



# Natural Gas Measure Review

November 15, 2023

Board Meeting

# Agenda

- Review benefit-cost ratios of natural gas measures
- Review next steps

# Residential Natural Gas measures

- As of FY24, the use of natural gas funds for the following measures has been discontinued due to cost-effectiveness results.

## Home Energy Savings Program (FY23)

Measure	Installed Qty	Incentive	BCR
Air sealing	80	\$40,000	2.01
Insulation	148	\$499,492	0.78

## Low- and Moderate-Income Initiatives (FY23)

Measure	Installed Qty	Incentive	BCR
Air sealing	4	\$2,400	3.70
Insulation	3	\$11,082	0.60

- As of FY24, air sealing rebates for all homes were incorporated into insulation rebates for the following reasons:
  - To simplify the residential weatherization program
  - To align with Maine Climate Council goals to weatherize more homes with deeper retrofits
  - To claim savings from air leakage reduction associated with both air sealing AND insulation

# Distributor Natural Gas measures

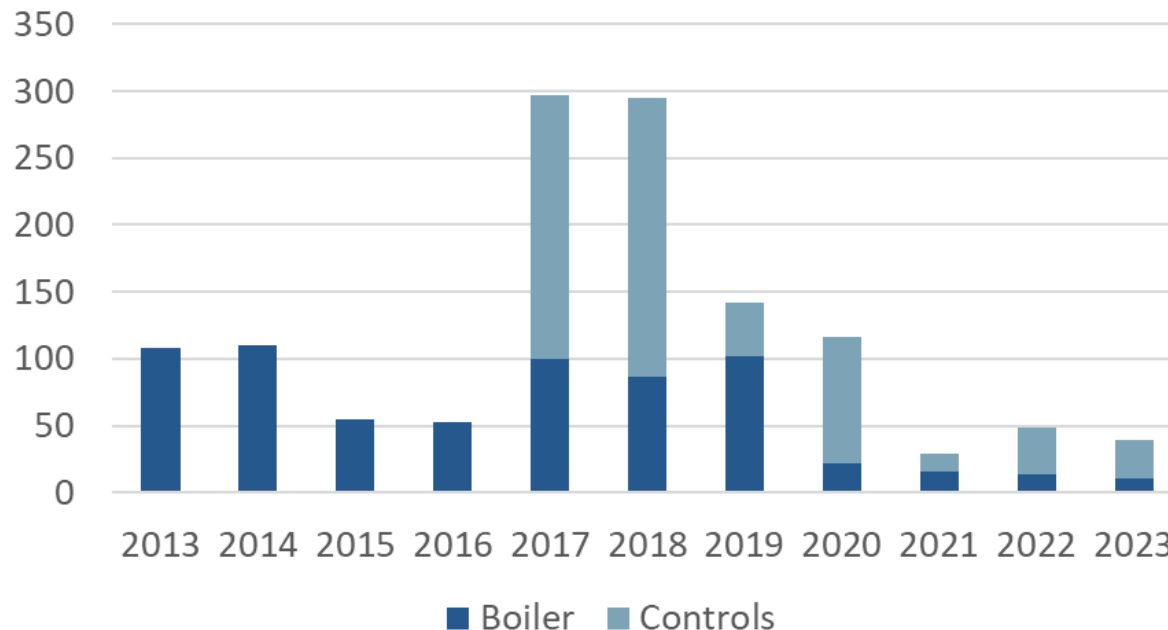
- As of FY23, our largest distributor discontinued its participation in Natural gas programs, citing complicated process as the reason.
- As of FY24, the following measures have been discontinued due to cost-effectiveness results after updating the baseline efficiency case (discussed at the June 2023 board meeting):

Measure	Installed Qty (FY23)	Incentive (FY23)	BCR (FY23)	BCR (FY24 best case scenario)
Tankless Water Heater	2	\$700	3.29	0.98
Boiler	74	\$25,900	2.49	0.69

# Commercial Prescriptive Natural Gas measures

- The program began to offer controls in FY17. New boilers sold today already have these controls built-in.
- Enrollments for both measures have declined sharply since FY2018.
- All measures (large boilers and HVAC controls) that were offered in FY23 are cost-effective, and are still active in FY24. Both measures may be sufficiently cost-effective (BCR>10) to persist in the market without an incentive.
- During FY23, the program had to deny a large project to prevent program shutdown. This project would have exhausted all funds for that territory. The project was referred to the Custom Program, however the site decided to forego the Custom review process and went forward with the project without an incentive.

CIPI HVAC Natural Gas Rebates by Fiscal Year



# Custom Natural Gas projects

- FY23: 4 projects completed worth \$584,939 in incentives
- FY24: Natural gas commitments by Local Distribution Company (LDC) as of 11.13.2023:

	Committed and Pipeline	Closed and paid, including delivery	Budget	Percent of budget: pipeline, committed and paid
Unitil	\$62,389	\$107,077	\$694,701	24%
Maine Natural Gas		\$0	\$172,827	0%
Bangor Natural Gas		\$4,011	\$260,515	2%
Summit Natural Gas	\$155,000*	\$59,234	\$214,331	100%
<b>TOTAL</b>	<b>\$217,389</b>	<b>\$170,322</b>	<b>\$1,342,374</b>	<b>29%</b>

\*A project worth \$1,000,000 in incentives has submitted an application, which has not yet been approved. The remaining balance of funds (\$845,000) will come out of the Custom RGGI budget.

# Discussion: What is the future of Natural Gas efficiency at Efficiency Maine?

- We don't have cost-effective measures for all sectors anymore. Is it equitable to have a Natural Gas Conservation Fund if we are unable to offer cost-effective incentives to all sectors?
- Is it worth the administrative burden on the Trust, the PUC, and the LDCs to quantify and collect procurement?
- Questions?