

**RESOLUTION OF THE ENERGY EFFICIENCY ADVISORY COUNCIL
REGARDING THE PROPOSED MID-TERM MODIFICATION OF
FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
D/B/A UNITIL (GAS DIVISION)**

Adopted June 20, 2018 (DRAFT FOR EEAC REVIEW)

Pursuant to § 3.8.1 of the Revised Energy Efficiency Guidelines set forth in D.P.U. 11-120-A, Phase II (January 31, 2013) (“Guidelines”), an energy efficiency Program Administrator that seeks to make the following significant mid-term modifications (“modifications” or “MTMs”) to its Energy Efficiency Plan shall submit its proposed modifications to the Energy Efficiency Advisory Council (“EEAC” or the “Council”) for review:

- 1) the addition of a Hard-to-Measure Energy Efficiency Program;
- 2) the termination of an existing Energy Efficiency Program or Hard-to-Measure Energy Efficiency Program;
- 3) a change in the three-year term budget of an Energy Efficiency Program or Hard-to-Measure Energy Efficiency Program of greater than (1) 20 percent, or (2) a dollar value to be specified by the Department; or
- 4) a modification to the design of an Energy Efficiency Program that is projected to result in a decrease in program benefits over the three-year term that is greater than 20 percent (as described above, a “Category One MTM”).

Additionally, pursuant to § 3.8.2 of the Guidelines, a Program Administrator that seeks to make the following significant modifications to its Energy Efficiency Plan shall submit its proposed modifications first for review by the Council, and then for review and approval by the Department of Public Utilities (the “Department”):

- 1) the addition of a new Energy Efficiency Program;
- 2) the transition of a Hard-to-Measure Energy Efficiency Program to an Energy Efficiency Program; or
- 3) a change in the three-year term budget of a customer sector that would require a cents per kilowatt-hour (calculated using the method described in § 3.2.1.6) or cents per therm charge for the sector that, if it were to replace the Department-approved Energy Efficiency Surcharge for the applicable year, would result in a bill increase for an average customer in the sector exceeding two percent (as described above, a “Category Two MTM”).

In accordance with the Guidelines in § 3.8.1 described above, Unitil is currently seeking the support of the EEAC to implement a mid-term modifications of its gas energy efficiency programs. Specific details from Unitil describing the requested re-allocation of funds from the Commercial and Industrial (“C&I”) New Construction program to the C&I Retrofit program and related information

are set forth in the attached document.

Unitil has submitted the following proposed modification for review and support from the EEAC pursuant to § 3.8.1:

- 1) Reallocation of \$190,000 of C&I sector budget dollars from the C&I New Construction program budget (15 percent decrease) to the C&I Retrofit program budget (41 percent increase) in program year 2018.

For C&I, demand in the C&I Retrofit program, driven primarily by significant activity in the Company's C&I Existing Buildings Retrofit initiative, is anticipated to continue at higher-than-planned levels, while participation and spending in the C&I New Construction program is expected to be lower than planned. In order to maximize savings in the C&I Retrofit program while still ensuring that the Company is still able to administer a successful C&I New Construction program, Unitil is proposing a reallocation of C&I sector funding between the two programs. Unitil is projecting to spend less than planned in the C&I New Construction program, so moving \$190,000 to C&I Retrofit program would still leave \$420,000 in funding available to address any additional projects during the remainder of the 2018 program year, which, in the Company's experience with projects in this program, should be adequate. This re-allocation would also mean that Unitil would not have to ask for additional collections from C&I customers to fund the higher C&I Retrofit program budget needs for 2018.

EEAC Review and Support

Having reviewed the proposed mid-term modification set forth in the attached document from Unitil, and summarized above, the EEAC resolves to support the mid-term modification, and directs that this resolution be transmitted in full by the Department of Energy Resources ("DOER") to the Department.