



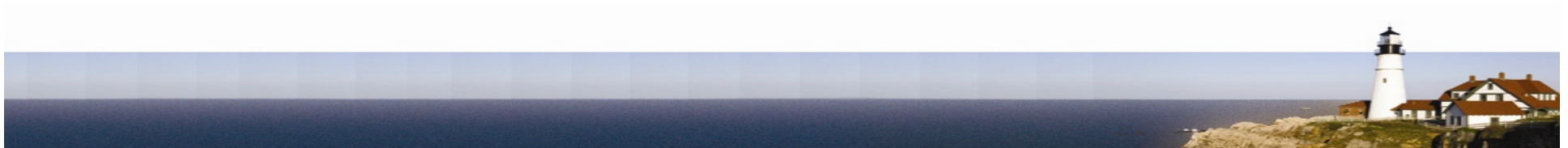
Natural Gas Energy Efficiency

George R. Gantz

Senior Vice President, Distributed Energy Resources

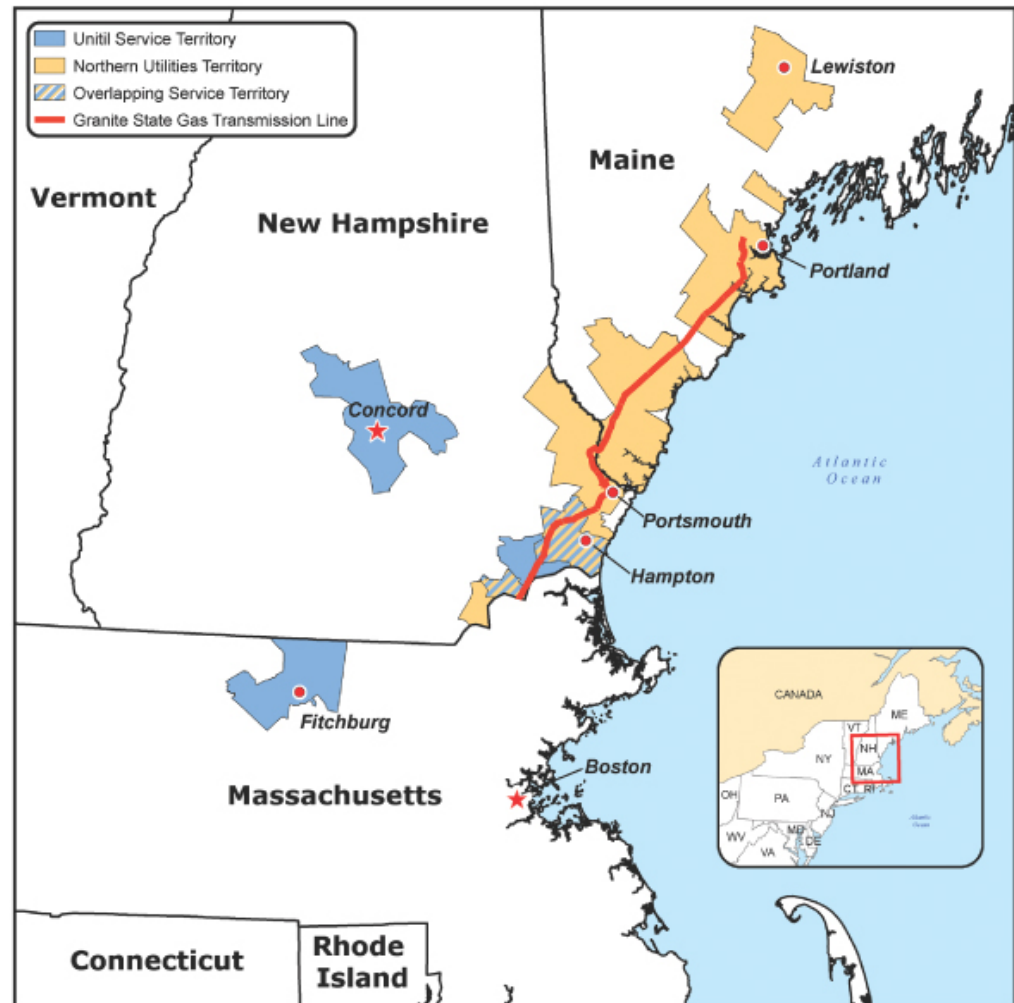
Efficiency Maine Trust

November 18, 2009



About Unitil

- Unitil Corporation is an investor-owned public utility holding company headquartered in Hampton, NH.
- Completed the purchase of Northern Utilities Inc. on December 1, 2008
- Serve approximately 170,000 gas and electric customers in 71 cities and towns in Maine, Massachusetts and New Hampshire
- Northern Utilities is a local natural gas distribution utility serving 26,300 customers in 21 communities in Southern Maine. This includes Auburn, Biddeford, Cape Elizabeth, Cumberland, Eliot, Gorham, Kennebunk, Kittery, Lewiston, Lisbon, Lisbon Falls, New Gloucester, North Berwick, Old Orchard Beach, Portland, Saco, Sanford, Scarborough, South Berwick, Wells, Westbrook and York.



Energy Efficiency Experience

- ☼ Prior to joining Unitil in 1983, I served on the staff of both the NH state energy office and the Public Utilities Commission – the early days of “conservation and load management” – including the first “supply and demand investigation” in NH.
- ☼ Unitil was an early adopter of energy efficiency programs in New Hampshire and Massachusetts - in part because it has been a distribution-only service provider.
- ☼ Participant in Statewide Collaborative process in MA, and CORE Efficiency Programs in NH.
- ☼ Fully proficient in natural gas energy efficiency programs
 - Gas Networks™ for residential and commercial applications
 - Ten years of experience in gas energy efficiency program planning and delivery in MA
- ☼ Recent changes:
 - *Green Communities Act* in MA, which created a Three Year planning process with oversight by an Energy Efficiency Advisory Council
 - New Hampshire Energy Efficiency and Sustainable Energy Board.



Key Policy Considerations

- ☼ Goal of “all cost-effective” energy efficiency - needs to be balanced with customer bill impacts.
 - Recovering costs in rates today for benefits that extend for many years
 - Different impacts for participants vs. non-participants
- ☼ Integrating programs across fuels and service areas and achieving a seamless consumer experience are positive but challenging goals.
 - Cost recovery through regulated utility rates is the primary funding mechanism.
 - Many practical challenges for program design and delivery.
- ☼ Energy efficiency has financial consequences for distribution utilities due to the reduction in sales and revenues
 - “Revenue decoupling” and “lost base revenues” are techniques to mitigate these impacts outside of the context of base rate cases
- ☼ Incentive mechanisms can provide useful encouragement to program administrators to achieve savings, benefits and specific program goals.



The Massachusetts Process

An Act Relative to Green Communities, Chapter 169 of the Acts of 2008, was signed into law on July 2, 2008. A bold piece of legislation designed to promote enhanced energy efficiency throughout the Commonwealth, the GCA requires gas and electric distribution companies and municipal aggregators (together “Program Administrators” or “PAs”) to develop energy efficiency plans that will “provide for the acquisition of all available energy efficiency and demand reduction resources that are cost effective or less expensive than supply.” G.L. c. 25, § 21(b)(1).

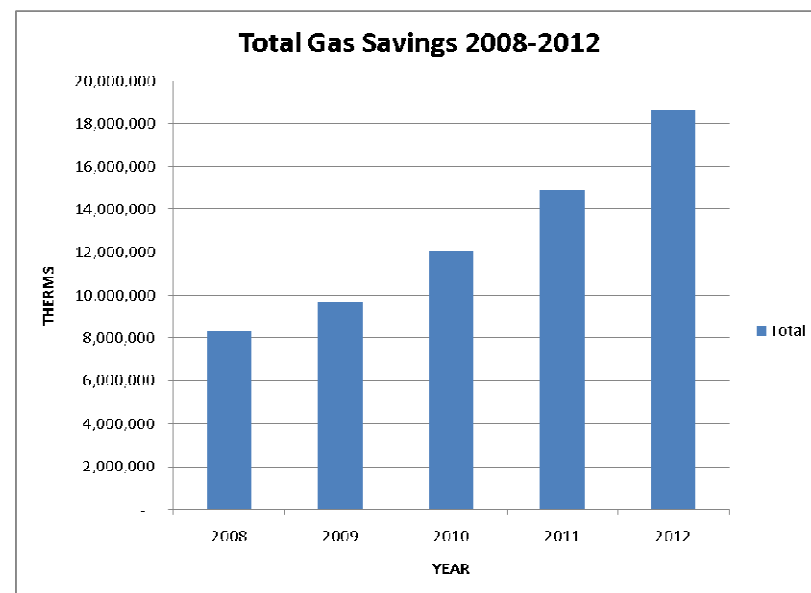
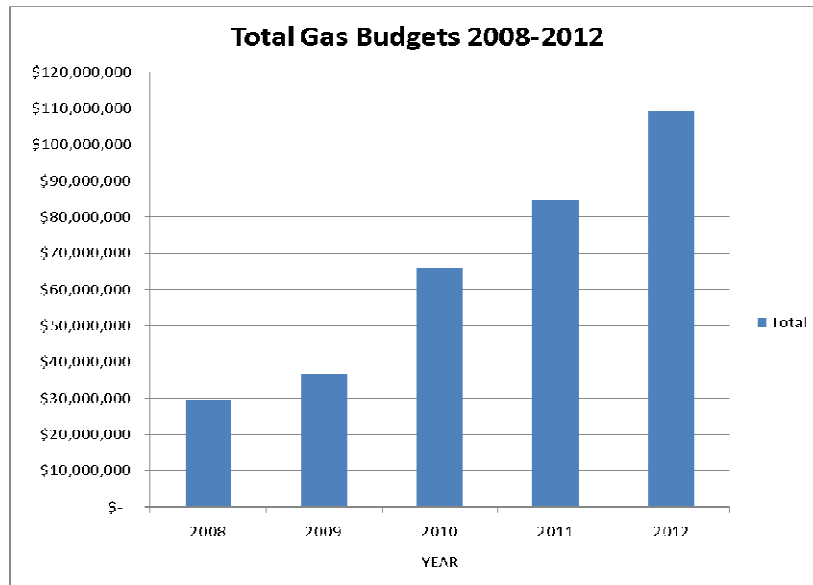
2010 – 2012
Massachusetts
Joint Statewide Three-Year
Gas Energy Efficiency Plan



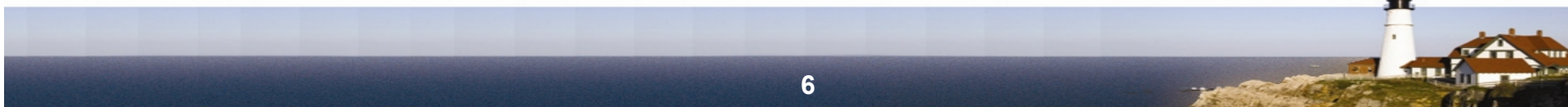
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Three Year Gas EE Plan for MA

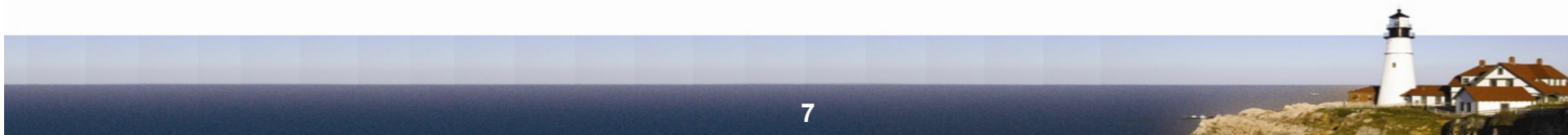


Total Resource Cost Test, 2010-2012				
Sector	B/C Ratio	Net Benefits	Benefits	Costs
Residential	2.34	\$226,225,792	\$395,184,285	\$168,958,493
Low Income	1.22	\$11,992,620	\$66,784,798	\$54,792,178
Commercial & Industrial	2.73	\$270,800,370	\$427,092,612	\$156,292,242
GRAND TOTAL	2.34	\$509,018,781	\$889,061,695	\$380,042,913



Unitil Gas Efficiency Plan for Maine

- ☼ Northern Utilities has 26,000 customers in Maine
 - The only natural gas utility serving more than 5,000 customers – and the only natural gas service area required to provide energy conservation programs
- ☼ Current plan year (May 2009 – April 2010) is the third year of the first three-year planning cycle in Maine
 - Planned expenditures: \$830,000
 - Participants: 578 Savings: 164,000 therms annually
 - Cost per lifetime ccf saved in the 2008 program year was \$0.21. By way of comparison, the average retail cost of natural gas is \$1.91 per ccf.
 - Benefit Cost Ratios ranging from 1.0 (low income) to 2.5
- ☼ Full range of residential and commercial programs:
 - Home Energy Assessment and ENERGY STAR Homes
 - Low Income
 - Residential Gas Networks: ENERGY STAR thermostat; ENERGY STAR Windows; High Efficiency Heating Rebate; High Efficiency Water Heating Rebate
 - Residential custom weatherization and self-Install Rebate
 - C&I Gas Networks and C&I custom
 - Multifamily



Moving Forward

- ☼ Unitil conducts its energy efficiency program planning and administration activities on an integrated basis across three states.
 - Increased efficiency and cost-effectiveness
 - Collaboration and sharing of information and techniques
 - Seeking “Best Practices” in program design and delivery
- ☼ Unitil would like to work with the Efficiency Maine Trust as a partner in the development of the Triennial Plan and in the delivery of energy conservation programs and measures to its natural gas customers.
 - Build on our experience of the last three years in Maine.
 - Draw upon our knowledge of energy efficiency in MA and NH.
 - Utilize our trained and experienced staff for program delivery
- ☼ Goals:
 - Increased consumer awareness
 - Greater deployment of energy efficiency measures
 - Sustainable economic development / reduce environmental emissions

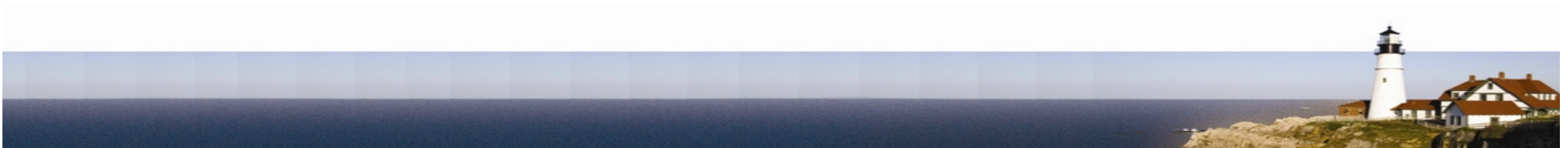


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Thank You

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