

Conversion and Energy Efficiency Programs



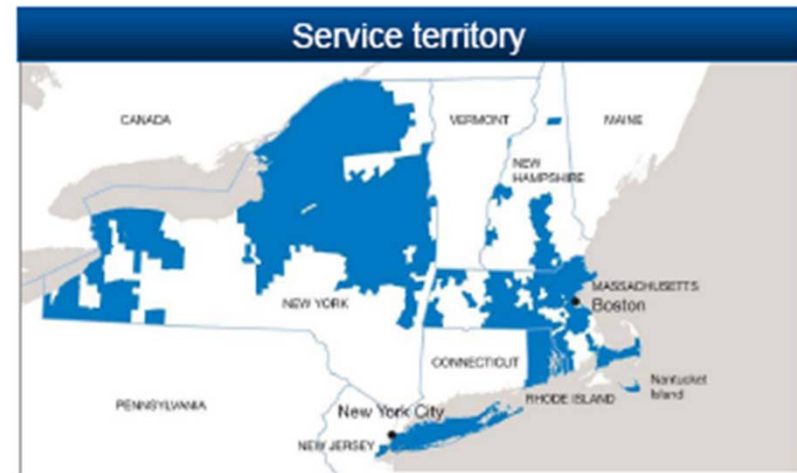
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National Grid: Second-largest Utility in the U.S.

- **The largest distributor of Natural Gas in the northeast U.S.**
 - Approximately 3.4 million customers in New York, Massachusetts, New Hampshire and Rhode Island
- **Delivers electricity to approximately 3.3 million customers**
 - Massachusetts, New Hampshire, New York and Rhode Island
- **Manages the electricity network on Long Island under an agreement with the Long Island Power Authority**
 - Serving 1.1 million LIPA customers



Converting from Oil to Natural Gas – The Basics

Below are the most frequently asked questions by Multifamily Owners and Agents considering converting.

- What are the benefits of converting from oil to gas?
- Why should I consider converting now?
- Describe the process of converting to natural gas?
- What assistance does National Grid provide?
- I've heard about energy efficiency programs so much. What are they, do I qualify and how do I get started?



Why should I consider converting now?



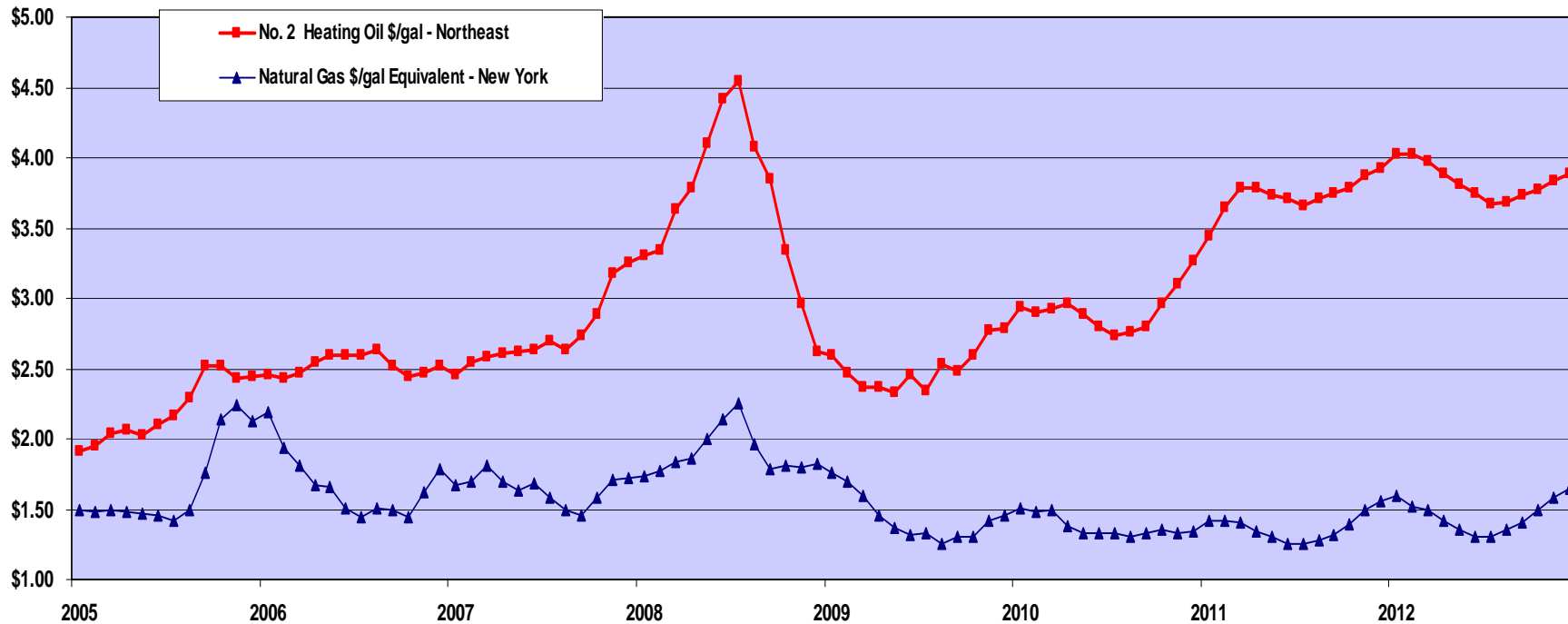
Why should I consider converting now?

- Price and Price Volatility (Get off the Rollercoaster)
- **September price per therm Firm Rate = \$1.30** (excl. Taxes)
- **Equivalent cost per gallon of #2 oil = \$1.83!!!!!!!!!!!!**
- NYSERDA Programs
- Value Added Benefits of Natural Gas
- National Grid's EE Programs (for firm rate customers only)



Price Comparison #2 Htg. Oil vs. Natural Gas Historical Comparison

Price Comparison #2 Htg. Oil vs. Natural Gas
Commercial Sector / Retail Delivered Pricing
Monthly Prices and Forecast
New York 2005-2012



Historical Pricing and Forecast 2005 through 2012

Source: U.S. Dept. of Energy Pricing Forecast, www.eia.doe.gov/sto - March 8, 2011

Natural gas price per MCF is converted to equivalent gallon price. $MCF(1,000,000 \text{ btus})/gallon = (138,500 \text{ btu's}) = \text{conversion factor } 7.22$

What are the benefits of converting to Natural Gas?

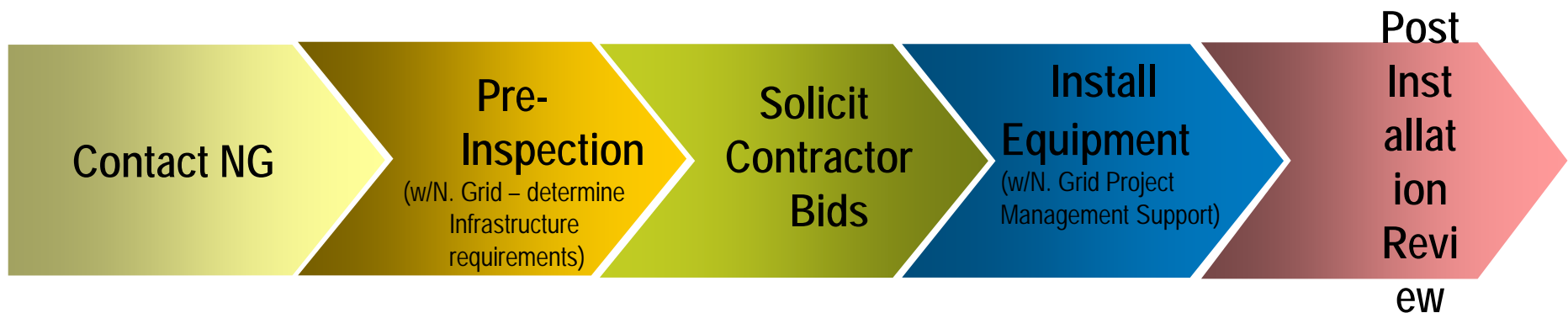
- **Clean operating and efficient** – Environmentally friendly, cleaner burning natural gas can increase efficiency up to 30%
- **Reduce maintenance** – Fewer moving parts means less maintenance, so there's less chance of breakdowns
- **Reduce costs** – reduce hidden costs associated with oil (pumps, motors, filters, permits, maintenance, and poor system efficiency)
- **No oil delivery worries** – Natural gas eliminates time-consuming testing and record keeping required by oil systems
- **Reliability and Confidence** of a regulated, on site meter
- **A Safe and Secure Domestic Resource** – Natural gas is piped directly to your business, metered according to PSC guidelines and paid for *after* it is used

Describe the process of converting to natural gas

- Converting from oil to natural gas can seem like a daunting project. However, **National Grid Multifamily Energy Consultants** will walk you through every step of the process.

There are 4 steps to plan for:

1. Pre-Evaluation or Inspection – Infrastructure requirement review is KEY!!!!!!
2. Contractor bid solicitation – take the time to shop around
3. Installation (equipment and potentially gas infrastructure needs)
4. Post installation reviews – NG safety start up



Infrastructure Requirement

- National Grid will review load requirements to determine if customer can be supplied with existing pressures
- If infrastructure is required (main installation/ main reinforcement), National Grid will determine cost to install (main/ service) and apply the following measures to calculate final cost due customer:
 - Entitlements – 100 ft main and 100 ft service to property line (PL)
 - Revenue Justification – potential revenue generated from MF building (based on equipment input) will be used to justify cost of service and main required
 - **NOTE: EITHER ENTITLEMENTS OR REVENUE JUSTIFICATION CAN BE USED IN ANALYSIS, NOT BOTH. THE MEASURE THAT RESULTS IN THE LOWER COST TO THE CUSTOMER WILL BE UTILIZED**
 - Once entitlements or revenue justification is factored out of the cost to install, customer contribution determined.
 - In some cases either entitlements or revenue justification will assume the cost of installation (main/ service)

What assistance does National Grid provide for oil to gas conversions?

- **Cash Rebates (6+ apts.)**
 - Up to \$100 per apt on dual fuel rates (aka TC or temperature controlled)
 - Up to \$50 per apt on firm rates
- **Discounted or Free Equipment (6+ apts.)**
 - Boilers
 - Furnaces
 - Burners
 - Water heaters
- **Rebates or discounted equipment can be used on conversions where gas is available**
- **We are here to help!**

We are here to Help

- **Help**...each multifamily customer prioritize and reach financial goals by simplifying what seems like a complex process
- **Help**...prove how converting can improve your bottom line including presenting at Board Meetings
- **Help**...defray some of the costs with incentives that reduce your overall costs for systems improvement
- **Help**...by assisting you throughout the process from start to finish.
- **Help**...you take pride in being ahead of the curve

As your trusted energy advisor, National Grid's experienced energy efficiency professionals will help you transform your business practices.



What are National Grid's energy efficiency programs, do I qualify and how do I get started?

PRESCRIPTIVE

- **Fixed incentives paid for installation of specific, predetermined energy efficiency measures and equipment.**
 - Eligible equipment must have specified energy efficiency ratings

CUSTOM

- **Includes measures not covered under the prescriptive incentives.**
- **Requires a technical analysis of proposed energy measures and associated energy savings to determine incentive amount. Incentives are generally the lesser of:**
 - Up to 50% of the installed cost which includes labor and equipment
 - A buy-down of equipment costs equal to a one-year payback

High-Efficient Water Heating Units, Thermostats & Boiler Reset Controls

Water Heater Rebates

Indirect fired water heaters

- \$100 (up to 50 gallon storage)
- \$300 (greater than 50 gallon storage)



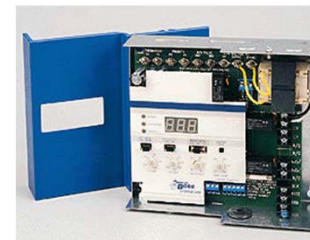
Programmable Thermostats

\$25 rebate per thermostat
(five maximum per customer)



Boiler Reset Controls Rebate

Single stage units	\$150
Multi stage units	\$250



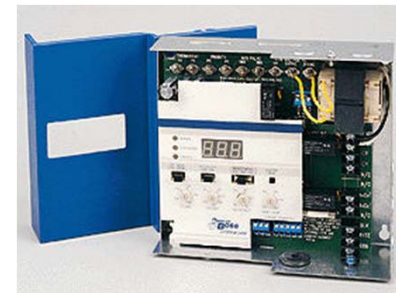
Multifamily Prescriptive Improvements

- ***Programmable Thermostats*** @ \$25 (Limit 5)

- ***Boiler Reset Controls***
 - Single Stage @ \$150 (Limit 2)
 - Multi Stage @ \$250 (Limit 2)

- ***Pipe Insulation*** @ \$1.50/linear ft. for hot water and steam systems (Limit 500 linear ft.)

- ***Building Shell Insulation***
 - Roof, Attic and Wall @ 20% of installed cost of Energy Efficiency Measure



Multifamily Custom Rebates

Customer Energy Saving Program:

- Rebate based on therm savings and type of measures installed
- Maximum rebate of **50%** of project cost at **\$250K** max per project
- Requires pre-approval

Projects include:

- ✓ Advanced Technology / EMS
- ✓ Large Steam Applications & Steam Traps *
- ✓ Burner / Combustion Controls



* Steam Traps are Prescriptive in the Industrial and Multifamily Programs

Who Qualifies?

- All National Grid customers on Firm Gas Rate Tariffs (no Temperature Control / Interruptible customers)
 - Gas: **Customers on Rates: 3 & T3 (6 – 75 units)**
 - **Gas to Gas Replacements**
 - **Oil to Gas Conversions**
- Oil to Gas conversions – additional rebates are also available
- Cannot receive an incentive from National Grid and an incentive from other SBC programs for the same measure
- >75 apartments and #6 oil users may qualify through NYSERDA

In Closing

Keep it simple....or at least try to minimize the perceived complexity of converting

- Most likely, overall energy costs will not go down; some EE strategy is highly suggested
- Bring in multiple players
 - Energy costs are not just the Facilities Department problem
 - Find common ground
- Looking out five years...



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