

**The Context for
Energy Efficiency Savings:
Electric Savings Update
Electric Net Benefits
Gas Savings**

Council Consultants

MA EE Advisory Council Meeting
March 24, 2009

Outline of Presentation

- Electric savings update
- Electric benefits, costs, and net benefits
- Gas savings, initial analysis and scenarios

Savings Are Expressed in Many Ways

- **Annual energy savings (% savings)**
- Cumulative annual savings
- Lifetime savings (savings over life of measure)
- **Double or triple current savings**
- Savings as a percent of retail sales
- **Savings as a percent of total resources**
- Increase energy efficiency to X% by Y Year (e.g., 20% by 2020)
- Zero load growth or reduce load growth by Z%

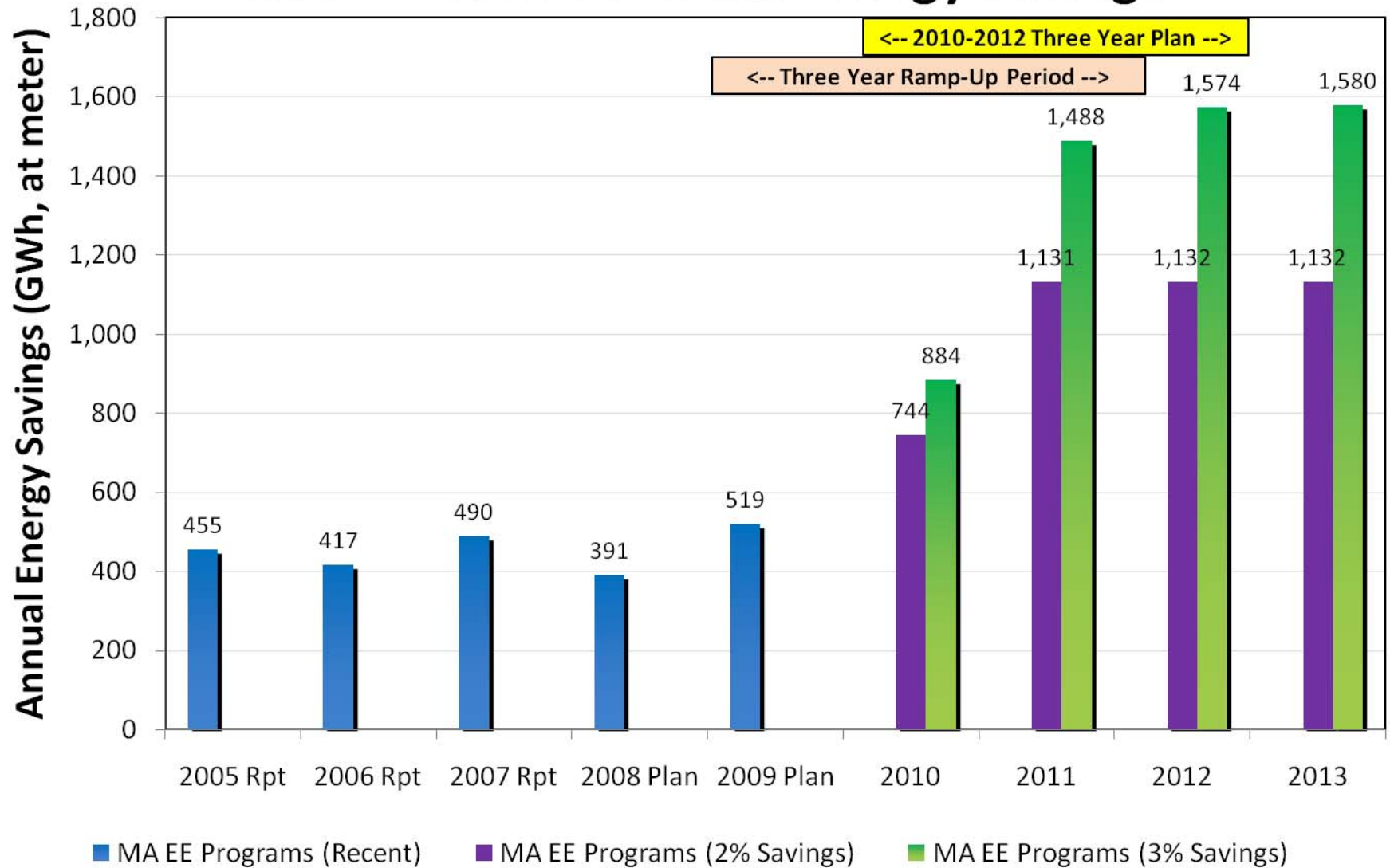
Requirements of the Green Communities Act

- Electric and natural gas resource needs shall first be met through all available energy efficiency and demand reduction resources that are cost effective or less expensive than supply. [Section 21 (a)]
- Each plan shall provide for the acquisition of all available energy efficiency and demand reduction resources that are cost effective or less expensive than supply. [Section 21 (b)(1)]
- Green Communities Act (GCA)
Chapter 169 of the Acts of 2008

Parts A and B

Electric Savings and Net Benefits

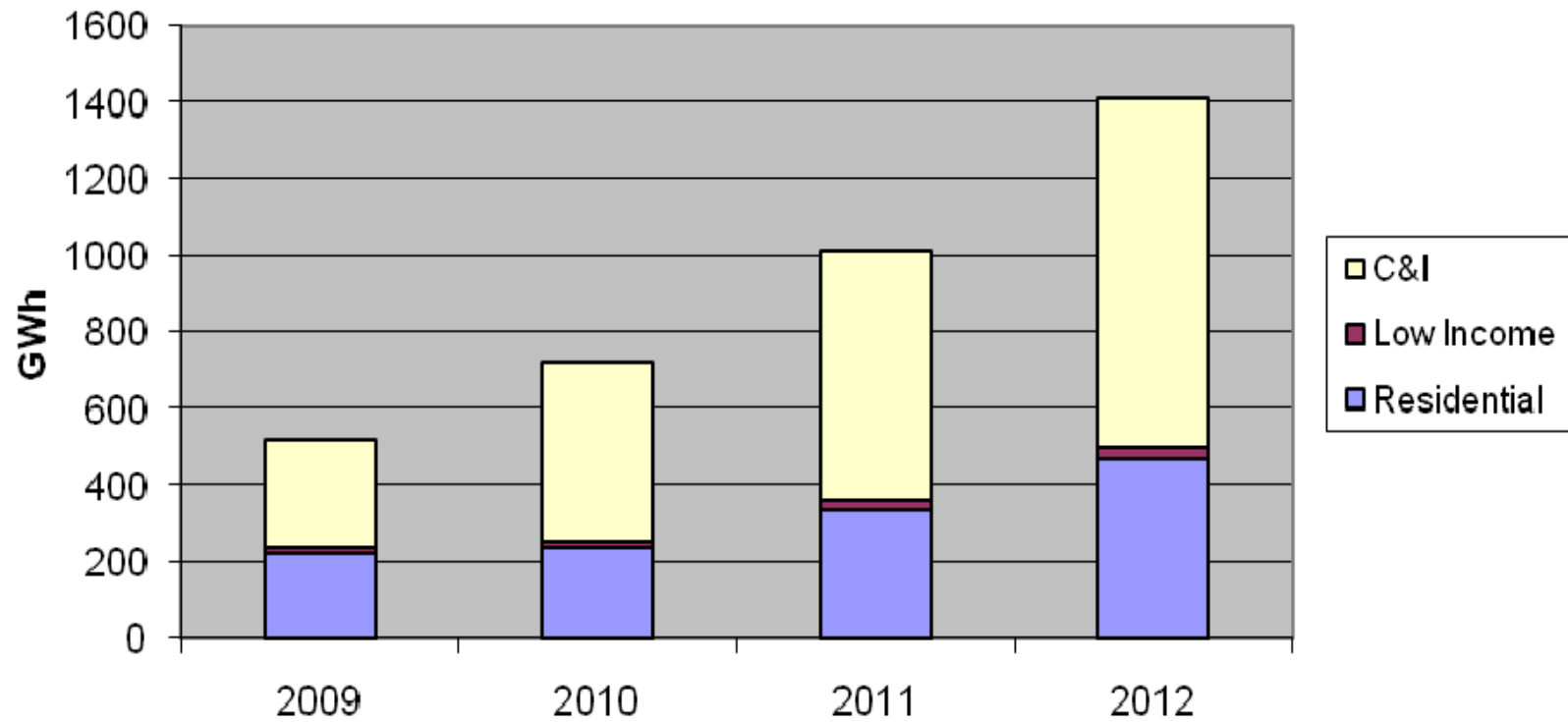
MA EE Electric Annual Energy Savings



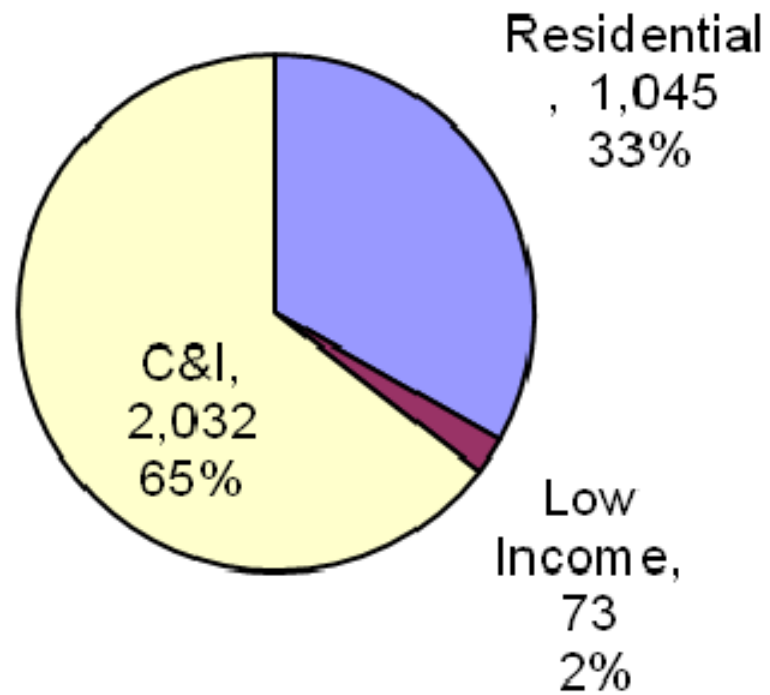
Revisions to Electric Savings

- Better adjustment for municipal load (about 20% of total electric load in MA)
- Savings based on 3% of forecast load, rather than on change in average annual load growth
- Slightly slower ramp up to 3%, over 4 full years, 2009-2012 (rather than by early 2012)
- Scenarios based on 2007 Report, 2009 Plan, and 2009 Plan Consultant-Adjusted
- Scenario 3 is what we are presenting

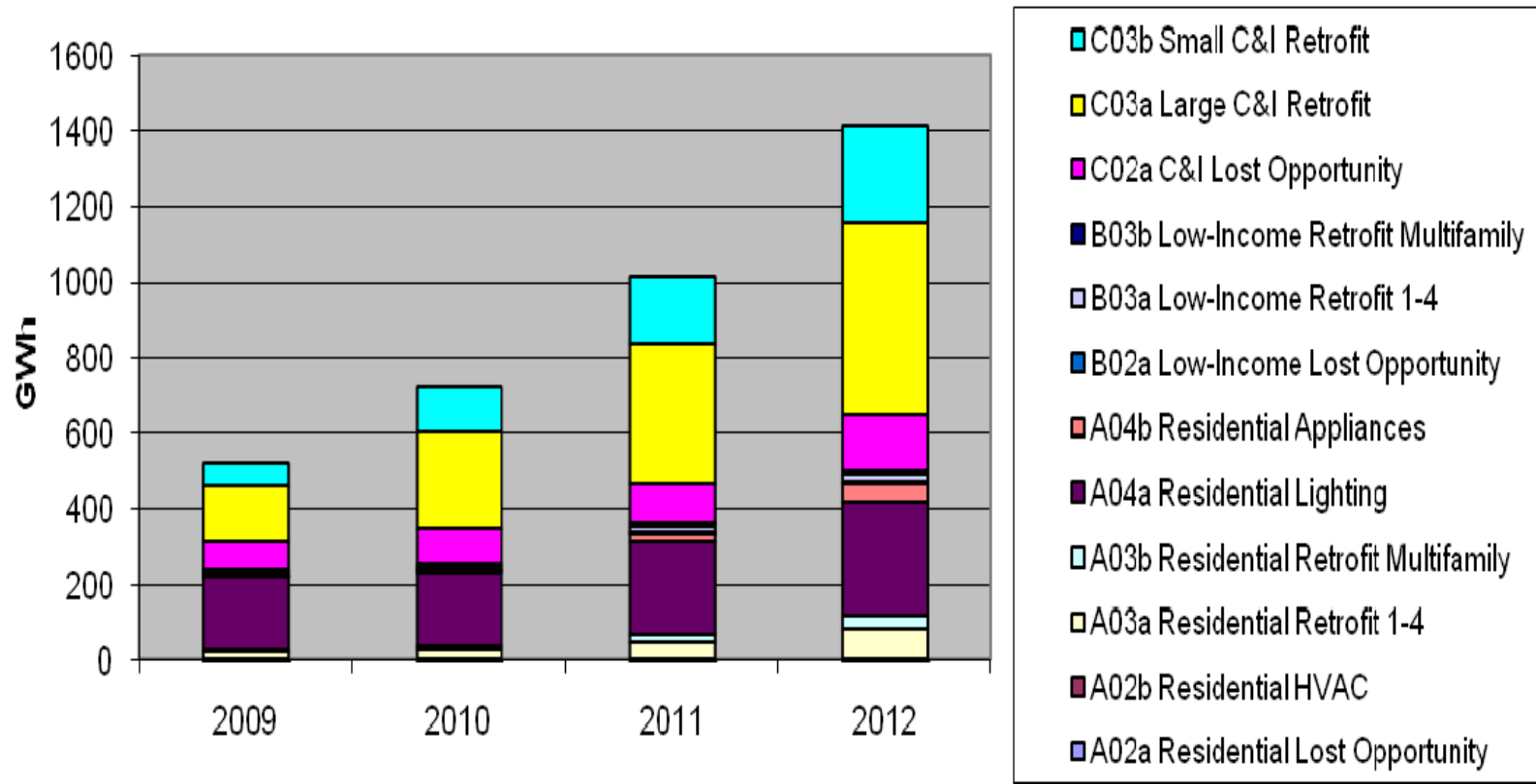
Scenario 3: Annual GWh Savings by Sector



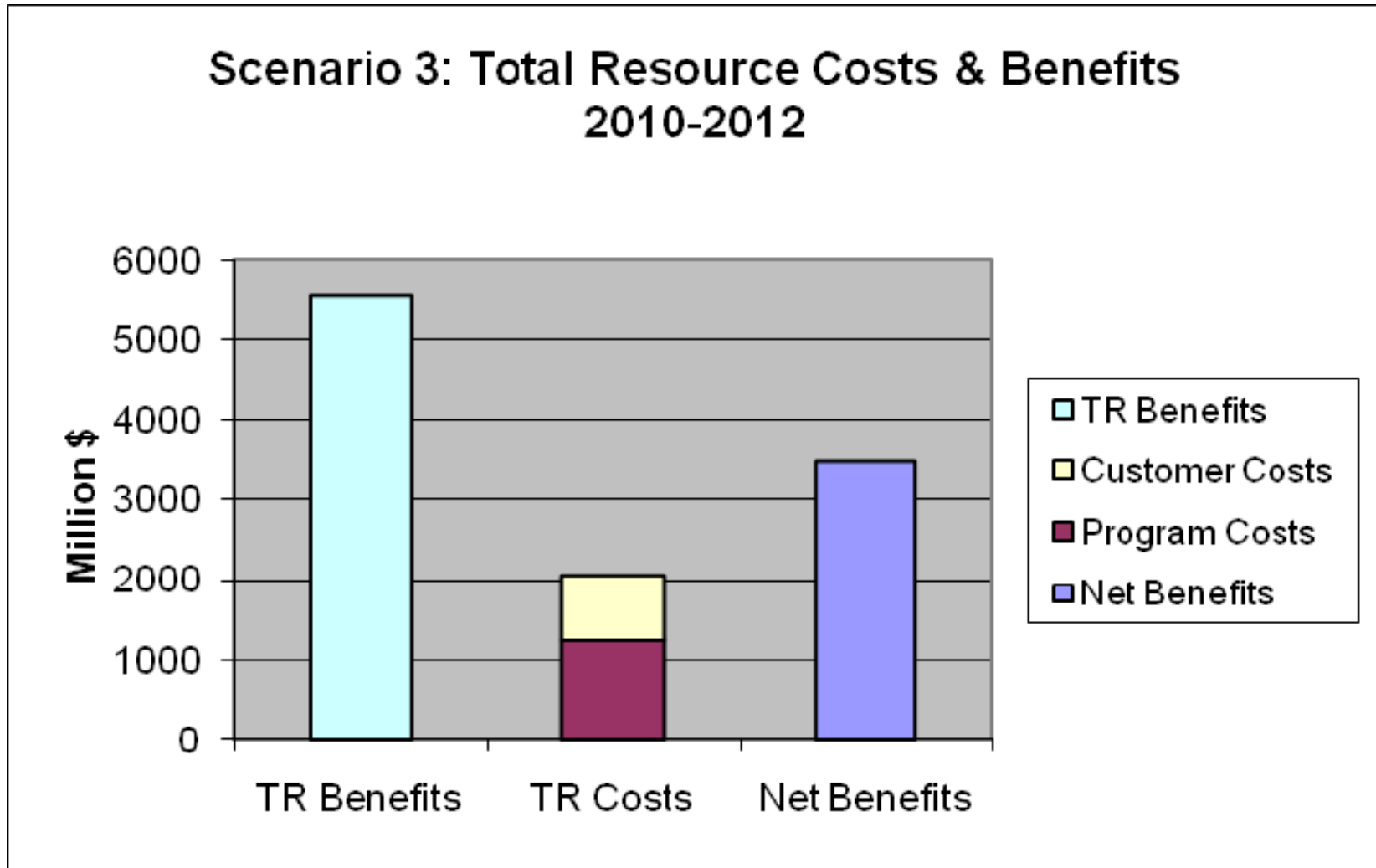
Scenario 3: 2012 Cumulative Annual Electric Energy Savings (GWh)



Scenario 3: Annual GWh Savings by Program



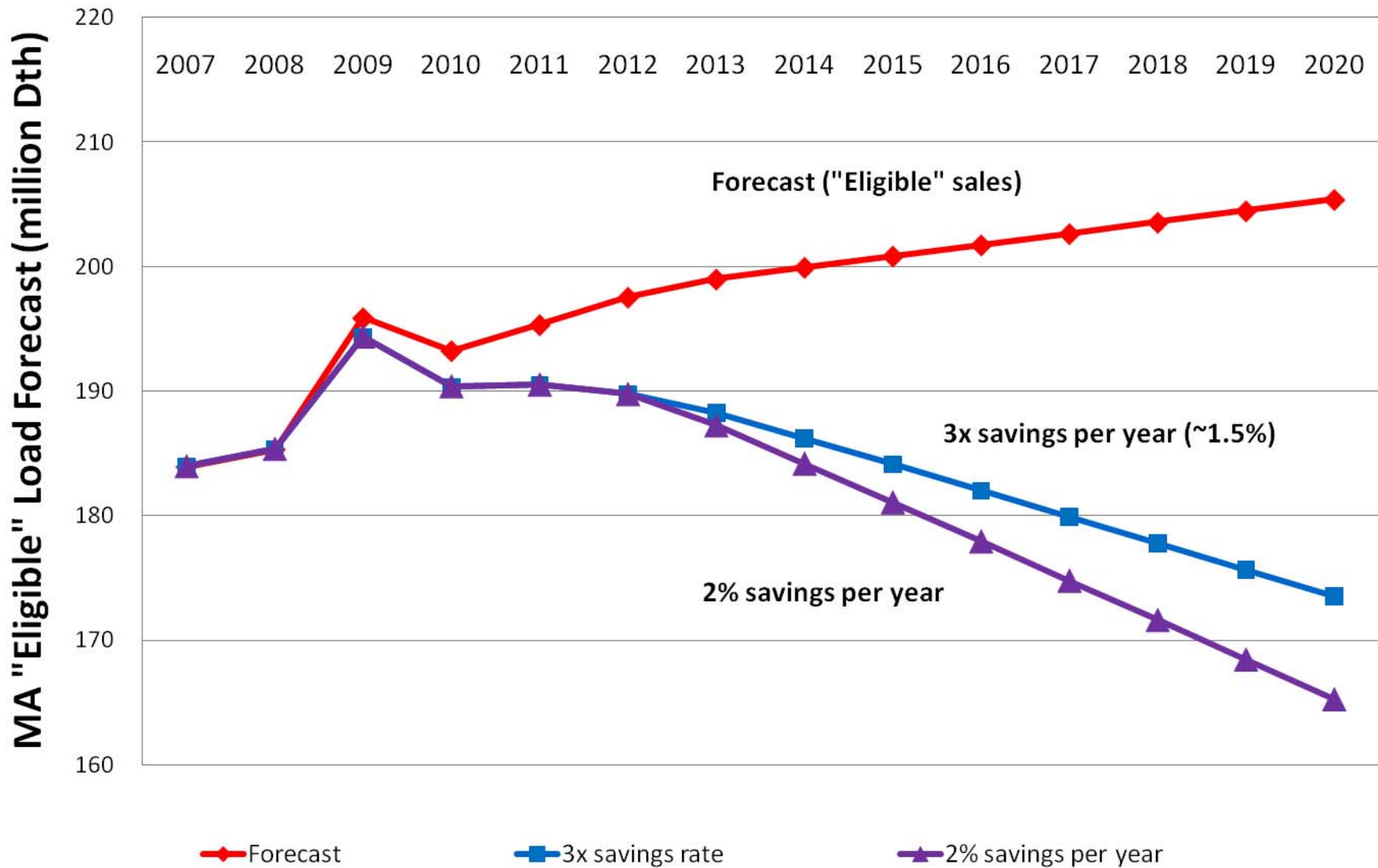
Initial Estimate: \$3.5 B of Net Benefits



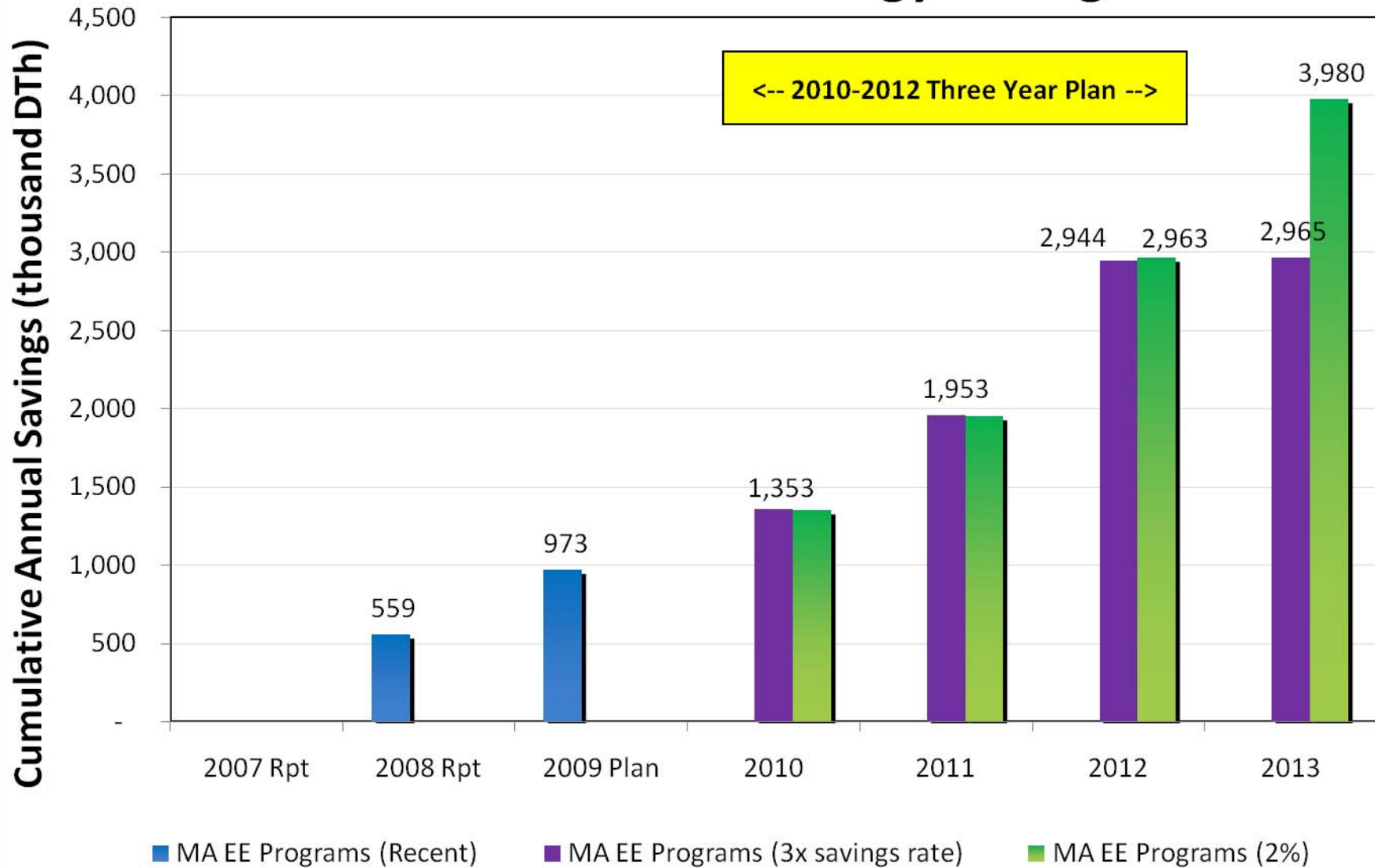
Part C

Gas Savings Analysis: Initial Estimates and Scenarios

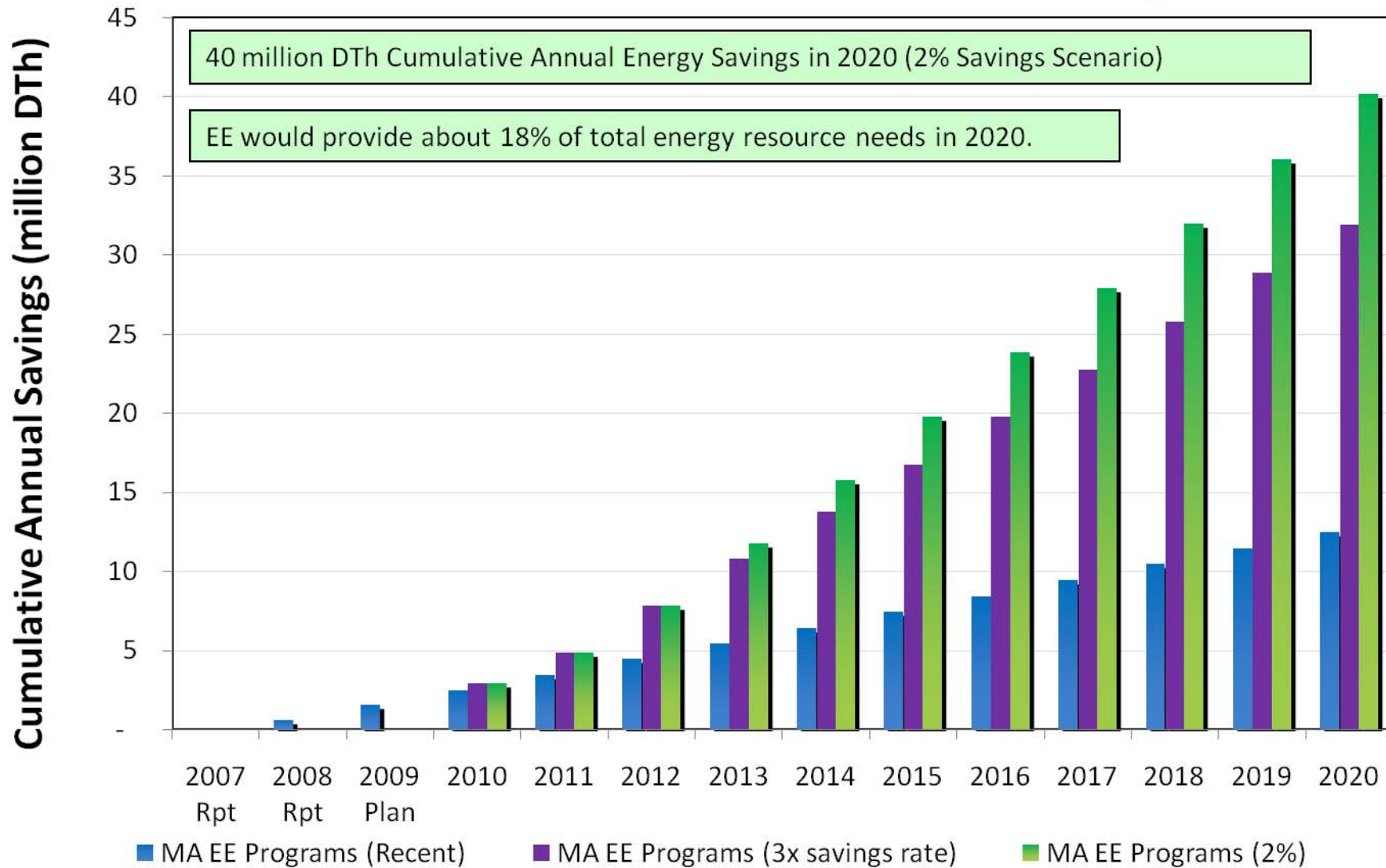
MA EE Gas Savings: Energy Policies & Goals



MA EE Gas Annual Energy Savings



MA EE Gas Cumulative Annual Savings



Next Steps

- Complete the initial electric economic analysis
- Bill and rate analysis (per DPU 08-50-A)
- Complete gas savings analysis and scenarios
- Gas cost-effectiveness and bill impacts
- Interact with PAs on savings and economic analysis for April 30 Plans