

# Peoples Gas and North Shore Gas Natural Gas Savings Programs Third Triennial Preliminary Plan

Presentation to the Stakeholder Advisory Group

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# Agenda

- Phase III Portfolio Objectives
- High Level Budget
- Program Discussion – Low Income
- Program Discussion – Residential
- Program Discussion – Business
- Feedback

# Phase III Portfolio Objectives

1. Meet legislative requirements to implement a portfolio of programs that will produce cost-effective savings to the extent possible within the budgetary cap. Cost-effectiveness at the portfolio level and 3-year program level.
2. Provide opportunities to participate for all customers (excluding electric generation customers and customers who have opted-out).
3. Build on past experiences and proven technologies, while introducing limited emerging technologies to the market to spur future demand that would aid in market transformation.
4. Is easily scalable and allows for flexible responsiveness to market conditions.

# Key Changes

- Added Low Income Program
- Reduced behavior change
- Increased budget for emerging technologies
- Expanded On-Bill Financing availability to eligible customers for all rebated measures

# High Level Budget – Peoples Gas

Peoples Gas				
Savings	PY7	PY8	PY9	Total
Throughput (Therms)	1,354,563,430	1,354,563,430	1,354,563,430	4,063,690,290
Statutory Savings Goal (Percent)	1.40%	1.50%	1.50%	n/a
Statutory Savings Goal (Therms)	18,963,888	20,318,451	20,318,451	59,600,791
Utility Savings (Therms) - 80% of Statutory Goal	15,171,110	16,254,761	16,254,761	47,680,633
DCEO Savings (Therms) - 20% of Statutory Goal	3,792,778	4,063,690	4,063,690	11,920,158
Utility Proposed Modified Savings Goal (Therms)	8,391,967	8,349,666	8,284,423	25,026,057
Utility Proposed Modified Savings Goal (Percent)	0.62%	0.62%	0.61%	n/a

Peoples Gas					
Budget Cap	\$27,239,000	PY7	PY8	PY9	Total
Utility Allocation @	75%	\$20,429,250	\$20,429,250	\$20,429,250	\$61,287,750
Research & Development (Emerging Technologies)		\$612,878	\$612,878	\$612,878	\$1,838,633
EM&V Implementation		\$612,878	\$612,878	\$612,878	\$1,838,633
Portfolio Administration (Including Planning)		\$900,000	\$900,000	\$900,000	\$2,700,000
Portfolio Marketing & Education		\$675,000	\$675,000	\$675,000	\$2,025,000
Studies (i.e., Potential Studies External costs)			\$240,000		\$240,000
Total Portfolio Costs		\$2,800,755	\$3,040,755	\$2,800,755	\$8,642,265
<b>Available Program Budget</b>		<b>\$17,628,495</b>	<b>\$17,388,495</b>	<b>\$17,628,495</b>	<b>\$52,645,485</b>
PGL Subtotal		\$20,429,250	\$20,429,250	\$20,429,250	\$61,287,750
DCEO Allocation @	25%	\$6,809,750	\$6,809,750	\$6,809,750	\$20,429,250
PGL w/DCEO Subtotal		\$27,239,000	\$27,239,000	\$27,239,000	\$81,717,000

# High Level Budget – North Shore Gas

North Shore Gas				
Savings	PY7	PY8	PY9	Total
Throughput (Therms)	296,259,200	296,259,200	296,259,200	888,777,600
Statutory Savings Goal (Percent)	1.40%	1.50%	1.50%	n/a
Statutory Savings Goal (Therms)	4,147,629	4,443,888	4,443,888	13,035,405
Utility Savings (Therms) - 80% of Statutory Goal	3,318,103	3,555,110	3,555,110	10,428,324
DCEO Savings (Therms) - 20% of Statutory Goal	829,526	888,778	888,778	2,607,081
Utility Proposed Modified Savings Goal (Therms)	1,373,154	1,233,622	1,200,570	3,807,346
Utility Proposed Modified Savings Goal (Percent)	0.46%	0.42%	0.41%	n/a

North Shore Gas					
Budget Cap	\$3,958,000	PY7	PY8	PY9	Total
Utility Allocation @	75%	\$2,968,500	\$2,968,500	\$2,968,500	\$8,905,500
Research & Development (Emerging Technologies)		\$89,055	\$89,055	\$89,055	\$267,165
EM&V Implementation		\$89,055	\$89,055	\$89,055	\$267,165
Portfolio Administration (Including Planning)		\$300,000	\$300,000	\$300,000	\$900,000
Portfolio Marketing & Education		\$200,000	\$200,000	\$200,000	\$600,000
Studies (i.e., Potential Studies External costs)			\$240,000		\$240,000
Total Portfolio Costs		\$678,110	\$918,110	\$678,110	\$2,274,330
<b>Available Program Budget</b>		<b>\$2,290,390</b>	<b>\$2,050,390</b>	<b>\$2,290,390</b>	<b>\$6,631,170</b>
NSG Subtotal		\$2,968,500	\$2,968,500	\$2,968,500	\$8,905,500
DCEO Allocation @	25%	\$989,500	\$989,500	\$989,500	\$2,968,500
NSG w/DCEO Subtotal		\$3,958,000	\$3,958,000	\$3,958,000	\$11,874,000

# Program Level Budget – Peoples Gas

	TRC	PEOPLES GAS Budget Proposed							
		GPY7		GPY8		GPY9		Total	
		Est \$	% of Total	Est \$	% of Total	Est \$	% of Total	Est \$	% of Total
<b>Low Income Program</b>	1.10	\$3,348,495	18.99%	\$3,348,495	19.26%	\$3,348,495	18.99%	\$10,045,485	19.08%
<b>Residential Program</b>	2.35	\$8,280,000	46.97%	\$8,130,000	46.76%	\$8,280,000	46.97%	\$24,690,000	46.90%
<b>Business Program</b>	1.35	\$6,000,000	34.04%	\$5,910,000	33.99%	\$6,000,000	34.04%	\$17,910,000	34.02%
<b>Total</b>	<b>1.57</b>	<b>\$17,628,495</b>	<b>100.00%</b>	<b>\$17,388,495</b>	<b>100.00%</b>	<b>\$17,628,495</b>	<b>100.00%</b>	<b>\$52,645,485</b>	<b>100.00%</b>

# Program Level Budget – North Shore Gas

	TRC	NORTH SHORE GAS Budget Proposed							
		GPY7		GPY8		GPY9		Total	
		Est \$	% of Total	Est \$	% of Total	Est \$	% of Total	Est \$	% of Total
<b>Residential Program</b>	1.92	\$1,290,000	56.32%	\$1,110,000	54.14%	\$1,290,000	56.32%	\$3,690,000	55.65%
<b>Business Program</b>	1.59	\$1,000,390	43.68%	\$940,390	45.86%	\$1,000,390	43.68%	\$2,941,170	44.35%
<b>Total</b>	<b>1.50</b>	<b>\$2,290,390</b>	<b>100.00%</b>	<b>\$2,050,390</b>	<b>100.00%</b>	<b>\$2,290,390</b>	<b>100.00%</b>	<b>\$6,631,170</b>	<b>100.00%</b>



# Programs at a Glance

Programs	Low Income		Residential		Business	
	Single Family	Multi-Family	Single Family	Multi-family	Small Business	C&I
Market Offerings						
Path						
Outreach & Education						
- Behavior	x	x	x	x		
- EEE	x	x	x	x		
Assessments						
- High level (w/DI)	x	x	x	x	x	x
- In Depth		x		x		
- Gas Optimization				x		x
- RCx						x
- Engineering Studies						x
Rebates/Grants						
- Staffing						x
- Standard Rebate			x	x	x	x
- Partner Trade Ally			x	x	x	
- Local Orgn Partner	x	x				
- Custom				x	x	x

# Non Cost-Effective Measures

- Non cost-effective measures included in the portfolio to:
  1. Transform the market
  2. Offer customers a more comprehensive program

Included in the Portfolio	
Market Offering	Measure
Residential	Bathroom Aerator
Residential	Boiler/Integrated Boiler
Residential	On-Demand Circulating Hot Water Pump
Business	Boiler Tune Up
Business	Steam Boiler
Business	Steam Trap - No Audit

Not Included in the Portfolio	
Market Offering	Measure
Residential	Water Heater (Tankless, Storage)
Residential	Wall Insulation
Business	Combination Oven
Business	Dock Door Seals
Business	Energy Recovery Ventilator
Business	Water Heater (Storage)

# Guiding Principles in Low Income Program Design

- Pilot program planned in Peoples Gas in PY6
- Focus on deeper retrofits
- Comprehensiveness and quality over quantity
- Use existing infrastructure whenever possible



# Low Income Program – Peoples Gas

## Proposed Retrofit Model

- Leverage DCEO program
- Co-brand w/ DCEO
- Cost and savings allocated by entity
- Focus on SF bungalows and Multi-family

Programs	Low Income	
	Single Family	Multi-Family
Market Offerings		
Paths		
Outreach & Education		
- Behavior	x	x
- EEE	x	x
Assessments		
- High level (w/DI)	x	x
- In Depth		x
Rebates/Grants		
- Local Orgn Partner	x	x

# Low Income Program – Peoples Gas

	TRC	PGL PY7			PGL PY8			PGL PY9		
		Budget	Therms	Lifetime Therms	Budget	Therms	Lifetime Therms	Budget	Therms	Lifetime Therms
Low Income Outreach & Education		\$126,800	136,494	250,382	\$126,800	119,171	220,115	\$126,800	98,362	183,757
Low Income Retrofit SF		\$908,000	49,766	746,484	\$908,000	49,766	746,484	\$908,000	49,766	746,484
Low Income Retrofit MF		\$2,029,195	645,858	8,916,895	\$2,029,195	645,858	8,916,895	\$2,029,195	645,858	8,916,895
Low Income New Construction SF		\$131,500	22,322	400,370	\$131,500	22,322	400,370	\$131,500	22,322	400,370
Low Income New Construction MF		\$153,000	61,000	915,000	\$153,000	61,000	915,000	\$153,000	61,000	915,000
<b>Total Low Income Program</b>	<b>1.10</b>	<b>\$3,348,495</b>	<b>915,440</b>	<b>11,229,132</b>	<b>\$3,348,495</b>	<b>898,117</b>	<b>11,198,865</b>	<b>\$3,348,495</b>	<b>877,308</b>	<b>11,162,506</b>

# Low Income Outreach and Education

- *Behavior Change (SF/MF)*: Customers receive reports containing information on their energy use, a comparison to other homes, and actions to affect natural gas energy use.
- *Energy Efficiency Education (SF/MF)*: Fifth-grade students receive a kit containing EE products to install at home. Teachers receive lesson plans and activities designed to teach students about energy production and conservation.

# Low Income Single Family

- *Retrofit*
  - High Level Assessment
  - Deeper Retrofits: a list of qualifying measures will be developed with parties (examples: insulation, air sealing, etc.)
  - Emergency Replacement: heating system, water heater
  - Heating System Clean and Tune
  - Health and Safety Measures
  - Inspections
- *New Construction*: Enhanced rebates

# Low Income Multi-Family

- *Retrofit*
  - High Level Assessment
  - In-Depth Assessment: energy advisors identify and recommend eligible prescriptive projects available to the property
  - Deeper Retrofits: a list of qualifying measures and incentives will be developed with parties (examples: insulation, steam traps, etc.)
  - Health and Safety Measures
  - Inspections
- *New Construction*: Enhanced rebates



# Residential Program

Programs	Residential			
	Single Family		Multi-Family	
	Existing	NC	Existing	NC
Path				
Outreach & Education				
- Behavior	x		x	
- EEE	x		x	
Assessments				
- High level (w/DI)	x		x	
- In Depth			x	
- Gas Optimization			x	
Rebates				
- Standard Rebate	x	x	x	x
- Partner Trade Ally	x		x	
- Custom			x	x

- No major changes from current triennial
- Reduced behavior change
- Increased Elementary Energy Education

# Residential Program – Peoples Gas

	TRC	PGL PY7			PGL PY8			PGL PY9		
		Budget	Therms	Lifetime Therms	Budget	Therms	Lifetime Therms	Budget	Therms	Lifetime Therms
Residential Outreach & Education		\$441,186	415,808	839,154	\$441,186	367,514	754,773	\$441,186	309,503	653,414
Residential Assessments SF		\$1,982,425	707,981	5,222,325	\$1,982,425	707,981	5,222,325	\$1,982,425	707,981	5,222,325
Residential Assessments MF		\$1,247,846	398,741	3,555,454	\$1,247,846	398,741	3,555,454	\$1,247,846	398,741	3,555,454
Residential Rebates SF		\$1,914,840	522,450	9,469,141	\$1,864,840	522,450	9,469,141	\$1,914,840	522,450	9,469,141
Residential Rebates MF		\$2,693,703	2,158,284	30,583,647	\$2,593,703	2,158,284	30,583,647	\$2,693,703	2,158,284	30,583,647
<b>Total Residential Program</b>	<b>2.35</b>	<b>\$8,280,000</b>	<b>4,203,264</b>	<b>49,669,723</b>	<b>\$8,130,000</b>	<b>4,154,970</b>	<b>49,585,341</b>	<b>\$8,280,000</b>	<b>4,096,959</b>	<b>49,483,982</b>

# Residential Program – North Shore Gas

	TRC	NSG PY7			NSG PY8			NSG PY9		
		Budget	Therms	Lifetime Therms	Budget	Therms	Lifetime Therms	Budget	Therms	Lifetime Therms
Residential Outreach & Education		\$365,300	460,162	822,036	\$365,300	327,726	590,638	\$365,300	287,578	520,490
Residential Assessments SF		\$359,848	130,937	893,159	\$330,849	130,937	893,159	\$359,848	130,937	893,159
Residential Assessments MF		\$459,470	136,448	2,560,322	\$338,470	136,448	2,560,322	\$459,470	136,448	2,560,322
Residential Rebates SF		\$69,923	21,493	203,424	\$46,822	14,396	136,295	\$69,923	21,493	203,424
Residential Rebates MF		\$35,459	18,076	252,805	\$28,559	18,076	252,805	\$44,059	18,076	252,805
<b>Total Residential Program</b>	<b>1.92</b>	<b>\$1,290,000</b>	<b>767,116</b>	<b>4,731,745</b>	<b>\$1,110,000</b>	<b>627,584</b>	<b>4,433,219</b>	<b>\$1,298,600</b>	<b>594,532</b>	<b>4,430,200</b>

# Residential Outreach and Education

- *Behavior Change (SF/MF)*: Customers receive reports containing information on their energy use, a comparison to other homes, and actions to affect natural gas energy use.
- *Energy Efficiency Education (SF/MF)*: Fifth-grade students receive a kit containing EE products to install at home. Teachers receive lesson plans and activities designed to teach students about energy production and conservation.

# Residential Assessments

- *High Level Assessment w/ DI (SF/MF)*: Free energy assessment and free installation of energy savings products
- *In-Depth Assessment (MF)*: Energy advisors identify and recommend projects eligible for rebates available to the property
- *Gas Optimization (MF)*: Large users receive an advanced gas usage study to identify energy conservation measures related to building heat

# Residential Rebates

- *Standard Rebates (SF/MF)*: Rebates for prescriptive (pre-qualified) measures
- *Partner Trade Ally (PTA)*
  - *Weatherization (SF/MF)*: Network of contractors to perform weatherization
  - *PTA Rebates (MF)*: Network of qualified contractors offer customers higher incentives on most prescriptive measures
- *Custom (MF)*: Rebates for non-prescriptive measures, including new construction
- *New Construction (SF)*: Incentives designed to push building efficiency beyond what is required through compliance with building codes

# Business Program

Program	Business			
	Small Business		C&I	
	Existing	NC	Existing	NC
Market Offering				
Path				
Assessments				
- High level (w/DI if appro)	x		x	
- Gas Optimization			x	
- RCx			x	
- Engineering Studies			x	
Rebates/Grants				
- Staffing			x	
- Standard Rebate	x	x	x	x
- Partner Trade Ally	x	x		
- Custom	x	x	x	x

- No major changes from current triennial
- Added laminars as a direct install measure for health care facilities
- Looking to take kitchen equipment upstream

# Business Program – Peoples Gas

	TRC	PGL PY7			PGL PY8			PGL PY9		
		Budget	Therms	Lifetime Therms	Budget	Therms	Lifetime Therms	Budget	Therms	Lifetime Therms
Business Assessments SB		\$152,206	100,243	969,156	\$151,351	100,243	969,156	\$151,351	100,243	969,156
Business Assessments C&I		\$2,396,730	1,412,030	14,328,882	\$2,357,730	1,412,030	14,328,882	\$2,357,730	1,412,030	14,328,882
Business Rebates SB		\$1,080,747	382,608	4,153,554	\$1,042,922	390,186	4,251,150	\$1,114,047	395,227	4,316,902
Business Rebates C&I		\$2,370,317	1,378,382	19,798,198	\$2,357,997	1,394,121	19,990,330	\$2,376,872	1,402,657	20,096,035
<b>Total Business Program</b>	<b>1.35</b>	<b>\$6,000,000</b>	<b>3,273,264</b>	<b>39,249,789</b>	<b>\$5,910,000</b>	<b>3,296,580</b>	<b>39,539,517</b>	<b>\$6,000,000</b>	<b>3,310,157</b>	<b>39,710,973</b>



# Business Program – North Shore Gas

	TRC	NSG PY7			NSG PY8			NSG PY9		
		Budget	Therms	Lifetime Therms	Budget	Therms	Lifetime Therms	Budget	Therms	Lifetime Therms
Business Assessments SB		\$30,155	9,659	101,368	\$30,155	9,659	101,368	\$30,155	9,659	101,368
Business Assessments C&I		\$469,776	257,929	1,313,211	\$447,776	257,929	1,313,211	\$469,776	257,929	1,313,211
Business Rebates SB		\$68,910	29,738	424,146	\$63,910	29,738	424,146	\$68,910	29,738	424,146
Business Rebates C&I		\$431,549	308,711	4,299,367	\$398,549	308,711	4,299,367	\$431,549	308,711	4,299,367
<b>Total Business Program</b>	<b>1.59</b>	<b>\$1,000,390</b>	<b>606,038</b>	<b>6,138,092</b>	<b>\$940,390</b>	<b>606,038</b>	<b>6,138,092</b>	<b>\$1,000,390</b>	<b>606,038</b>	<b>6,138,092</b>

# Business Assessments

- *High Level Assessment w/ DI (C&I/SB)*: Free installation of energy savings products
- *Engineering Studies (C&I)*: Incentives to offset the cost of energy audits or implementation studies
- *Gas Optimization Studies (C&I)*: Fund studies on central steam plant and/or process heating energy optimization to identify low/no-cost “actionable” measures
- *Retro-Commissioning (C&I)*
  - Engineering Study: Fully-funded study if customer commits to spend a set minimum amount on identified implementation measures
  - RCx Building Tune-Up: Small facilities receive a fully-funded engineering study and implementation of selected operational improvements at no cost

# Business Rebates/Grants

- *Standard Rebates (C&I/SB)*: Rebates for prescriptive (pre-qualified) and custom (non-prescriptive) measures
  - Considering upstream incentives for commercial kitchen equipment
  - New construction incentives designed to push building efficiency beyond what is required through compliance with building codes
- *Partner Trade Ally (SB)*: Qualified Trade Allies engage customers to participate in site assessments to identify additional savings opportunities
- *Staffing Grants (C&I)*: Assist customers overcome internal operational hurdles to identifying, planning and implementing projects through embedded energy managers, strategic energy management or staffing grants

# Summary/Feedback

- Key Changes
  - Added Low Income Program
  - Reduced behavior change
  - Increased budget for emerging technologies
  - Expanded On-Bill Financing availability to eligible customers for all rebated measures
  
- Feedback due by mid-July