 contractors and installers.</p>
<p>Program Inception</p>	<p>1998</p>
<p>2010-2012 Savings Targets</p>	<p>N/A</p>

2010-2012 Budget	To be provided with October 2009 Filings.
Joint vs. Program Administrator-Specific Offering	Joint
Program Design	<p>A primary objective of the gas Program Administrators' training and education efforts has been to transform markets in the Commonwealth and more broadly, in the Northeast. The Program Administrators have made significant advances to eliminate or reduce market barriers through their support of training and education for: the Massachusetts Board of State Examiners of Plumbers and Gas Fitters (fuel gas code), consumers, trade allies, building officials and contractors. The gas Program Administrators will continue to expand their highly successful efforts in this very important arena.</p> <p>The education and training programs will be marketed to HVAC contractors, plumbing code officials, homebuilders, building officials, plumbing supply houses and other key market actors through direct-mail promotions, contractor training seminars, brochures, the GasNetworks website, and newsletters. The Program Administrators will also educate and promote awareness of programs through industry related organizations (<i>e.g.</i>, Massachusetts Board of State Examiners of Plumbers and Gas Fitters, the MA PHCC, the Consortium of Energy Efficiency, Board of Building Regulations and Standards, and JMC) and other energy efficiency programs (<i>e.g.</i>, ENERGY STAR Homes and RCS).</p> <p>The program is designed to increase contractor acceptance and awareness of high efficiency natural gas technologies, provide technical assistance and education related to the proper installation of high efficiency equipment and offer sales and marketing training to contractors so that they are well-equipped to promote high efficiency equipment to their customers. The overarching goal of the training and education programs is to overcome market barriers related to the acceptance, knowledge and installation of high efficiency equipment.</p>
Target Market	<ul style="list-style-type: none"> • Contractors • Trade allies

	<ul style="list-style-type: none"> • Equipment manufacturers and distributors • Builders • Architects • Engineers
Marketing Strategy/Approach	<p>The program is jointly marketed by the gas Program Administrators through its highly successful GasNetworks collaborative. The program will be promoted through a variety of marketing channels including, but not limited to: upstream outreach, web advertising, direct mail, trade ally events sponsored by other group and suppliers, sponsorships, and program brochures.</p> <p>The programs will also be promoted through the GasNetworks collaborative website, www.gasnetworks.com, where contractors can learn about the programs in general, find training events, download rebate applications and obtain other valuable energy efficiency information. The website and its functions will be integrated into the unified, statewide website set to be completed by the end of 2009. The site will include:</p> <ul style="list-style-type: none"> • Downloadable application forms for regional market transformation programs • Links to Federal and State agencies as well as other energy efficiency related websites • Consumer tips on saving energy and buying high efficiency heating and water heating equipment • Newsletter registration form • E-mail Blast capability • Industry related ‘News and Events’ and upcoming ‘Contractor Training Seminars’ and ‘Other Training’ sections <p>Additionally, the Program Administrators plan to provide continued support and promotion of statewide training that will leverage program educational opportunities and broad-based contractor outreach efforts and industry partnerships.</p>
Target End Uses	Natural gas savings through the proper installation of high efficiency natural gas equipment and technologies.
Recommended	Well executed and timely educational events and the dissemination of information to key players.

Technologies	
Financial Incentives	<p>The gas Program Administrators have historically provided significant subsidies so that the training opportunities for contractors and trade allies are very affordable from the large, multiple-employee contractor to the “one-man-shop” contractor.</p> <p>Contractors may also receive incentives for the installation of high efficiency heating equipment to break through the barriers of awareness and understanding with new technology.</p>
Delivery Mechanism	<p>The Program is administered by the Program Administrators of the GasNetworks member utilities and jointly coordinated through GasNetworks.</p> <p>Further, the Program Administrators plan to take advantage of additional delivery mechanisms such as electric Program administrators to promote contractor training and education as part of a comprehensive approach to achieve a broader and deeper industry workforce. This scenario also affords seamless integration opportunities to drive contractor participation and adoption of new technologies.</p>
Joint Program Administrator Enhancements Planned for 2010-2012	<p>The Program Administrators, and GasNetworks as a group, will strive towards creating a seamless integration of the gas energy efficiency programs and the electric energy efficiency programs as utilities/energy providers continue educating key market actors such as HVAC contractors, builders and engineers about the benefits of using <u>both</u> high efficiency natural gas equipment and technologies and high efficiency electric technologies such as cooling equipment.</p>
Sponsor Specific Elements	<p>To be provided with October 2009 Filings.</p>
Three-Year Deployment/Road Map	<p>The gas Program Administrators have learned over the years that trade ally events and training sessions prove to be a very critical and effective means of promoting high efficiency technologies. Thus, the Program Administrators will promote the rebate program through various PA-sponsored plumbing and heating training events; trade shows and trade ally events in conjunction with the GasNetworks training seminars. In</p>

	<p>addition, the Program Administrators will promote program education and awareness utilizing manufacturer/distributor level marketing and training infrastructure as a platform to educate contractors and wholesalers at a regional level.</p> <p>Program marketing will be supplemented by vendor outreach directly to equipment suppliers and installation contractors. This will provide direct communication on programs and qualifying equipment, as well as maximize exposure to contractor base.</p> <p>The Program Administrators also plan to support development of workforce and contractor training efforts that provide increased educational opportunities as a means to insure that new and existing contractors acquire the necessary skill sets to sell and install high efficiency heating equipment. Training will be oriented to raising the bar for quality installations and development of certification standards (e.g., Building Performance Institute) and licensing where appropriate. The Program Administrators plan to utilize all publicly available institutional resources such as community colleges, vocational schools, and state licensing boards as well as independent and national organizations dedicated to quality installation standards and practices.</p>
<p>Special Notes</p>	<p>The Program Administrators constantly strive to ensure that they remain on the cutting edge of promoting and educating industry players about new technologies as they become available.</p> <p>The gas Program Administrators' GasNetworks programs have received numerous national awards and recognition including:</p> <ul style="list-style-type: none"> ■ <i>AESP National Award for Outstanding Achievement in Energy Program Design and Implementation 2007</i> ■ <i>ACEEE Exemplary Portfolio of Energy Efficiency Programs 2007</i> ■ <i>ACEEE Exemplary Program GasNetworks Joint Gas & Electric High Efficiency Furnace Rebate 2004</i> ■ <i>ACEEE GasNetworks Regional Multi-Utility Collaborative Comprehensive Portfolio 2004</i> <p>The preceding program description is designed to support the successful attainment of the Green Communities Act energy efficiency investment goals and environmental benefits. Further, it is the intent of the Program Administrators to support the Council and its Consultants through a recognized ongoing iterative planning process to develop and implement plans that meet the objectives of the Council's Priorities</p>

document. This program design is intended to address a number of applicable Council priorities including:

- Program Administrators providing program consistency through this program.
- Program Administrators provide user-friendly program by offering multiple paths/opportunities for participation
- Integration with electric program administrators to maximize training opportunities and efficiency.
- Coordinating with other programs for outreach communication and marketing strategy.
- Continued coordination of contractor trainings to support a sufficient and quality installation focused workforce.

