



## Overview

Energy Efficiency programs were incredibly busy this summer. The third quarter focused on ramping up gas programs to meet new, higher savings goals, developing future energy efficiency plans and continuing to deliver program initiatives that will help customers complete energy saving projects.

On July 25, the Public Utilities Commission approved the Revised Natural Gas Energy Efficiency Programs which increased savings targets and funding for the gas programs. Immediately, the Company focused on ramping up the natural gas programs' efforts to serve more customers. The program quickly completed projects or delivered rebates for customers who had previously received commitments or were on waitlists. The programs are currently on track to meet the new, higher savings targets by the end of the year.

On September 7, National Grid submitted the Three Year Energy Efficiency Procurement Plan to the Public Utilities Commission. On October 6, the Commission held a technical session regarding the plan. On November 1, National Grid submitted the 2012 Annual Energy Efficiency Plan detailing implementation strategies, cost-effectiveness and detailed savings projections and budgets.

The programs are continuing efforts to reach more customers in order to reach 2011 savings targets. It was an exciting quarter for Hard-To-Reach activities in the residential and small commercial programs. The High Efficiency Heating program sent direct marketing materials to customers identified in the propensity modeling that took place earlier this year. The ENERGY STAR® Lighting program expanded retail efforts to Family Dollar, targeted Spanish-speaking customers and worked with a Providence Food Bank. The Small Business Direct Install also launched Main Streets Initiatives in Woonsocket, Providence and Central Falls.

During this quarter, the Community Initiative began with the University of Rhode Island and People's Power and Light. The Heat Loan initiative launched and more than 200 customers have applied for interest-free loans with local banks. The commercial comprehensive steam trap initiative also launched and has garnered enormous customer interest.

## 2011 Initiatives & Updates

### Hard-To-Reach

- ◆ High Efficiency Heating Program (HEHE)
  - The program identified approximately 40,000 customers in Rhode Island who are considered Hard-To-Reach (HTR). In August, the program piloted a direct mail advertising campaign to a portion of the customers.
  - After a successful response, direct mail advertising was sent to all customers. The program is now measuring response and tracking customers who sign up for a heating equipment rebate.
- ◆ ENERGY STAR® Lighting
  - The program visited the St. Theresa food bank in Providence to distribute efficiency lighting products and educate families on energy savings. Additional work with food banks is planned for this fall and winter.
  - The program initiated a markdown with Family Dollar in an effort to reach more customers.
- ◆ The Small Business Direct Install Program began marketing efforts for the Main Streets initiative where businesses are visited door-to-door. The focus was on small businesses in Woonsocket, Central Falls and Providence.
- ◆ On July 9, the Company promoted energy efficiency at a Pawsox/Telemundo fan appreciation event organized by Pawtucket Red Sox. Spanish-speaking representatives were on hand to promote lighting, advanced power strips, and home energy assessments.

### Customer Finance

- ◆ The residential Heat Loan launched in August. The initiative is promoted through the EnergyWise program when customers receive home energy assessments. More than 200 customers have applied for loans.
- ◆ The Company is continuing to use energy efficiency funds for financing. Discussions with OER and EDC on financing are ongoing.

### Comprehensive Marketing

- ◆ The 2011 RI Comprehensive Campaign concluded all activity at the end of October.
- ◆ The post phase of the Marketing Research study to measure awareness in the market is being conducted from November 1-14.
- ◆ The results of the Marketing Research study, which are due in December, will inform planning for 2012.

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## Innovation

- ◆ Residential Products Pilot
  - The program marketed a Boiler Load Control pilot in order to recruit 25 customers for installation and testing this year. The marketing created an enthusiastic customer response.
  - The program has been working with Super Efficient Dryer Initiative (SEDI) on developing a future market for Heat Pump Dryers and High Efficiency Dryer technology.
  - In 2012, Heat Pump Hot Water Heaters (HPWH) will be offered and marketed through various programs. The HPWH was successfully piloted in 2010 and a recent evaluation found that its high energy savings were customer-friendly and cost-effective.
- ◆ Behavioral Pilot – The program is designing a thermostat pilot that will display real time electricity consumption. Products are currently being reviewed and if successful, will be launched in early 2012.
- ◆ Deep Energy Retrofit Pilot -- The pilot partnered with Northeast Sustainable Energy Association (NESEA) Green Building's Open House. Pilot homes will be featured.

## Building Codes

- ◆ The Company continued strategic planning meetings in collaboration with the Building Code Commission, RI-OER and North-East Energy Efficiency Partnership (NEEP).
- ◆ The initiative's priority for the remainder of 2011 will be to establish detailed scope of work for the code compliance baseline study for residential and commercial buildings. Expected completion of this study is estimated to be first quarter of 2012. The study will leverage data from the ongoing Residential New Construction baseline evaluation.

## Community Initiatives

- ◆ The University of Rhode Island (URI) and People's Power & Light (PP&L) were selected as community organizations to receive grants to promote energy efficiency through their unique channels.
- ◆ URI and PP&L began promoting energy efficiency in August. They are targeting Kingston, Warwick, West Kingston, Cranston, East Providence.
- ◆ Unique community promotions have included: students canvassing neighborhoods to sign up residents for energy audits, working with Chambers of Commerce and media coverage of the Mayor of Warwick's home energy audit experience.

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## Residential Program Updates

- ◆ EnergyWise
  - The Request for Proposals (RFP) was launched in August. The program is in the final stages of selection.
  - The ARRA Deliverable Fuels program continues to be a success. Since its start, 3,162 Audits have been completed with 953 heating system upgrades and 453 weatherization projects completed. As a stimulus program, it has created more than 30,000 job-hours.
  - To date, independent contractors have weatherized more than 430 homes, far surpassing the 2011 goal of 300.
- ◆ ENERGY STAR® Homes
  - The program enrolled 134 new units in the third quarter. As a testament to great building practices, two projects completed during the third quarter qualified for LEED-H Gold or LEED-H Platinum.
  - As part of an effort to reach more builders, the program reached out to builders who have not participated in the program. It successfully identified new, interested builders.
  - The program had meetings with low income agencies and their associated architects to address 2009 IECC and EPA Versions 2.5 and 3 to ensure that their projects remain in the program.
- ◆ Electric HVAC – The program held the annual fall “Cool Talk” meeting for participating HVAC contractors. Contractors shared 2011 success stories, had the opportunity to suggest program improvements and learned about opportunities for 2012.

## C&I Program Updates

- ◆ Advanced Buildings – The initiative focused on one enrolled project that has progressed from the schematic to design stage to construction document stages.
- ◆ Whole Building Assessment – The initiative continued to work with municipal and C&I customers to develop and implement energy planning and multi-year energy strategies.
- ◆ Lighting – The program continued to offer Enhanced Prescriptive Lighting Incentives. There were many discussions on program planning aspects of the LED and fluorescent Upstream Lighting Initiative. Issues discussed include program benefits, targeted audience, energy savings potential and delivery mechanisms.
- ◆ Large New Construction and Retrofit programs focused on marketing in the third quarter and are expected to exceed the 2011 gas savings targets.
- ◆ The comprehensive stream trap survey was launched and has thus far seen implementation success.
- ◆ Small Business Direct Install – customers with completed audits were offered a 10% increase in incentive amounts to assist them in moving forward with completing projects identified during the audit.

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## Evaluation

- ◆ The Residential New Construction baseline evaluation completed 40 site visits.
- ◆ The Impact Evaluation for Rhode Island Multifamily Gas Program was completed in July.
- ◆ The Rhode Island Large C&I Retrofit and New Construction Program Custom Gas Evaluation was completed in September.
- ◆ The Impact Evaluation of the Custom HVAC and Custom CDA Installations was completed in September.
- ◆ The Community Pilot Program for Energy Action: Aquidneck and Jamestown was completed in October.
- ◆ The Rhode Island Appliance Turn-In Program Impact Evaluation was completed in October.

## Recent Events

- ◆ In July, the Fine Art of Recycling kicked off with local artists' painted refrigerators on display throughout downtown Providence to promote refrigerator recycling. The event included an online voting competition to determine the most popular piece of art.
- ◆ On September 9, the Residential Lighting program offered giveaways and educational materials on lighting products at the Salute to Summer Concert in Middletown.
- ◆ On September 20, National Grid sponsored The International Institute for Sustainable Laboratories Conference in partnership with the U.S. Department of Energy (DOE) and the U.S. Environmental Protection Agency (EPA). It was the largest gathering of sustainable laboratory professionals in the nation.
- ◆ On October 18, National Grid participated in the Newport Naval Station Energy Awareness Week at the US Naval War College.

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