

Charting a Course to Energy Independence

**Providence, RI
August 9-12, 2009**

Accelerating Energy Efficiency
under Least-Cost Procurement

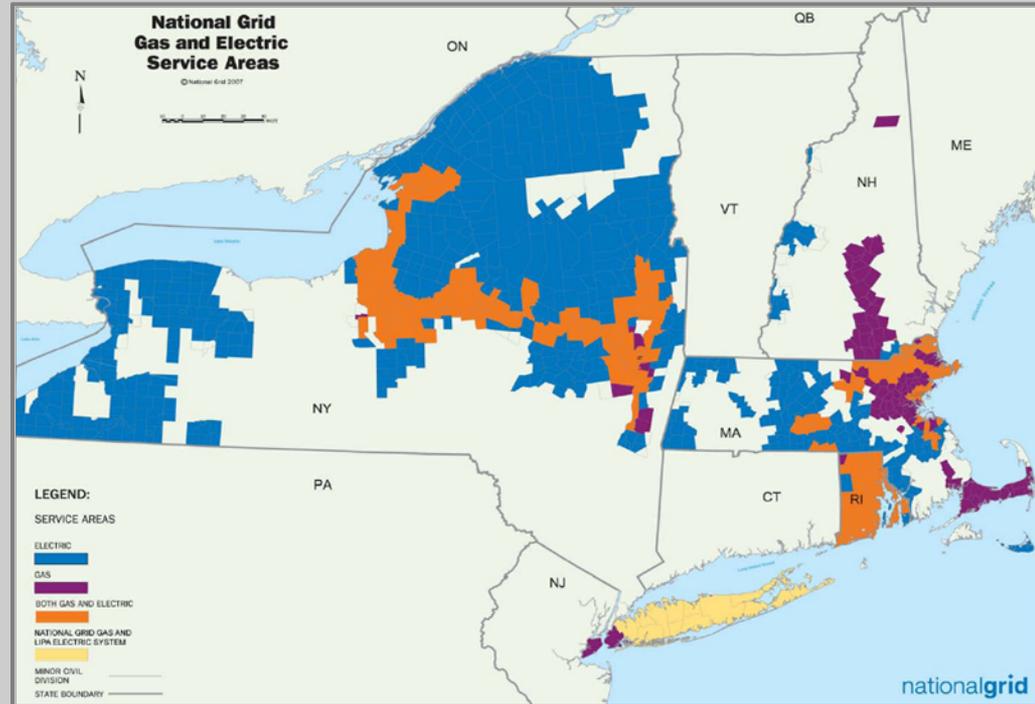
Tim Stout
VP – Energy Efficiency
Strategy and Planning
National Grid





National Grid: an international electricity and gas company

- 50% US, 50% UK
- 27,000 employees
- Distributes electricity to 3.3 million customers
- Provides natural gas to 3.5 million customers
- Services 1.1 million customers of Long Island Power Authority (LIPA)
- Currently owns over 4,000 MW of generation



“Minimizing our impact on the environment while delivering safe, secure and economic supplies of energy to customers is not an option, it is a must.”

– Steve Holliday, National Grid CEO

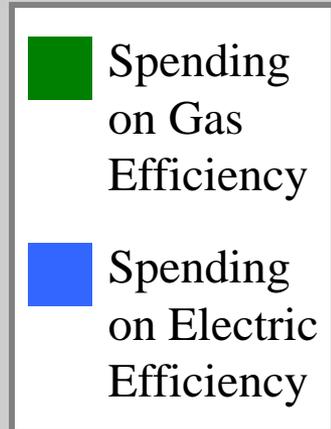
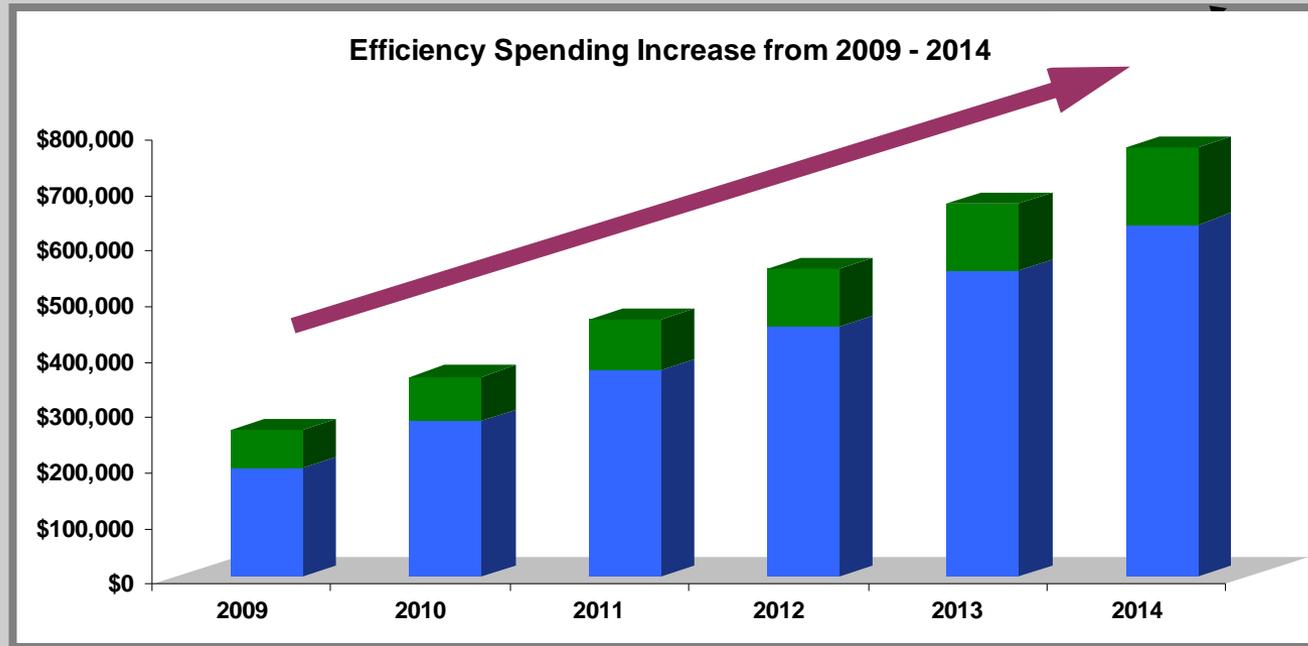


Reducing Reliance on Traditional Energy Sources

- **Since inception of energy efficiency programs:**
 - **More than 4.7 million National Grid customer efficiency projects completed in New England, saving more than \$3.6 billion in energy costs**
 - **Programs save customers over \$300 million annually**
 - **Over \$1.5 billion invested in efficiency**
- **Savings targets expected to double between 2010 and 2012**
- **Least cost procurement legislation approved in MA and RI within last two years**



National Grid: Meeting 21st Century Energy Needs Through Efficiency



- Overall budget in 2014: **\$700 million** +
- Electric program budgets up **226%** over 5 years
- Gas program budgets up **97%** over 5 years



Strategies for Achieving Greater Energy Savings

- On-bill financing
- Deep retrofits
- New technologies (e.g. LED lighting)
- Enhanced marketing
- Consumer education
- Operations and maintenance training
- Changing customer usage patterns
- Training the green workforce
- Establish a continual feedback loop between implementation and evaluation



Critical Success Factors

- Complete transparency in program operations
- Ongoing buy-in and support from all interested parties
- Consistent policies toward and commitment to efficiency across region
- Proper incentives to program administrators for achieving goals
- Full cost recovery of program expenses



For more information:

Tim Stout

Timothy.Stout@us.ngrid.com

781-907-1630