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nationalgrid

March 15, 2011

VIA ELECTRONIC MAIL

Honorable Jaclyn A. Brilling, Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Case 07-M-0548 – Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard

Case 08-G-1016 – Petition of The Brooklyn Union Gas Company for Approval of an Energy Efficiency Portfolio Standard (EEPS) "Fast Track" Utility Administered Gas Energy Efficiency Program

Case 08-G-1017 – Petition of KeySpan Energy of Long Island for Approval of an Energy Efficiency Portfolio Standard (EEPS) "Fast Track" Utility-Administered Gas Energy Efficiency Program

Case 09-G-0363 – Petitions for Approval of Energy Efficiency Portfolio Standard (EEPS) Gas Energy Efficiency Programs

2010 Energy Efficiency Programs Annual Report

Dear Secretary Brilling:

Enclosed please find for filing by The Brooklyn Union Gas Company d/b/a National Grid NY (formerly "KEDNY") and KeySpan Gas East Corporation d/b/a National Grid (formerly "KEDLI") (collectively "National Grid" or the "Companies") the 2010 Energy Efficiency Programs Annual Report for the Companies' gas energy efficiency programs.

This Annual Report is submitted in compliance with the Commission's April 7, 2009 Order in Cases 08-G-1016 and 08-G-1017 and subsequent Commission EEPS orders which require annual program reports be provided no later than 60 days after the conclusion of the calendar year. On March 1, 2011, Your Honor granted the Companies' request for an extension of time until March 15, 2011 to submit this report. This filing is hereby submitted to comply with the aforementioned orders that require such annual reports to be made with the Commission.

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Thank you for your consideration in this matter.

Respectfully submitted,

/s/ Catherine L. Nesser
Catherine L. Nesser
Assistant General Counsel

Enc.

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Steven Keller, DPS Staff, w/enclosures (via electronic mail)
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Active Parties in Case 07-M-0548 via EEPS listserv

The Brooklyn Union Gas Company d/b/a National Grid NY

and

KeySpan Gas East Corporation d/b/a National Grid

Cases 08-G-1016, 08-G-1017 and 09-G-0363

2010 Energy Efficiency Programs
Annual Report

March 15, 2011

nationalgrid

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SUMMARY OF ENERGY EFFICIENCY PROGRAM PERFORMANCE IN 2010

I. Executive Summary

A. Introduction

This 2010 Energy Efficiency Annual Report documents the performance of the Energy Efficiency Portfolio Standard ("EEPS") energy efficiency programs and services implemented by The Brooklyn Union Gas Company d/b/a National Grid NY (formerly d/b/a "KEDNY") and KeySpan Gas East Corporation d/b/a National Grid (formerly d/b/a "KEDLI") (collectively "National Grid" or the "Companies") in calendar year 2010. The gas energy efficiency programs and services were approved in various orders issued by the New York State Public Service Commission ("Commission") and are described by the Companies in their implementation plans. Appendix 1 attached hereto provides the name and issue date of the order approving each gas energy efficiency program, as well the name and filing date of the implementation plan for each gas energy efficiency program.

In 2010, National Grid continued to implement the following gas energy efficiency programs for which program implementation began in 2009:

Residential High-Efficiency Heating, Water Heating and Controls Program

After building an infrastructure capable of delivering on National Grid's aggressive energy savings targets in 2009, these programs experienced success in 2010. The Residential High-Efficiency Heating, Water Heating and Controls Program in Long Island was highly subscribed to by customers and achieved its 2009-2010 combined savings target in August 2010. The Residential High-Efficiency Heating, Water Heating and Controls Program in New York City experienced growth through the year, although it was not as successful as the program in Long Island.

In addition to continuing to offer the programs that began in 2009, National Grid commenced implementation of an additional ten gas energy efficiency programs in 2010 as these programs were approved by the Commission. However, the delayed launch of these programs, which were originally proposed to begin implementation in 2009, has negatively impacted the ability to achieve the combined 2009-2010 energy savings targets. Although many of these programs did not achieve their 2010 energy savings targets, most customers that have participated in programs have expressed satisfaction with their experience. For example, a survey of customers that participated in the Residential High-Efficiency Heating and Water Heating and Controls Program found that the average satisfaction with the program was 8.8 on a scale of 0 to 10, where 10 is "very satisfied."[1]

Although the energy savings for these programs will be delayed, National Grid is committed to achieving its share of the New York State 15 x 15 energy savings goals. The Companies are utilizing their experiences and lessons learned in fostering the development of a robust infrastructure in downstate New York capable of building program momentum to achieve the Companies' aggressive cumulative 2009-2011 energy savings targets.

The costs and savings reported herein have been updated and do not in all cases agree with the results previously reported in the Companies' 2010 monthly and quarterly scorecards. Although National Grid's evaluation team audits energy efficiency program results in its tracking system, this audit is not always complete prior to the reporting deadline for the monthly scorecards. The quarterly reports are due 45 days after the quarter end, compared to monthly reports which are due 14 days after the month end. The additional time to prepare the quarterly reports allows the Companies' quarterly scorecards to incorporate energy efficiency program results that have been audited by the National Grid evaluation team. The annual reports are due 60 days after year end, which provides additional time to audit program results for accuracy. In addition, for many programs, tracking systems were initially programmed to calculate savings based on the anticipated final Consolidated Technical Reference Manual to minimize program administration costs caused by multiple tracking

[1] Tetra Tech, *National Grid New York Residential High-Efficiency Heating and Water Heating and Controls Program Process Evaluation Report – Final*, December 15, 2010.

systems changes. National Grid therefore needed to recalculate 2010 completed project savings based on the 2010 Technical References Manuals, which also changed savings results in many cases. The Companies also conducted a rigorous review of program costs to ensure that any costs which were allocated across several programs were done in an appropriate manner. The program costs are approximately $260,000 higher in New York City and approximately $520,000 higher in Long Island, than reported in the fourth quarter 2010 report.

A total of 5,909 customers participated in the Companies' 2010 energy efficiency programs. Participants were comprised of 3,682 residential customers and 280 commercial and industrial ("C&I") customers in New York City and 5,521 residential customers and 388 C&I customers in Long Island. For year end 2010, National Grid and its customers achieved 1,157,507 annual therm savings in New York City and 1,201,816 annual therm savings in Long Island.

B. Report Organization

This report contains an overview of the 2010 gas energy efficiency programs for The Brooklyn Union Gas Company d/b/a National Grid NY followed by an overview of the 2010 gas energy efficiency programs KeySpan Gas East Corporation d/b/a National Grid. Appendices attached hereto present the name and issue date of the order approving each electric and gas energy efficiency program, as well the name and filing date of the implementation plan for each energy efficiency program (*see* Appendix 1), annual scorecard reports of program performance in the format requested by Department of Public Service Staff (*see* Appendix 2), detailed savings calculations of each of the 2010 programs (*see* Appendix 3), detailed expenditures for each of the 2010 programs (*see* Appendix 4), a summary of 2010 target and actual expenditures, energy savings and participation for each of the 2010 programs (*see* Appendix 5) and summaries of energy efficiency program evaluations completed in 2010 (*see* Appendix 6).

II. Overview of 2010 Energy Efficiency Programs for The Brooklyn Union Gas Company d/b/a National Grid NY

A. Residential High-Efficiency Heating and Water Heating and Controls Program

1. Program Status

- Program implementation began on June 1, 2009; savings and participation targets were combined for the 2009-2011 program years.
- The program served 1,586 participants in 2010 and delivered 201,996 annual therm savings or 54% of the 2010 target and 24% of the combined 2009-2011 target.
- The program experienced slow growth through the year.

2. Performance Relative to Key Goals

See Appendix 2.

3. Program Implementation Activities

- National Grid, in collaboration with Con Edison and the Master Plumbers Council, hosted the 3rd Annual New York City Education & Energy Efficiency Expo on September 23, 2010. The event was attended by over 625 members of the heating, architecture, engineering, and building trades and included exhibits of the latest energy efficiency and ENERGY STAR® products as well as educational seminars.
- The program manager:
    - Continues to actively reach out to New York City heating contractors, builders, and consumer advocacy groups to help increase program participation.
    - Collaborated with Con Edison and NYSERDA on community events in Staten Island and Manhattan.
    - Works with internal trade partners to promote the program to heating contractors, builders and other various trades groups.

    - Has established active dialogues with key personnel at Con Edison and NYSERDA to develop strategies on collaborative efforts to promote and grow New York City energy efficiency programs.
- National Grid ran marketing campaigns promoting energy efficiency residential heating programs during 2010. These campaigns were designed to assist with the growth and development of the high-efficiency residential gas heating market for New York City.
- Additional marketing efforts are scheduled for the first quarter of 2011 which will include e-mail blasts, direct mail, and web banner ads.

4. Customer Complaints and/or Disputes

There are no customer complaints or disputes to report.

5. Changes to Subcontractors or Staffing

There were no changes to staff, subcontractors or consultants.

6. Additional Issues

There are no additional issues.

7. Process and Impact Evaluations

- National Grid is working with other program administrators through the Evaluation Advisory Group ("EAG") Joint Studies subcommittee to develop a statewide impact evaluation of the program using billing analysis.
- A final process evaluation report was submitted to Department of Public Service Staff ("Staff") in December 2010.
- Summary of key results:
    - A majority of participants learned about the program from a contractor.
    - Trade allies believe the program and rebates are important tools for selling high-efficiency equipment, especially during the economic downturn.
    - Downstate New York participants rated the likelihood to purchase high-efficiency equipment without the rebate lower than upstate New York participants.

- Most participants (87%) are unaware of NYSERDA rebates for similar equipment.
- Federal tax credits are a confounding factor in understanding customer decision-making.
- There is opportunity for improvement in rebate processing.
- The tracking data required for savings calculations presents an additional administrative burden and decreases customer satisfaction due to delays caused by missing data.
- Income, home ownership and building type differences seem to contribute to differences in program performance by service territory.
- Incentives offered by National Grid are at the high end of incentives offered in similar programs across the U.S. (before incentives were lowered by the Commission's June 24, 2010 Order).
- The efficiency levels of furnaces rebated through the program are among the lowest in the country (*i.e.*, 90% AFUE and greater); other programs are more commonly rebating a minimum efficiency level of 92% AFUE, with a number of utilities moving to a minimum efficiency level of 94% or 95% AFUE. The inclusion of 90% AFUE furnaces in the program may yield lower net-to-gross ratios through higher free-ridership rates.

- Key recommendations to date that have been adopted:
  - *Continue to collaborate and maintain open communications with all program partners, especially when the suspension of program benefits is under consideration.* National Grid has maintained regular and frequent communication with implementation vendors.
  - *Establish and communicate clear protocols and procedures for implementation contractors.* Regular biweekly meetings are held with the implementation contractor to communicate regarding program status and tracking
  - *Continue to provide outreach, training, and education opportunities to trade allies.* Trade ally outreach and training activities have continued.
  - *Continue to promote the program through trade ally infrastructure, while increasing direct marketing to customers.* The program is promoted through the

- *Review the heating measures rebated and incentive values provided through the program by region in light of potential net-to-gross issues.* Lower incentives for selected measures were proposed and approved for a National Grid affiliate program in Long Island.
- *Review and discuss data required to be tracked for the program.* This was performed in conjunction with tracking system development.

- Key recommendations to date that National Grid plans to adopt:
  - *Continue working with implementation contractors to identify new techniques to market to trade allies and complete a trade ally market assessment to identify any existing barriers.*
  - *Provide trade allies with additional tools to promote high-efficiency equipment.*
  - *Complete market analysis when establishing program goals to manage expectations and avoid suspension of program offerings.*
  - *Ensure any net-to-gross estimation techniques take into consideration the federal stimulus-funded tax incentives.*
- Key recommendations to date that National Grid has chosen not to adopt and why:
  - National Grid has not rejected any recommendations from this evaluation.

B. Gas Enhanced Home Sealing Incentives Program

1. Program Status

- Program implementation began on April 1, 2010.
- The program served one customer in 2010 and delivered 184 annual therm savings or less than 1% of the 2010 target.
- In 2010, another 29 audits, with air sealing, were completed and will be billed in 2011.
- There were 2,158 customer inquiries regarding the program.

2. Performance Relative to Key Goals

See Appendix 2.

3. Program Implementation Activities

- National Grid issued a Request for Proposal in March 2010, which resulted in two responses. However, only one company was qualified to undertake the project and the contract for program implementation services was awarded to Conservation Services Group, Inc. ("CSG") in August 2010. The contract was executed on December 7, 2010 after extensive meetings concerning the scope of work, deliverables, eligible participants, and standards for contractors.
- From the time the contract was awarded, National Grid program managers and CSG staff met regularly to develop a process that would meet program objectives.
- National Grid launched a targeted marketing campaign that included direct mail, e-mail blasts, bill inserts, and bill messaging.
- National Grid is working closely with the Building Performance Contractors Association to improve program operations, and with local partners, such as NYSERDA and the Pratt Institute, to increase customer outreach.
- National Grid program managers have been identifying ways to deal with the number of health and safety violations that have caused audits to be halted until these issues have been resolved. In 2010, there were 32 such violations identified in the short period of time in which audits were conducted.

- National Grid has hosted Building Performance Institute ("BPI") training classes since such accreditation was required for the program. Field training and evaluation was conducted with each participating contractor upon entry into the program.

4. Customer Complaints and/or Disputes

There are no customer complaints or disputes to report.

5. Changes to Subcontractors or Staffing

- In 2010, National Grid instituted changes to the policy regarding background checks for Level II contractors. As a result of this policy change, audits were halted until background checks of all contractors were completed in December 2010.

6. Additional Issues

There are no additional issues.

7. Process and Impact Evaluations

National Grid anticipates that it will initiate a process evaluation of the Gas Enhanced Home Sealing Incentives Program once it has been in place for at least six months.

C. Residential ENERGY STAR® Gas Products Program

1. Program Status

- Program implementation began on April 1, 2010.
- The program served 72 participants in 2010 consisting of 21 participants replacing windows and 51 participants installing thermostats.
- The program delivered 3,333 annual therm savings or 19% of the 2010 target and 8% of the combined 2010-2011 target.

2. Performance Relative to Key Goals

See Appendix 2.

3. Program Implementation Activities

- Point-of-purchase materials were created and placed in one chain of big box stores in the New York City service territory.
- Email blasts were sent to customers who were determined to be the primary target for the program.
- Window and home improvement contractors were informed about the program and rebate forms were mailed to them.

4. Customer Complaints and/or Disputes

There are no customer complaints or disputes to report.

5. Changes to Subcontractors or Staffing

There are no changes to subcontractors or staffing to report.

6. Additional Issues

There are no additional issues.

7. Process and Impact Evaluations

National Grid anticipates that it will initiate a process evaluation of the Residential ENERGY STAR® Gas Products Program once the participant level has reached a critical mass.

D. Industrial Program

1. Program Status

- Program implementation began on April 16, 2010.
- The program served 44 participants in 2010 and delivered 769,959 annual therm savings or 98% of the 2010 target and 49% of the combined 2010-2011 target.
- A revised implementation plan for the program, which incorporated program modifications set forth in the Commission's June 24, 2010 order, was filed with the Commission on August 23, 2010. On September 17, 2010 National Grid received DPS Office of Consumer Policy approval for the outreach and education/marketing components of its implementation plan filed in support of the program.

2. Performance Relative to Key Goals

See Appendix 2.

3. Program Implementation Activities

- Outreach by account managers and program-specific promotional materials were used to promote the Industrial Program during 2010.
- Planning for 2011 marketing efforts began in December.
- Presentations are being scheduled with various New York professional association chapters such as Association of Energy Engineers ("AEE"), American Society of Heating Refrigeration Air-conditioning Engineers ("ASHRAE"), United States Green Building Council ("USGBC") and American Institute of Architects ("AIA").

4. Customer Complaints and/or Disputes

- There are no customer complaints or disputes to report.

5. Changes to Subcontractors or Staffing

- National Grid finalized contracts with eight technical services suppliers to support all commercial and industrial programs.

6. Additional Issues

There are no additional issues.

7. Process and Impact Evaluations

- A process evaluation is underway. A kick-off meeting for this effort was held during September and program staff and trade ally interviews were completed during 2010.

E. Commercial Energy Efficiency Program

1. Program Status

- Program implementation began on April 16, 2010.
- The program served 63 participants in 2010 and delivered 181,926 annual therm savings or 42% of the 2010 target and 19% of the combined 2010-2011 target.
- A revised implementation plan for the program, which incorporated program modifications set forth in the Commission's June 24, 2010 order, was filed with the Commission on August 23, 2010. On September 17, 2010 National Grid received DPS Office of Consumer Policy approval for the outreach and education/marketing components of its implementation plan filed in support of the program.

2. Performance Relative to Key Goals

See Appendix 2.

3. Program Implementation Activities

- Outreach by account managers and program-specific promotional materials were used to promote the program during 2010.
- Planning for 2011 marketing efforts began in December.
- Presentations are being scheduled with various New York professional association chapters such as Association of Energy Engineers ("AEE"), American Society of Heating Refrigeration Air-conditioning Engineers ("ASHRAE"), United States Green Building Council ("USGBC") and American Institute of Architects ("AIA").

4. Customer Complaints and/or Disputes

- There are no customer complaints or disputes to report.

5. Changes to Subcontractors or Staffing

- The Company finalized contracts with eight technical services suppliers to support all commercial and industrial programs.

6. Additional Issues

- There are no additional issues.

7. Process and Impact Evaluations

- A process evaluation is underway. A kick-off meeting for this effort was held during September and program staff and trade ally interviews were completed during 2010.

F. Multifamily Energy Efficiency Program

1. Program Status

- Program implementation began on September 27, 2010.
- The program served one participant in 2010 and delivered 108 annual therm savings or less than 1% of the 2010 target. The relatively low level of reported savings is a result of late implementation of the program.
- Discussions between National Grid's Marketing, Energy Products, and Energy Solutions Delivery groups began in late 2010 in preparation for 2011 activities aimed at bringing the results to expected levels.
- A revised implementation plan for the Multifamily Program, which incorporated program modifications set forth in the Commission's June 24, 2010 order, was filed with the Commission on August 23, 2010. On September 17, 2010 National Grid received DPS Office of Consumer Policy approval for the outreach and education/marketing components of its implementation plan filed in support of the program.

2. Performance Relative to Key Goals

See Appendix 2.

3. Program Implementation Activities

- Energy Products and Energy Solutions Delivery have initiated meetings with multifamily customers with the intent of building inventory towards the 2011 savings goal.
- Outreach by account managers and program-specific promotional materials were used to promote the program during 2010.
- Planning for 2011 marketing efforts began in December.
- Presentations are being scheduled with various New York professional association chapters such as Association of Energy Engineers ("AEE"), American Society of Heating Refrigeration Air-conditioning Engineers ("ASHRAE"), United States Green Building Council ("USGBC") and American Institute of Architects ("AIA").

4. Customer Complaints and/or Disputes

- There are no customer complaints or disputes to report.

5. Changes to Subcontractors or Staffing

- There have been no changes to staff, subcontractors or consultants.

6. Additional Issues

- There are no additional issues.

7. Process and Impact Evaluations

- National Grid anticipates that it will initiate a process evaluation of the Multifamily Program once the program has been in operation for at least six months.

III. Overview of 2010 Energy Efficiency Programs for KeySpan Gas East Corporation d/b/a National Grid

A. Residential High-Efficiency Heating and Water Heating and Controls Program

1. Program Status

- Program implementation began on June 1, 2009; savings and participation targets were combined for the 2009-2010 program years.
- The program served 3,742 participants in 2010 and delivered 503,512 annual therm savings or 149% of the 2010 target and 67% of the combined 2009-2011 target.
- In order to manage the Residential High-Efficiency Heating and Water Heating and Controls Program and limit cost overruns, the Company suspended the program for new applications as of August 18, 2010.
- In 2011 the Company will implement a rebate reservation process to help control program spending and maximize participation levels. Furthermore, the Company received approval to reduce the prescriptive rebate amounts for selected measures up to 20% in 2011.

2. Performance Relative to Key Goals

See Appendix 2.

3. Program Implementation Activities

- On May 19th, National Grid, LIPA and three major trade organizations (the Long Island Builders Institute, the Plumbing-Heating-Cooling Contractors Association and the Air Conditioning Contractors of America) held the second annual Educational and Energy Efficiency Trade Expo. This event was attended by approximately 700 heating contactors, architects, engineers, weatherization contactors, cooling contactors, builders, and developers as well as 55 exhibitors featuring the latest energy efficiency and ENERGY STAR® products in the heating, solar, wind, lighting and building industry. The event included 9 educational workshops offering continuing education credits and

4. Customer Complaints and/or Disputes

- The suspension of the program resulted in some complaints and confusion among customers and heating trades that are being managed by the program manager, trade allies and call center representatives. In October, the Company received two official Commission complaints filed by dissatisfied customers. Both of these issues have been resolved and the cases have been closed.
- In 2011 National Grid will implement additional controls to help set customer and contractor expectations.

5. Changes to Subcontractors or Staffing

- There were no changes to staff, subcontractors or consultants.

6. Additional Issues

- There are no additional issues.

7. Process and Impact Evaluations

- National Grid is working with other program administrators through the EAG Joint Studies subcommittee to develop a statewide impact evaluation of the program using billing analysis.
- A final process evaluation report was submitted to Staff in December 2010.
- Summary of key results:
    - A majority of participants learned about the program from a contractor.
    - Trade allies believe the program and rebates are important tools for selling sell high-efficiency equipment, especially during the economic downturn.
    - Downstate New York participants rated the likelihood to purchase high-efficiency equipment without the rebate lower than upstate New York participants.

- Most participants (87%) are unaware of NYSERDA rebates for similar equipment.
- Federal tax credits are a confounding factor in understanding customer decision-making.
- There is opportunity for improvement in rebate processing.
- The tracking data required for savings calculations presents an additional administrative burden and decreases customer satisfaction due to delays caused by missing data.
- Income, home ownership and building type differences seem to contribute to differences in program performance by territory.
- Incentives for the National Grid program are at the high end of incentives offered by similar programs across the U.S. (before incentives were lowered by the Commission's June 24, 2010 Order).
- The efficiency levels of furnaces rebated through the program are among the lowest in the country (*i.e.*, 90% AFUE and greater); other programs are more commonly rebating a minimum efficiency level of 92% AFUE, with a number of utilities moving to a minimum efficiency level of 94 or 95 percent AFUE. The inclusion of 90% AFUE furnaces in the program may yield lower net-to-gross ratios through higher free-ridership rates.

- Key recommendations to date that have been adopted
  - *Continue to collaborate and maintain open communications with all program partners, especially when the suspension of program benefits is under consideration*. National Grid has maintained regular and frequent communication with implementation vendors.
  - *Establish and communicate clear protocols and procedures for implementation contractors.* Regular biweekly meetings are held with the implementation contractor to communicate regarding program status and tracking
  - *Continue to provide outreach, training, and education opportunities to trade allies*. Trade ally outreach and training activities have continued.
  - *Continue to promote the program through trade ally infrastructure, while increasing direct marketing to customers*. The program is promoted through the

- *Continue to provide outreach, training, and education opportunities to trade allies.* Trade ally outreach and training activities have continued.
- *Continue to promote the program through trade ally infrastructure, trade associations and internal call centers. Review the heating measures rebated and incentive values provided through the program by region in light of potential net-to-gross issues.* Lower incentives for selected measures were proposed and approved for the Long Island program.
- *Review and discuss data required to be tracked for the program.* This was performed in conjunction with tracking system development.

- Key recommendations to date that National Grid plans to adopt:
  - *Continue working with implementation contractors to identify new techniques to market to trade allies and complete a trade ally market assessment to identify any existing barriers.*
  - *Provide trade allies with additional tools to promote high-efficiency equipment.*
  - *Complete market analysis when establishing program goals to manage expectations and avoid suspension of program offerings.*
  - *Ensure any net-to-gross estimation techniques take into consideration the federal stimulus-funded tax incentives.*
- Key recommendations to date that National Grid has chosen not to adopt and why:
  - National Grid has not rejected any recommendations from this evaluation.

B. Gas Enhanced Home Sealing Incentives Program

1. Program Status

- Program implementation began on April 1, 2010.
- The program served five customers in 2010 and delivered 889 annual therm savings or 1% of the 2010 target.
- In 2010, 63 audits were, with air sealing, were completed and will be billed in 2011.
- There were 1,757 customer inquiries regarding the program.

2. Performance Relative to Key Goals

See Appendix 2.

3. Program Implementation Activities

- National Grid issued a Request for Proposal in March 2010, which resulted in two responses. However, only one company was qualified to undertake the project and the contract for program implementation services was awarded to Conservation Services Group, Inc. ("CSG") in August 2010. The contract was executed on December 7, 2010 after extensive meetings concerning the scope of work, deliverables, eligible participants, and standards for contractors.
- From the time the contract was awarded, National Grid program managers and CSG staff met regularly to develop a process that would meet program objectives.
- National Grid launched a targeted marketing campaign that included direct mail, e-mail blasts, bill inserts, and bill messaging.
- National Grid is working closely with the Building Performance Contractors Association to improve program operations, and with local partners, such as NYSERDA and the Pratt Institute, to increase customer outreach.
- National Grid program managers have been identifying ways to deal with the number of health and safety violations that have caused audits to be halted until these issues have been resolved. In 2010, there were 47 such violations identified in the short period of time in which audits were conducted.

- National Grid has hosted Building Performance Institute (BPI) training classes since such accreditation was required for the program. Field training and evaluation was conducted with each participating contractor upon entry into the program.

4. Customer Complaints and/or Disputes

There are no customer complaints or disputes to report.

5. Changes to Subcontractors or Staffing

- In 2010, National Grid instituted changes to the policy regarding background checks for Level II contractors. As a result of this policy change, audits were halted until the background checks of all contractors were completed in December 2010.

6. Additional Issues

There are no additional issues.

7. Process and Impact Evaluations

National Grid anticipates that it will initiate a process evaluation of the Gas Enhanced Home Sealing Incentives Program once it has been in place for at least six months.

C. Residential ENERGY STAR® Gas Products Program

1. Program Status

- Program implementation began on April 1, 2010.
- The program served 115 participants in 2010, consisting of 46 participants replacing windows and 69 participants installing thermostats.
- The program delivered 5,161 annual therm savings or 29% of the 2010 target and 12% of the combined 2010-2011 target.

2. Performance Relative to Key Goals

See Appendix 2.

3. Program Implementation Activities

- Point-of-purchase materials were created and placed in one chain of big box stores in the Long Island service territory.
- Email blasts were sent to customers who were determined to be the primary target for the program.
- Window and home improvement contractors were informed about the program and rebate forms were mailed to them.

4. Customer Complaints and/or Disputes

There are no customer complaints or disputes to report.

5. Changes to Subcontractors or Staffing

There are no changes to subcontractors or staffing to report.

6. Additional Issues

There are no additional issues.

7. Process and Impact Evaluations

National Grid anticipates that it will initiate a process evaluation of the Residential ENERGY STAR® Gas Products Program once the participant level has reached a critical mass.

D. Industrial Program

1. Program Status

- Program implementation began on April 16, 2010.
- The program served 53 participants in 2010 and delivered 340,378 annual therm savings or 84% of the 2010 target and 42% of the combined 2010-2011 target.
- A revised implementation plan for the program, which incorporated program modifications set forth in the Commission's June 24, 2010 order, was filed with the Commission on August 23, 2010. On September 17, 2010 National Grid received DPS Office of Consumer Policy approval for the outreach and education/marketing components of its implementation plan filed in support of the program.

2. Performance Relative to Key Goals

See Appendix 2.

3. Program Implementation Activities

- Outreach by account managers and program-specific promotional materials were used to promote the Industrial Program during 2010.
- Planning for 2011 marketing efforts began in December.
- Presentations are being scheduled with various New York professional association chapters such as Association of Energy Engineers ("AEE"), American Society of Heating Refrigeration Air-conditioning Engineers ("ASHRAE"), United States Green Building Council ("USGBC") and American Institute of Architects ("AIA"). The program manager gave a presentation to the AIA LI Chapter in January 2011.

4. Customer Complaints and/or Disputes

- There are no customer complaints or disputes to report.

5. Changes to Subcontractors or Staffing

- National Grid finalized contracts with eight technical services suppliers to support all commercial and industrial programs.

6. Additional Issues

- There are no additional issues.

7. Process and Impact Evaluations

- A process evaluation is underway. A kick-off meeting for this effort was held during September and program staff and trade ally interviews were completed during 2010.

E. Commercial Energy Efficiency Program

1. Program Status

- Program implementation began on April 16, 2010.
- The program served 209 participants in 2010 and delivered 343,170 annual therm savings or 110% of the 2010 target and 47% of the combined 2010-2011 target.
- A revised implementation plan for the program, which incorporated program modifications set forth in the Commission's June 24, 2010 order, was filed with the Commission on August 23, 2010. On September 17, 2010 National Grid received DPS Office of Consumer Policy approval for the outreach and education/marketing components of its implementation plan filed in support of the program.

2. Performance Relative to Key Goals

See Appendix 2.

3. Program Implementation Activities

- Outreach by account managers and program-specific promotional materials were used to promote the program during 2010.
- Planning for 2011 marketing efforts began in December.
- Presentations are being scheduled with various New York professional association chapters such as Association of Energy Engineers ("AEE"), American Society of Heating Refrigeration Air-conditioning Engineers ("ASHRAE"), United States Green Building Council ("USGBC") and American Institute of Architects ("AIA"). The program manager gave a presentation to the AIA LI Chapter in January 2011.

4. Customer Complaints and/or Disputes

- There are no customer complaints or disputes to report.

5. Changes to Subcontractors or Staffing

- National Grid finalized contracts with eight technical services suppliers to support all commercial and industrial programs.

6. Additional Issues

- There are no additional issues.

7. Process and Impact Evaluations

- A process evaluation is underway. A kick-off meeting for this effort was held during September and program staff and trade ally interviews were completed during 2010.

F. Multifamily Energy Efficiency Program

1. Program Status

- Program implementation began on September 27, 2010.
- The program served 18 participants in 2010 and delivered 8,668 annual therm savings or 9% of the 2010 target and 4% of the combined 2010-2011 target. The relatively low level of reported savings is a result of late implementation of the program.
- Discussions between National Grid's Marketing, Energy Products, and Energy Solutions Delivery groups began in late 2010 in preparation for 2011 activities aimed at bringing the results to expected levels.
- A revised implementation plan for the Multifamily Program, which incorporated program modifications set forth in the Commission's June 24, 2010 order, was filed with the Commission on August 23, 2010. On September 17, 2010 National Grid received DPS Office of Consumer Policy approval for the outreach and education/marketing components of its implementation plan filed in support of the program.

2. Performance Relative to Key Goals

See Appendix 2.

3. Program Implementation Activities

- Energy Products and Energy Solutions Delivery have initiated meetings with multifamily customers with the intent of building inventory towards the 2011 savings goal.
- Outreach by account managers and program-specific promotional material was used to promote the program during 2010.
- Planning for 2011 marketing efforts began in December.
- Presentations are being scheduled with various New York professional association chapters such as Association of Energy Engineers ("AEE"), American Society of Heating Refrigeration Air-conditioning Engineers ("ASHRAE"), United States Green Building Council ("USGBC") and American Institute of Architects ("AIA"). The program manager gave a presentation to the AIA LI Chapter in January 2011.

4. Customer Complaints and/or Disputes

- There are no customer complaints or disputes to report.

5. Changes to Subcontractors or Staffing

- There have been no changes to staff, subcontractors or consultants.

6. Additional Issues

- There are no additional issues.

7. Process and Impact Evaluations

- National Grid anticipates that it will initiate a process evaluation of the Multifamily Program once the program has been in operation for at least six months.

Appendix 1 2010 Program Orders and Implementation Plans

The Brooklyn Union Gas Company d/b/a National Grid NY
2010 Program Orders and Implementation Plans

Program	Commission Order Approval	Implementation Plan
Residential High-Efficiency Heating and Water Heating and Controls Program	ORDER APPROVING "FAST TRACK" UTILITY-ADMINISTERED GAS ENERGY EFFICIENCY PROGRAMS WITH MODIFICATIONS (Issued and Effective April 9, 2009)	The Brooklyn Union Gas Company d/b/a National Grid NY Case 08-G-1016 High-Efficiency Heating and Water Heating and Controls Gas Energy Efficiency Program Implementation Plan June 8, 2009
Gas Enhanced Home Sealing Incentives Program	ORDER APPROVING CERTAIN COMMERCIAL AND INDUSTRIAL; RESIDENTIAL; AND LOW-INCOME RESIDENTIAL CUSTOMER ENERGY EFFICIENCY PROGRAMS WITH MODIFICATIONS (Issued and Effective January 4, 2010)	The Brooklyn Union Gas Company d/b/a National Grid NY Case 09-G-0363 Gas Enhanced Home Sealing Incentives Programs Implementation Plan March 4, 2010
Gas Enhanced Home Sealing Incentives Program (Updated)	ORDER APPROVING THREE NEW ENERGY EFFICIENCY PORTFOLIO STANDARD (EEPS) PROGRAMS AND ENHANCING FUNDING AND MAKING OTHER MODIFICATIONS FOR OTHER EEPS PROGRAMS (Issued and Effective June 24, 2010)	The Brooklyn Union Gas Company d/b/a National Grid NY Case 09-G-0363 Gas Enhanced Home Sealing Incentives Programs Revised Implementation Plan August 23, 2010
Residential ENERGY STAR® Gas Products Program	ORDER APPROVING CERTAIN COMMERCIAL AND INDUSTRIAL; RESIDENTIAL; AND LOW-INCOME RESIDENTIAL CUSTOMER ENERGY EFFICIENCY PROGRAMS WITH MODIFICATIONS (Issued and Effective January 4, 2010)	The Brooklyn Union Gas Company d/b/a National Grid NY Case 09-G-0363 Residential ENERGY STAR® Gas Products Programs Implementation Plan March 4, 2010
Commercial Energy Efficiency Program	ORDER APPROVING CERTAIN COMMERCIAL AND INDUSTRIAL CUSTOMER ENERGY EFFICIENCY PROGRAMS WITH MODIFICATIONS (Issued and Effective October 23, 2009)	The Brooklyn Union Gas Company d/b/a National Grid NY Case 09-G-0363 Commercial Energy Efficiency Programs Implementation Plan December 22, 2009
Commercial Energy Efficiency Program (Updated)	ORDER APPROVING THREE NEW ENERGY EFFICIENCY PORTFOLIO STANDARD (EEPS) PROGRAMS AND ENHANCING FUNDING AND MAKING OTHER MODIFICATIONS FOR OTHER EEPS PROGRAMS (Issued and Effective June 24, 2010)	The Brooklyn Union Gas Company d/b/a National Grid NY Case 09-G-0363 Commercial Energy Efficiency Programs Updated Implementation Plan August 23, 2010
Industrial Program	ORDER APPROVING CERTAIN LARGE INDUSTRIAL CUSTOMER ENERGY EFFICIENCY PROGRAMS WITH MODIFICATIONS AND REJECTING ANOTHER (Issued and Effective September 18, 2009)	The Brooklyn Union Gas Company d/b/a National Grid NY Case 09-G-0363 Industrial Programs Implementation Plan November 17, 2009
Industrial Program (Updated)	ORDER APPROVING THREE NEW ENERGY EFFICIENCY PORTFOLIO STANDARD (EEPS) PROGRAMS AND ENHANCING FUNDING AND MAKING OTHER MODIFICATIONS FOR OTHER EEPS PROGRAMS (Issued and Effective June 24, 2010)	The Brooklyn Union Gas Company d/b/a National Grid NY Case 09-G-0363 Industrial Programs Updated Implementation Plan August 23, 2010
Multifamily Energy Efficiency Program	ORDER APPROVING MULTIFAMILY ENERGY EFFICIENCY PROGRAMS WITH MODIFICATIONS (Issued and Effective July 27, 2009)	The Brooklyn Union Gas Company d/b/a National Grid NY Case 09-G-0363 Multifamily Program Implementation Plan October 2, 2009
Multifamily Energy Efficiency Program (Updated)	ERRATA NOTICE (Issued December 28, 2009)	
Multifamily Energy Efficiency Program (Updated)	ORDER APPROVING THREE NEW ENERGY EFFICIENCY PORTFOLIO STANDARD (EEPS) PROGRAMS AND ENHANCING FUNDING AND MAKING OTHER MODIFICATIONS FOR OTHER EEPS PROGRAMS (Issued and Effective June 24, 2010)	The Brooklyn Union Gas Company d/b/a National Grid NY Case 09-G-0363 Multifamily Energy Efficiency Programs Updated Implementation Plan August 23, 2010

KeySpan Gas East Corporation d/b/a National Grid
2010 Program Orders and Implementation Plans

Program	Commission Order Approval	Implementation Plan
Residential High-Efficiency Heating and Water Heating and Controls Program	ORDER APPROVING "FAST TRACK" UTILITY-ADMINISTERED GAS ENERGY EFFICIENCY PROGRAMS WITH MODIFICATIONS (Issued and Effective April 9, 2009)	KeySpan Gas East Corporation d/b/a National Grid Case 08-G-1017 High-Efficiency Heating and Water Heating and Controls Gas Energy Efficiency Program Implementation Plan June 8, 2009
Gas Enhanced Home Sealing Incentives Program	ORDER APPROVING CERTAIN COMMERCIAL AND INDUSTRIAL; RESIDENTIAL; AND LOW-INCOME RESIDENTIAL CUSTOMER ENERGY EFFICIENCY PROGRAMS WITH MODIFICATIONS (Issued and Effective January 4, 2010)	KeySpan Gas East Corporation d/b/a National Grid Case 09-G-0363 Gas Enhanced Home Sealing Incentives Programs Implementation Plan March 4, 2010
Gas Enhanced Home Sealing Incentives Program (Updated)	ORDER APPROVING THREE NEW ENERGY EFFICIENCY PORTFOLIO STANDARD (EEPS) PROGRAMS AND ENHANCING FUNDING AND MAKING OTHER MODIFICATIONS FOR OTHER EEPS PROGRAMS (Issued and Effective June 24, 2010)	KeySpan Gas East Corporation d/b/a National Grid Case 09-G-0363 Gas Enhanced Home Sealing Incentives Programs Revised Implementation Plan August 23, 2010
Residential ENERGY STAR® Gas Products Program	ORDER APPROVING CERTAIN COMMERCIAL AND INDUSTRIAL; RESIDENTIAL; AND LOW-INCOME RESIDENTIAL CUSTOMER ENERGY EFFICIENCY PROGRAMS WITH MODIFICATIONS (Issued and Effective January 4, 2010)	KeySpan Gas East Corporation d/b/a National Grid Case 09-G-0363 Residential ENERGY STAR® Gas Products Programs Implementation Plan March 4, 2010
Commercial Energy Efficiency Program	ORDER APPROVING CERTAIN COMMERCIAL AND INDUSTRIAL CUSTOMER ENERGY EFFICIENCY PROGRAMS WITH MODIFICATIONS (Issued and Effective October 23, 2009)	KeySpan Gas East Corporation d/b/a National Grid Case 09-G-0363 Commercial Energy Efficiency Programs Implementation Plan December 22, 2009
Commercial Energy Efficiency Program (Updated)	ORDER APPROVING THREE NEW ENERGY EFFICIENCY PORTFOLIO STANDARD (EEPS) PROGRAMS AND ENHANCING FUNDING AND MAKING OTHER MODIFICATIONS FOR OTHER EEPS PROGRAMS (Issued and Effective June 24, 2010)	KeySpan Gas East Corporation d/b/a National Grid Case 09-G-0363 Commercial Energy Efficiency Programs Updated Implementation Plan August 23, 2010
Industrial Program	ORDER APPROVING CERTAIN LARGE INDUSTRIAL CUSTOMER ENERGY EFFICIENCY PROGRAMS WITH MODIFICATIONS AND REJECTING ANOTHER (Issued and Effective September 18, 2009)	KeySpan Gas East Corporation d/b/a National Grid Case 09-G-0363 Industrial Programs Implementation Plan November 17, 2009
Industrial Program (Updated)	ORDER APPROVING THREE NEW ENERGY EFFICIENCY PORTFOLIO STANDARD (EEPS) PROGRAMS AND ENHANCING FUNDING AND MAKING OTHER MODIFICATIONS FOR OTHER EEPS PROGRAMS (Issued and Effective June 24, 2010)	KeySpan Gas East Corporation d/b/a National Grid Case 09-G-0363 Industrial Programs Updated Implementation Plan August 23, 2010
Multifamily Energy Efficiency Program	ORDER APPROVING MULTIFAMILY ENERGY EFFICIENCY PROGRAMS WITH MODIFICATIONS (Issued and Effective July 27, 2009)	KeySpan Gas East Corporation d/b/a National Grid Case 09-G-0363 Multifamily Program Implementation Plan October 2, 2009
Multifamily Energy Efficiency Program (Updated)	ERRATA NOTICE (Issued December 28, 2009)	KeySpan Gas East Corporation d/b/a National Grid Case 09-G-0363 Multifamily Energy Efficiency Programs Updated Implementation Plan August 23, 2010

Appendix 2

Annual Scorecard Reports

Program Administrator	The Brooklyn Union Gas Company d/b/a National Grid NY
Quarter	2010 Annual Report
Filing	Expedited Fast Track Gas Energy Efficiency Programs
Program Administrator (PA) and Program ID	NGRIDGA03
Program Name	Residential High-Efficiency Heating and Water Heating and Controls Program
Program Type	Residential Rebate
Acquired Impacts This year	
Net first-year annual kWh[1] acquired this year	-
Net first-year annual kWh Goal	-
Percent of annual Net kWh Goal Acquired	
Net Peak[2] kW acquired this year	-
Utility Net Peak kW Goal	-
Percent of annual Peak kW Goal Acquired	
Net First-year annual therms acquired this year	201,996
Annual Net Therm Goal	371,329
Percent of annual Therm Goal Acquired	54%
Net Lifecycle kWh acquired this year	-
Net Lifecycle therms acquired this year	7,396,008
Net Other annual Savings (MMBTUs) Acquired	
Coal	-
Kerosene	-
Oil	-
Propane	-
Total Acquired Net First-Year Impacts To Date	
Net first-year annual kWh acquired to date	-
Net first-year annual kWh acquired to date as a percent of annual goal	
Net first-year annual kWh acquired to date as a percent of 3-year goal	
Net cumulative kWh acquired to date	-
Net utility peak kW reductions acquired to date	-
Net utility peak kW reductions acquired to date as a percent of utility annua	
Net utility peak kW reductions acquired to date as a percent of 3-year goal	
Net NYISO peak kW reductions acquired to date	-
Net first-year annual therms acquired to date	222,020
Net first-year annual therms acquired to date as a percent of annual goal	40%
Net first-year annual therms acquired to date as a percent of 3-year goal	24%
Net cumulative therms acquired to date	242,044
Total Acquired Lifecycle Impacts To Date	
Net Lifecycle kWh acquired to date	-
Net Lifecycle therms acquired to date	7,768,616
Committed[3] Impacts (not yet acquired) This year	
Net First-year annual kWh committed this year	-
Net Lifecycle kWh committed this year	-
Net Utility Peak kW committed this year	-
Net first-year annual therms committed this year	-

Program Administrator	The Brooklyn Union Gas Company d/b/a National Grid NY	
Quarter	2010 Annual Report	
Filing	Expedited Fast Track Gas Energy Efficiency Programs	
Program Administrator (PA) and Program ID	NGRIDGA03	
Program Name	Residential High-Efficiency Heating and Water Heating and Controls Program	
Program Type	Residential Rebate	
Net Lifecycle therms committed this year		-
Funds committed at this point in time		-
Overall Impacts (Achieved & Committed)		
Net first-year annual kWh acquired & committed this year		-
Net utility peak kW acquired & committed this year		-
Net First-year annual therms acquired & committed this year		201,996
Costs		
Total program budget	$	3,421,717
Administrative costs	$	543,500
Program Planning	$	4,730
Marketing costs	$	86,181
Trade Ally Training	$	3,278
Incentives, rebates, grants, direct install costs, and other program costs going to the participant		1,210,177
Direct Program Implementation	$	164,424
Evaluation	$	59,432
Total expenditures to date	$	2,339,393
Percent of total budget spent to date		68%
Participation		
Number of program applications received to date		2,593
Number of program applications processed to date[4]		2,593
Number of processed applications approved to date[5]		1,871
Percent of applications received to date that have been processed		100%
Carbon Emission Reductions (in tons)		
Total Acquired Net First-Year Carbon Emission Reductions To Date		1,299
Total Acquired Cumulative Net Carbon Emission Reductions To Date		1,416
NOTES:		

[1] First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year.

[2] Peak is defined uniquely for each utility.

[3] Committed savings are defined as those for which funds have been encumbered by not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired."

[4] An application is processed once the PA has reviewed the application and made a decision whether to approve the incentive payment to the customer. Once the decision has been made to pay the incentive to the customer, these funds and their associated energy and demand impacts become "Committed."

[5] The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made.

[6] Until a naming convention for program ID is defined, the Company has used the first five characters to represents the PA, the sixth character represents G (gas) or E (electric), the seventh character represents A (residential), B (low income) and C (commercial) and the eighth and ninth characters are numeric in ascending order.

Program Administrator	The Brooklyn Union Gas Company d/b/a National Grid NY
Quarter	2010 Annual Report
Filing	90 Day Energy Efficiency Programs
Program Administrator (PA) and Program ID	NGRIDGC03
Program Name	Industrial Program
Program Type	Commercial Retrofit
Acquired Impacts This year	
Net first-year annual kWh[1] acquired this year	-
Net first-year annual kWh Goal	-
Percent of annual Net kWh Goal Acquired	
Net Peak[2] kW acquired this year	-
Utility Net Peak kW Goal	-
Percent of annual Peak kW Goal Acquired	
Net First-year annual therms acquired this year	769,959
Annual Net Therm Goal	783,000
Percent of annual Therm Goal Acquired	98%
Net Lifecycle kWh acquired this year	-
Net Lifecycle therms acquired this year	13,426,678
Net Other annual Savings (MMBTUs) Acquired	
Coal	-
Kerosene	-
Oil	-
Propane	-
Total Acquired Net First-Year Impacts To Date	
Net first-year annual kWh acquired to date	-
Net first-year annual kWh acquired to date as a percent of annual goal	
Net first-year annual kWh acquired to date as a percent of 3-year goal	
Net cumulative kWh acquired to date	-
Net utility peak kW reductions acquired to date	-
Net utility peak kW reductions acquired to date as a percent of utility annua	
Net utility peak kW reductions acquired to date as a percent of 3-year goal	
Net NYISO peak kW reductions acquired to date	-
Net first-year annual therms acquired to date	769,959
Net first-year annual therms acquired to date as a percent of annual goal	98%
Net first-year annual therms acquired to date as a percent of 3-year goal	49%
Net cumulative therms acquired to date	769,959
Total Acquired Lifecycle Impacts To Date	
Net Lifecycle kWh acquired to date	-
Net Lifecycle therms acquired to date	13,426,678
Committed[3] Impacts (not yet acquired) This year	
Net First-year annual kWh committed this year	-
Net Lifecycle kWh committed this year	-
Net Utility Peak kW committed this year	-
Net first-year annual therms committed this year	-

Program Administrator	The Brooklyn Union Gas Company d/b/a National Grid NY	
Quarter	2010 Annual Report	
Filing	90 Day Energy Efficiency Programs	
Program Administrator (PA) and Program ID	NGRIDGC03	
Program Name	Industrial Program	
Program Type	Commercial Retrofit	
Net Lifecycle therms committed this year		-
Funds committed at this point in time		-
Overall Impacts (Achieved & Committed)		
Net first-year annual kWh acquired & committed this year		-
Net utility peak kW acquired & committed this year		-
Net First-year annual therms acquired & committed this year		769,959
Costs		
Total program budget	$	3,573,772
Administrative costs	$	230,157
Program Planning	$	7,857
Marketing costs	$	25,979
Trade Ally Training	$	-
Incentives, rebates, grants, direct install costs, and other program costs going to the participant		646,725
Direct Program Implementation	$	28,334
Evaluation	$	42,250
Total expenditures to date	$	981,302
Percent of total budget spent to date		27%
Participation		
Number of program applications received to date		9
Number of program applications processed to date[4]		9
Number of processed applications approved to date[5]		44
Percent of applications received to date that have been processed		100%
Carbon Emission Reductions (in tons)		
Total Acquired Net First-Year Carbon Emission Reductions To Date		4,504
Total Acquired Cumulative Net Carbon Emission Reductions To Date		4,504
NOTES:		

[1] First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year.

[2] Peak is defined uniquely for each utility.

[3] Committed savings are defined as those for which funds have been encumbered by not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired."

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[5]The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made.

[6] Until a naming convention for program ID is defined, the Company has used the first five characters to represents the PA, the sixth character represents G (gas) or E (electric), the seventh character represents A (residential), B (low income) and C (commercial) and the eighth and ninth characters are numeric in ascending order.

Program Administrator	The Brooklyn Union Gas Company d/b/a National Grid NY
Quarter	2010 Annual Report
Filing	90 Day Energy Efficiency Programs
Program Administrator (PA) and Program ID	NGRIDGC06
Program Name	Commercial Energy Efficiency Program
Program Type	Commercial Retrofit
Acquired Impacts This year	
Net first-year annual kWh[1] acquired this year	-
Net first-year annual kWh Goal	-
Percent of annual Net kWh Goal Acquired	
Net Peak[2] kW acquired this year	-
Utility Net Peak kW Goal	-
Percent of annual Peak kW Goal Acquired	
Net First-year annual therms acquired this year	181,926
Annual Net Therm Goal	432,509
Percent of annual Therm Goal Acquired	42%
Net Lifecycle kWh acquired this year	-
Net Lifecycle therms acquired this year	3,165,332
Net Other annual Savings (MMBTUs) Acquired	
Coal	-
Kerosene	-
Oil	-
Propane	-
Total Acquired Net First-Year Impacts To Date	
Net first-year annual kWh acquired to date	-
Net first-year annual kWh acquired to date as a percent of annual goal	0%
Net first-year annual kWh acquired to date as a percent of 3-year goal	
Net cumulative kWh acquired to date	-
Net utility peak kW reductions acquired to date	-
Net utility peak kW reductions acquired to date as a percent of utility annua	
Net utility peak kW reductions acquired to date as a percent of 3-year goal	
Net NYISO peak kW reductions acquired to date	-
Net first-year annual therms acquired to date	181,926
Net first-year annual therms acquired to date as a percent of annual goal	42%
Net first-year annual therms acquired to date as a percent of 3-year goal	19%
Net cumulative therms acquired to date	181,926
Total Acquired Lifecycle Impacts To Date	
Net Lifecycle kWh acquired to date	-
Net Lifecycle therms acquired to date	3,165,332
Committed[3] Impacts (not yet acquired) This year	
Net First-year annual kWh committed this year	-
Net Lifecycle kWh committed this year	-
Net Utility Peak kW committed this year	-
Net first-year annual therms committed this year	-

Program Administrator	The Brooklyn Union Gas Company d/b/a National Grid NY	
Quarter	2010 Annual Report	
Filing	90 Day Energy Efficiency Programs	
Program Administrator (PA) and Program ID	NGRIDGC06	
Program Name	Commercial Energy Efficiency Program	
Program Type	Commercial Retrofit	
Net Lifecycle therms committed this year		-
Funds committed at this point in time		-
Overall Impacts (Achieved & Committed)		
Net first-year annual kWh acquired & committed this year		-
Net utility peak kW acquired & committed this year		-
Net First-year annual therms acquired & committed this year		181,926
Costs		
Total program budget	$	1,889,773
Administrative costs	$	167,861
Program Planning	$	4,435
Marketing costs	$	31,395
Trade Ally Training	$	-
Incentives, rebates, grants, direct install costs, and other program costs going to the participant		392,884
Direct Program Implementation	$	26,899
Evaluation	$	31,930
Total expenditures to date	$	655,405
Percent of total budget spent to date		35%
Participation		
Number of program applications received to date		12
Number of program applications processed to date[4]		12
Number of processed applications approved to date[5]		63
Percent of applications received to date that have been processed		100%
Carbon Emission Reductions (in tons)		
Total Acquired Net First-Year Carbon Emission Reductions To Date		1,064
Total Acquired Cumulative Net Carbon Emission Reductions To Date		1,064
NOTES:		

[1] First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year.

[2] Peak is defined uniquely for each utility.

[3] Committed savings are defined as those for which funds have been encumbered by not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired."

[4]An application is processed once the PA has reviewed the application and made a decision whether to approve the incentive payment to the customer. Once the decision has been made to pay the incentive to the customer, these funds and their associated ener

[5]The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made.

[6] Until a naming convention for program ID is defined, the Company has used the first five characters to represents the PA, the sixth character represents G (gas) or E (electric), the seventh character represents A (residential), B (low income) and C (commercial) and the eighth and ninth characters are numeric in ascending order.

Program Administrator	The Brooklyn Union Gas Company d/b/a National Grid NY
Quarter	2010 Annual Report
Filing	90 Day Energy Efficiency Programs
Program Administrator (PA) and Program ID	NGRIDGA09
Program Name	Gas Enhanced Home Sealing Incentives Program
Program Type	Residential Rebate
Acquired Impacts This year	
Net first-year annual kWh[1] acquired this year	-
Net first-year annual kWh Goal	-
Percent of annual Net kWh Goal Acquired	
Net Peak[2] kW acquired this year	-
Utility Net Peak kW Goal	-
Percent of annual Peak kW Goal Acquired	
Net First-year annual therms acquired this year	184
Annual Net Therm Goal	186,990
Percent of annual Therm Goal Acquired	0%
Net Lifecycle kWh acquired this year	-
Net Lifecycle therms acquired this year	2,761
Net Other annual Savings (MMBTUs) Acquired	
Coal	-
Kerosene	-
Oil	-
Propane	-
Total Acquired Net First-Year Impacts To Date	
Net first-year annual kWh acquired to date	-
Net first-year annual kWh acquired to date as a percent of annual goal	
Net first-year annual kWh acquired to date as a percent of 3-year goal	
Net cumulative kWh acquired to date	-
Net utility peak kW reductions acquired to date	-
Net utility peak kW reductions acquired to date as a percent of utility annua	
Net utility peak kW reductions acquired to date as a percent of 3-year goal	
Net NYISO peak kW reductions acquired to date	-
Net first-year annual therms acquired to date	184
Net first-year annual therms acquired to date as a percent of annual goal	0%
Net first-year annual therms acquired to date as a percent of 3-year goal	0%
Net cumulative therms acquired to date	184
Total Acquired Lifecycle Impacts To Date	
Net Lifecycle kWh acquired to date	-
Net Lifecycle therms acquired to date	2,761
Committed[3] Impacts (not yet acquired) This year	
Net First-year annual kWh committed this year	-
Net Lifecycle kWh committed this year	-
Net Utility Peak kW committed this year	-
Net first-year annual therms committed this year	-

Program Administrator	The Brooklyn Union Gas Company d/b/a National Grid NY	
Quarter	2010 Annual Report	
Filing	90 Day Energy Efficiency Programs	
Program Administrator (PA) and Program ID	NGRIDGA09	
Program Name	Gas Enhanced Home Sealing Incentives Program	
Program Type	Residential Rebate	
Net Lifecycle therms committed this year		-
Funds committed at this point in time		-
Overall Impacts (Achieved & Committed)		
Net first-year annual kWh acquired & committed this year		-
Net utility peak kW acquired & committed this year		-
Net First-year annual therms acquired & committed this year		184
Costs		
Total program budget	$	1,943,577
Administrative costs	$	148,138
Program Planning	$	6,194
Marketing costs	$	51,330
Trade Ally Training	$	-
Incentives, rebates, grants, direct install costs, and other program costs going to the participant		1,500
Direct Program Implementation	$	145,054
Evaluation	$	17,702
Total expenditures to date	$	369,918
Percent of total budget spent to date		19%
Participation		
Number of program applications received to date		1
Number of program applications processed to date[4]		1
Number of processed applications approved to date[5]		1
Percent of applications received to date that have been processed		100%
Carbon Emission Reductions (in tons)		
Total Acquired Net First-Year Carbon Emission Reductions To Date		1
Total Acquired Cumulative Net Carbon Emission Reductions To Date		1
NOTES:		

[1] First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year.

[2] Peak is defined uniquely for each utility.

[3] Committed savings are defined as those for which funds have been encumbered by not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired."

[4]An application is processed once the PA has reviewed the application and made a decision whether to approve the incentive payment to the customer. Once the decision has been made to pay the incentive to the customer, these funds and their associated ener

[5]The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made.

[6] Until a naming convention for program ID is defined, the Company has used the first five characters to represents the PA, the sixth character represents G (gas) or E (electric), the seventh character represents A (residential), B (low income) and C (commercial) and the eighth and ninth characters are numeric in ascending order.

Program Administrator	The Brooklyn Union Gas Company d/b/a National Grid NY
Quarter	2010 Annual Report
Filing	90 Day Energy Efficiency Programs
Program Administrator (PA) and Program ID	NGRIDGA11
Program Name	Residential ENERGY STAR® Gas Products Program
Program Type	Residential Rebate
Acquired Impacts This year	
Net first-year annual kWh[1] acquired this year	-
Net first-year annual kWh Goal	-
Percent of annual Net kWh Goal Acquired	
Net Peak[2] kW acquired this year	-
Utility Net Peak kW Goal	-
Percent of annual Peak kW Goal Acquired	
Net First-year annual therms acquired this year	3,333
Annual Net Therm Goal	17,942
Percent of annual Therm Goal Acquired	19%
Net Lifecycle kWh acquired this year	-
Net Lifecycle therms acquired this year	41,114
Net Other annual Savings (MMBTUs) Acquired	
Coal	-
Kerosene	-
Oil	-
Propane	-
Total Acquired Net First-Year Impacts To Date	
Net first-year annual kWh acquired to date	-
Net first-year annual kWh acquired to date as a percent of annual goal	
Net first-year annual kWh acquired to date as a percent of 3-year goal	
Net cumulative kWh acquired to date	-
Net utility peak kW reductions acquired to date	-
Net utility peak kW reductions acquired to date as a percent of utility annua	
Net utility peak kW reductions acquired to date as a percent of 3-year goal	
Net NYISO peak kW reductions acquired to date	-
Net first-year annual therms acquired to date	3,333
Net first-year annual therms acquired to date as a percent of annual goal	19%
Net first-year annual therms acquired to date as a percent of 3-year goal	8%
Net cumulative therms acquired to date	3,333
Total Acquired Lifecycle Impacts To Date	
Net Lifecycle kWh acquired to date	-
Net Lifecycle therms acquired to date	41,114
Committed[3] Impacts (not yet acquired) This year	
Net First-year annual kWh committed this year	-
Net Lifecycle kWh committed this year	-
Net Utility Peak kW committed this year	-
Net first-year annual therms committed this year	-

Program Administrator	The Brooklyn Union Gas Company d/b/a National Grid NY	
Quarter	2010 Annual Report	
Filing	90 Day Energy Efficiency Programs	
Program Administrator (PA) and Program ID	NGRIDGA11	
Program Name	Residential ENERGY STAR® Gas Products Program	
Program Type	Residential Rebate	
Net Lifecycle therms committed this year		-
Funds committed at this point in time		-
Overall Impacts (Achieved & Committed)		
Net first-year annual kWh acquired & committed this year		-
Net utility peak kW acquired & committed this year		-
Net First-year annual therms acquired & committed this year		3,333
Costs		
Total program budget	$	60,000
Administrative costs	$	13,254
Program Planning	$	5,440
Marketing costs	$	2,885
Trade Ally Training	$	-
Incentives, rebates, grants, direct install costs, and other program costs going to the participant		3,208
Direct Program Implementation	$	1,931
Evaluation	$	13,016
Total expenditures to date	$	39,734
Percent of total budget spent to date		66%
Participation		
Number of program applications received to date		72
Number of program applications processed to date[4]		72
Number of processed applications approved to date[5]		219
Percent of applications received to date that have been processed		100%
Carbon Emission Reductions (in tons)		
Total Acquired Net First-Year Carbon Emission Reductions To Date		20
Total Acquired Cumulative Net Carbon Emission Reductions To Date		20
NOTES:		

[1] First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year.

[2] Peak is defined uniquely for each utility.

[3] Committed savings are defined as those for which funds have been encumbered by not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired."

[4]An application is processed once the PA has reviewed the application and made a decision whether to approve the incentive payment to the customer. Once the decision has been made to pay the incentive to the customer, these funds and their associated ener

[5]The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made.

[6] Until a naming convention for program ID is defined, the Company has used the first five characters to represents the PA, the sixth character represents G (gas) or E (electric), the seventh character represents A (residential), B (low income) and C (commercial) and the eighth and ninth characters are numeric in ascending order.

Program Administrator	The Brooklyn Union Gas Company d/b/a National Grid NY
Quarter	2010 Annual Report
Filing	90 Day Energy Efficiency Programs
Program Administrator (PA) and Program ID	NGRIDGC09
Program Name	Multifamily Energy Efficiency Program
Program Type	Commercial Retrofit
Acquired Impacts This year	
Net first-year annual kWh[1] acquired this year	-
Net first-year annual kWh Goal	-
Percent of annual Net kWh Goal Acquired	
Net Peak[2] kW acquired this year	-
Utility Net Peak kW Goal	-
Percent of annual Peak kW Goal Acquired	
Net First-year annual therms acquired this year	108
Annual Net Therm Goal	493,380
Percent of annual Therm Goal Acquired	0%
Net Lifecycle kWh acquired this year	-
Net Lifecycle therms acquired this year	2,708
Net Other annual Savings (MMBTUs) Acquired	
Coal	-
Kerosene	-
Oil	-
Propane	-
Total Acquired Net First-Year Impacts To Date	
Net first-year annual kWh acquired to date	-
Net first-year annual kWh acquired to date as a percent of annual goal	
Net first-year annual kWh acquired to date as a percent of 3-year goal	
Net cumulative kWh acquired to date	-
Net utility peak kW reductions acquired to date	-
Net utility peak kW reductions acquired to date as a percent of utility annua	
Net utility peak kW reductions acquired to date as a percent of 3-year goal	
Net NYISO peak kW reductions acquired to date	-
Net first-year annual therms acquired to date	108
Net first-year annual therms acquired to date as a percent of annual goal	0%
Net first-year annual therms acquired to date as a percent of 3-year goal	0%
Net cumulative therms acquired to date	108
Total Acquired Lifecycle Impacts To Date	
Net Lifecycle kWh acquired to date	-
Net Lifecycle therms acquired to date	2,708
Committed[3] Impacts (not yet acquired) This year	
Net First-year annual kWh committed this year	-
Net Lifecycle kWh committed this year	-
Net Utility Peak kW committed this year	-
Net first-year annual therms committed this year	-

Program Administrator	The Brooklyn Union Gas Company d/b/a National Grid NY	
Quarter	2010 Annual Report	
Filing	90 Day Energy Efficiency Programs	
Program Administrator (PA) and Program ID	NGRIDGC09	
Program Name	Multifamily Energy Efficiency Program	
Program Type	Commercial Retrofit	
Net Lifecycle therms committed this year		-
Funds committed at this point in time		-
Overall Impacts (Achieved & Committed)		
Net first-year annual kWh acquired & committed this year		-
Net utility peak kW acquired & committed this year		-
Net First-year annual therms acquired & committed this year		108
Costs		
Total program budget	$	2,437,783
Administrative costs	$	93,129
Program Planning	$	4,089
Marketing costs	$	14,720
Trade Ally Training	$	-
Incentives, rebates, grants, direct install costs, and other program costs going to the participant		12,601
Direct Program Implementation	$	7,692
Evaluation	$	13,823
Total expenditures to date	$	146,054
Percent of total budget spent to date		6%
Participation		
Number of program applications received to date		-
Number of program applications processed to date[4]		-
Number of processed applications approved to date[5]		1
Percent of applications received to date that have been processed		
Carbon Emission Reductions (in tons)		
Total Acquired Net First-Year Carbon Emission Reductions To Date		1
Total Acquired Cumulative Net Carbon Emission Reductions To Date		1
NOTES:		

[1] First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year.

[2] Peak is defined uniquely for each utility.

[3] Committed savings are defined as those for which funds have been encumbered by not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired."

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[5]The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made.

[6] Until a naming convention for program ID is defined, the Company has used the first five characters to represents the PA, the sixth character represents G (gas) or E (electric), the seventh character represents A (residential), B (low income) and C (commercial) and the eighth and ninth characters are numeric in ascending order.

Program Administrator	KeySpan Gas East Corporation d/b/a National Grid
Quarter	2010 Annual Report
Filing	Expedited Fast Track Gas Energy Efficiency Programs

Program Administrator (PA) and Program ID	NGRIDGA02
Program Name	Residential High-Efficiency Heating and Water Heating and Controls Program
Program Type	Residential Rebate

Acquired Impacts This year	
Net first-year annual kWh[1] acquired this year	-
Net first-year annual kWh Goal	-
Percent of annual Net kWh Goal Acquired	
Net Peak[2] kW acquired this year	-
Utility Net Peak kW Goal	-
Percent of annual Peak kW Goal Acquired	
Net First-year annual therms acquired this year	503,551
Annual Net Therm Goal	336,951
Percent of annual Therm Goal Acquired	149%
Net Lifecycle kWh acquired this year	-
Net Lifecycle therms acquired this year	26,593,547
Net Other annual Savings (MMBTUs) Acquired	
Coal	-
Kerosene	-
Oil	-
Propane	-
Total Acquired Net First-Year Impacts To Date	
Net first-year annual kWh acquired to date	-
Net first-year annual kWh acquired to date as a percent of annual goal	
Net first-year annual kWh acquired to date as a percent of 3-year goal	
Net cumulative kWh acquired to date	-
Net utility peak kW reductions acquired to date	-
Net utility peak kW reductions acquired to date as a percent of utility annua	
Net utility peak kW reductions acquired to date as a percent of 3-year goal	
Net NYISO peak kW reductions acquired to date	-
Net first-year annual therms acquired to date	562,735
Net first-year annual therms acquired to date as a percent of annual goal	111%
Net first-year annual therms acquired to date as a percent of 3-year goal	67%
Net cumulative therms acquired to date	621,919
Total Acquired Lifecycle Impacts To Date	
Net Lifecycle kWh acquired to date	-
Net Lifecycle therms acquired to date	27,644,298
Committed[3] Impacts (not yet acquired) This year	
Net First-year annual kWh committed this year	-
Net Lifecycle kWh committed this year	-
Net Utility Peak kW committed this year	-
Net first-year annual therms committed this year	-
Net Lifecycle therms committed this year	-
Funds committed at this point in time	-

Program Administrator	KeySpan Gas East Corporation d/b/a National Grid
Quarter	2010 Annual Report
Filing	Expedited Fast Track Gas Energy Efficiency Programs

Program Administrator (PA) and Program ID	NGRIDGA02
Program Name	Residential High-Efficiency Heating and Water Heating and Controls Program
Program Type	Residential Rebate

Overall Impacts (Achieved & Committed)		
Net first-year annual kWh acquired & committed this year		-
Net utility peak kW acquired & committed this year		-
Net First-year annual therms acquired & committed this year		503,551

Costs		
Total program budget	$	3,155,048
Administrative costs	$	467,098
Program Planning	$	4,877
Marketing costs	$	41,441
Trade Ally Training	$	(6,970)
Incentives, rebates, grants, direct install costs, and other program costs going to the participant		2,813,048
Direct Program Implementation	$	181,558
Evaluation	$	56,514
Total expenditures to date	$	4,024,487
Percent of total budget spent to date		128%

Participation	
Number of program applications received to date	6,251
Number of program applications processed to date[4]	6,251
Number of processed applications approved to date[5]	5,271
Percent of applications received to date that have been processed	100%
Carbon Emission Reductions (in tons)	
Total Acquired Net First-Year Carbon Emission Reductions To Date	3,292
Total Acquired Cumulative Net Carbon Emission Reductions To Date	3,638

NOTES:

[1] First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year.

[2] Peak is defined uniquely for each utility.

[3] Committed savings are defined as those for which funds have been encumbered by not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired."

[4] An application is processed once the PA has reviewed the application and made a decision whether to approve the incentive payment to the customer. Once the decision has been made to pay the incentive to the customer, these funds and their associated energy and demand impacts become "Committed."

[5] The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made.

[6] Until a naming convention for program ID is defined, the Company has used the first five characters to represents the PA, the sixth character represents G (gas) or E (electric), the seventh character represents A (residential), B (low income) and C (commercial) and the eighth and ninth characters are numeric in ascending order.

Program Administrator	KeySpan Gas East Corporation d/b/a National Grid
Quarter	2010 Annual Report
Filing	90 Day Energy Efficiency Programs

Program Administrator (PA) and Program ID	NGRIDGC02
Program Name	Industrial Program
Program Type	Commercial Retrofit

Acquired Impacts This year	
Net first-year annual kWh[1] acquired this year	-
Net first-year annual kWh Goal	-
Percent of annual Net kWh Goal Acquired	
Net Peak[2] kW acquired this year	-
Utility Net Peak kW Goal	-
Percent of annual Peak kW Goal Acquired	
Net First-year annual therms acquired this year	340,378
Annual Net Therm Goal	405,000
Percent of annual Therm Goal Acquired	84%
Net Lifecycle kWh acquired this year	-
Net Lifecycle therms acquired this year	4,951,527
Net Other annual Savings (MMBTUs) Acquired	
Coal	-
Kerosene	-
Oil	-
Propane	-
Total Acquired Net First-Year Impacts To Date	
Net first-year annual kWh acquired to date	-
Net first-year annual kWh acquired to date as a percent of annual goal	
Net first-year annual kWh acquired to date as a percent of 3-year goal	
Net cumulative kWh acquired to date	-
Net utility peak kW reductions acquired to date	-
Net utility peak kW reductions acquired to date as a percent of utility annua	
Net utility peak kW reductions acquired to date as a percent of 3-year goal	
Net NYISO peak kW reductions acquired to date	-
Net first-year annual therms acquired to date	340,378
Net first-year annual therms acquired to date as a percent of annual goal	84%
Net first-year annual therms acquired to date as a percent of 3-year goal	42%
Net cumulative therms acquired to date	340,378
Total Acquired Lifecycle Impacts To Date	
Net Lifecycle kWh acquired to date	-
Net Lifecycle therms acquired to date	4,951,527
Committed[3] Impacts (not yet acquired) This year	
Net First-year annual kWh committed this year	-
Net Lifecycle kWh committed this year	-
Net Utility Peak kW committed this year	-
Net first-year annual therms committed this year	-
Net Lifecycle therms committed this year	-
Funds committed at this point in time	-

Program Administrator	KeySpan Gas East Corporation d/b/a National Grid
Quarter	2010 Annual Report
Filing	90 Day Energy Efficiency Programs

Program Administrator (PA) and Program ID	NGRIDGC02
Program Name	Industrial Program
Program Type	Commercial Retrofit

Overall Impacts (Achieved & Committed)	
Net first-year annual kWh acquired & committed this year	-
Net utility peak kW acquired & committed this year	-
Net First-year annual therms acquired & committed this year	340,378

Costs		
Total program budget	$	1,875,868
Administrative costs	$	125,572
Program Planning	$	7,383
Marketing costs	$	26,018
Trade Ally Training	$	143
Incentives, rebates, grants, direct install costs, and other program costs going to the participant		410,009
Direct Program Implementation	$	56,200
Evaluation	$	30,730
Total expenditures to date	$	656,055
Percent of total budget spent to date		35%

Participation	
Number of program applications received to date	39
Number of program applications processed to date[4]	39
Number of processed applications approved to date[5]	53
Percent of applications received to date that have been processed	100%
Carbon Emission Reductions (in tons)	
Total Acquired Net First-Year Carbon Emission Reductions To Date	1,991
Total Acquired Cumulative Net Carbon Emission Reductions To Date	1,991

NOTES:	

[1] First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year.

[2] Peak is defined uniquely for each utility.

[3] Committed savings are defined as those for which funds have been encumbered by not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired."

[4] An application is processed once the PA has reviewed the application and made a decision whether to approve the incentive payment to the customer. Once the decision has been made to pay the incentive to the customer, these funds and their associated ener

[5] The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made.

[6] Until a naming convention for program ID is defined, the Company has used the first five characters to represents the PA, the sixth character represents G (gas) or E (electric), the seventh character represents A (residential), B (low income) and C (commercial) and the eighth and ninth characters are numeric in ascending order.

Program Administrator	KeySpan Gas East Corporation d/b/a National Grid
Quarter	2010 Annual Report
Filing	90 Day Energy Efficiency Programs

Program Administrator (PA) and Program ID	NGRIDGC05
Program Name	Commercial Energy Efficiency Program
Program Type	Commercial Retrofit

Acquired Impacts This year	
Net first-year annual kWh[1] acquired this year	-
Net first-year annual kWh Goal	-
Percent of annual Net kWh Goal Acquired	
Net Peak[2] kW acquired this year	-
Utility Net Peak kW Goal	-
Percent of annual Peak kW Goal Acquired	
Net First-year annual therms acquired this year	343,170
Annual Net Therm Goal	311,950
Percent of annual Therm Goal Acquired	110%
Net Lifecycle kWh acquired this year	-
Net Lifecycle therms acquired this year	6,240,045

Net Other annual Savings (MMBTUs) Acquired	
Coal	-
Kerosene	-
Oil	-
Propane	-

Total Acquired Net First-Year Impacts To Date	
Net first-year annual kWh acquired to date	-
Net first-year annual kWh acquired to date as a percent of annual goal	
Net first-year annual kWh acquired to date as a percent of 3-year goal	
Net cumulative kWh acquired to date	-
Net utility peak kW reductions acquired to date	-
Net utility peak kW reductions acquired to date as a percent of utility annua	
Net utility peak kW reductions acquired to date as a percent of 3-year goal	
Net NYISO peak kW reductions acquired to date	-
Net first-year annual therms acquired to date	343,170
Net first-year annual therms acquired to date as a percent of annual goal	110%
Net first-year annual therms acquired to date as a percent of 3-year goal	47%
Net cumulative therms acquired to date	343,170

Total Acquired Lifecycle Impacts To Date	
Net Lifecycle kWh acquired to date	-
Net Lifecycle therms acquired to date	6,240,045

Committed[3] Impacts (not yet acquired) This year	
Net First-year annual kWh committed this year	-
Net Lifecycle kWh committed this year	-
Net Utility Peak kW committed this year	-
Net first-year annual therms committed this year	-
Net Lifecycle therms committed this year	-
Funds committed at this point in time	-

Program Administrator	KeySpan Gas East Corporation d/b/a National Grid
Quarter	2010 Annual Report
Filing	90 Day Energy Efficiency Programs

Program Administrator (PA) and Program ID	NGRIDGC05
Program Name	Commercial Energy Efficiency Program
Program Type	Commercial Retrofit

Overall Impacts (Achieved & Committed)		
Net first-year annual kWh acquired & committed this year		-
Net utility peak kW acquired & committed this year		-
Net First-year annual therms acquired & committed this year		343,170
Costs		
Total program budget	$	1,228,693
Administrative costs	$	136,274
Program Planning	$	5,857
Marketing costs	$	12,859
Trade Ally Training	$	262
Incentives, rebates, grants, direct install costs, and other program costs going to the participant		952,536
Direct Program Implementation	$	66,087
Evaluation	$	32,102
Total expenditures to date	$	1,205,978
Percent of total budget spent to date		98%
Participation		
Number of program applications received to date		46
Number of program applications processed to date[4]		46
Number of processed applications approved to date[5]		209
Percent of applications received to date that have been processed		100%
Carbon Emission Reductions (in tons)		
Total Acquired Net First-Year Carbon Emission Reductions To Date		2,008
Total Acquired Cumulative Net Carbon Emission Reductions To Date		2,008

NOTES:

[1] First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year.

[2] Peak is defined uniquely for each utility.

[3] Committed savings are defined as those for which funds have been encumbered by not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired."

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[5] The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made.

[6] Until a naming convention for program ID is defined, the Company has used the first five characters to represents the PA, the sixth character represents G (gas) or E (electric), the seventh character represents A (residential), B (low income) and C (commercial) and the eighth and ninth characters are numeric in ascending order.

Program Administrator	KeySpan Gas East Corporation d/b/a National Grid
Quarter	2010 Annual Report
Filing	90 Day Energy Efficiency Programs

Program Administrator (PA) and Program ID	NGRIDGA08
Program Name	Gas Enhanced Home Sealing Incentives Program
Program Type	Residential Rebate

Acquired Impacts This year	
Net first-year annual kWh[1] acquired this year	-
Net first-year annual kWh Goal	-
Percent of annual Net kWh Goal Acquired	
Net Peak[2] kW acquired this year	-
Utility Net Peak kW Goal	-
Percent of annual Peak kW Goal Acquired	
Net First-year annual therms acquired this year	889
Annual Net Therm Goal	127,478
Percent of annual Therm Goal Acquired	1%
Net Lifecycle kWh acquired this year	-
Net Lifecycle therms acquired this year	13,329

Net Other annual Savings (MMBTUs) Acquired	
Coal	-
Kerosene	-
Oil	-
Propane	-

Total Acquired Net First-Year Impacts To Date	
Net first-year annual kWh acquired to date	-
Net first-year annual kWh acquired to date as a percent of annual goal	
Net first-year annual kWh acquired to date as a percent of 3-year goal	
Net cumulative kWh acquired to date	-
Net utility peak kW reductions acquired to date	-
Net utility peak kW reductions acquired to date as a percent of utility annua	
Net utility peak kW reductions acquired to date as a percent of 3-year goal	
Net NYISO peak kW reductions acquired to date	-
Net first-year annual therms acquired to date	889
Net first-year annual therms acquired to date as a percent of annual goal	1%
Net first-year annual therms acquired to date as a percent of 3-year goal	0%
Net cumulative therms acquired to date	889

Total Acquired Lifecycle Impacts To Date	
Net Lifecycle kWh acquired to date	-
Net Lifecycle therms acquired to date	13,329

Committed[3] Impacts (not yet acquired) This year	
Net First-year annual kWh committed this year	-
Net Lifecycle kWh committed this year	-
Net Utility Peak kW committed this year	-
Net first-year annual therms committed this year	-
Net Lifecycle therms committed this year	-
Funds committed at this point in time	-

Program Administrator	KeySpan Gas East Corporation d/b/a National Grid
Quarter	2010 Annual Report
Filing	90 Day Energy Efficiency Programs

Program Administrator (PA) and Program ID	NGRIDGA08
Program Name	Gas Enhanced Home Sealing Incentives Program
Program Type	Residential Rebate

Overall Impacts (Achieved & Committed)		
Net first-year annual kWh acquired & committed this year		-
Net utility peak kW acquired & committed this year		-
Net First-year annual therms acquired & committed this year		889

Costs		
Total program budget	$	1,220,642
Administrative costs	$	178,192
Program Planning	$	5,653
Marketing costs	$	16,337
Trade Ally Training	$	-
Incentives, rebates, grants, direct install costs, and other program costs going to the participant		6,450
Direct Program Implementation	$	526
Evaluation	$	14,182
Total expenditures to date	$	221,339
Percent of total budget spent to date		18%

Participation	
Number of program applications received to date	5
Number of program applications processed to date[4]	5
Number of processed applications approved to date[5]	5
Percent of applications received to date that have been processed	100%
Carbon Emission Reductions (in tons)	
Total Acquired Net First-Year Carbon Emission Reductions To Date	5
Total Acquired Cumulative Net Carbon Emission Reductions To Date	5

NOTES:

[1] First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year.

[2] Peak is defined uniquely for each utility.

[3] Committed savings are defined as those for which funds have been encumbered by not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired."

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[6] Until a naming convention for program ID is defined, the Company has used the first five characters to represents the PA, the sixth character represents G (gas) or E (electric), the seventh character represents A (residential), B (low income) and C (commercial) and the eighth and ninth characters are numeric in ascending order.

Program Administrator	KeySpan Gas East Corporation d/b/a National Grid
Quarter	2010 Annual Report
Filing	90 Day Energy Efficiency Programs

Program Administrator (PA) and Program ID	NGRIDGA10
Program Name	Residential ENERGY STAR® Gas Products Program
Program Type	Residential Rebate

Acquired Impacts This year	
Net first-year annual kWh[1] acquired this year	-
Net first-year annual kWh Goal	-
Percent of annual Net kWh Goal Acquired	
Net Peak[2] kW acquired this year	-
Utility Net Peak kW Goal	-
Percent of annual Peak kW Goal Acquired	
Net First-year annual therms acquired this year	5,161
Annual Net Therm Goal	17,942
Percent of annual Therm Goal Acquired	29%
Net Lifecycle kWh acquired this year	-
Net Lifecycle therms acquired this year	74,225
Net Other annual Savings (MMBTUs) Acquired	
Coal	-
Kerosene	-
Oil	-
Propane	-
Total Acquired Net First-Year Impacts To Date	
Net first-year annual kWh acquired to date	-
Net first-year annual kWh acquired to date as a percent of annual goal	
Net first-year annual kWh acquired to date as a percent of 3-year goal	
Net cumulative kWh acquired to date	-
Net utility peak kW reductions acquired to date	-
Net utility peak kW reductions acquired to date as a percent of utility annua	
Net utility peak kW reductions acquired to date as a percent of 3-year goal	
Net NYISO peak kW reductions acquired to date	-
Net first-year annual therms acquired to date	5,161
Net first-year annual therms acquired to date as a percent of annual goal	29%
Net first-year annual therms acquired to date as a percent of 3-year goal	12%
Net cumulative therms acquired to date	5,161
Total Acquired Lifecycle Impacts To Date	
Net Lifecycle kWh acquired to date	-
Net Lifecycle therms acquired to date	74,225
Committed[3] Impacts (not yet acquired) This year	
Net First-year annual kWh committed this year	-
Net Lifecycle kWh committed this year	-
Net Utility Peak kW committed this year	-
Net first-year annual therms committed this year	-
Net Lifecycle therms committed this year	-
Funds committed at this point in time	-

Program Administrator	KeySpan Gas East Corporation d/b/a National Grid
Quarter	2010 Annual Report
Filing	90 Day Energy Efficiency Programs

Program Administrator (PA) and Program ID	NGRIDGA10
Program Name	Residential ENERGY STAR® Gas Products Program
Program Type	Residential Rebate

Overall Impacts (Achieved & Committed)	
Net first-year annual kWh acquired & committed this year	-
Net utility peak kW acquired & committed this year	-
Net First-year annual therms acquired & committed this year	5,161

Costs		
Total program budget	$	60,000
Administrative costs	$	3,686
Program Planning	$	20
Marketing costs	$	2,449
Trade Ally Training	$	-
Incentives, rebates, grants, direct install costs, and other program costs going to the participant		6,725
Direct Program Implementation	$	1,745
Evaluation	$	87
Total expenditures to date	$	14,712
Percent of total budget spent to date		25%

Participation	
Number of program applications received to date	115
Number of program applications processed to date[4]	115
Number of processed applications approved to date[5]	534
Percent of applications received to date that have been processed	100%
Carbon Emission Reductions (in tons)	
Total Acquired Net First-Year Carbon Emission Reductions To Date	30
Total Acquired Cumulative Net Carbon Emission Reductions To Date	30

NOTES:

[1] First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year.

[2] Peak is defined uniquely for each utility.

[3] Committed savings are defined as those for which funds have been encumbered by not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired."

[4] An application is processed once the PA has reviewed the application and made a decision whether to approve the incentive payment to the customer. Once the decision has been made to pay the incentive to the customer, these funds and their associated ener

[5] The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made.

[6] Until a naming convention for program ID is defined, the Company has used the first five characters to represents the PA, the sixth character represents G (gas) or E (electric), the seventh character represents A (residential), B (low income) and C (commercial) and the eighth and ninth characters are numeric in ascending order.

Program Administrator	KeySpan Gas East Corporation d/b/a National Grid
Quarter	2010 Annual Report
Filing	90 Day Energy Efficiency Programs
Program Administrator (PA) and Program ID	NGRIDGC08
Program Name	Multifamily Energy Efficiency Program
Program Type	Commercial Retrofit
Acquired Impacts This year	
Net first-year annual kWh[1] acquired this year	-
Net first-year annual kWh Goal	-
Percent of annual Net kWh Goal Acquired	
Net Peak[2] kW acquired this year	-
Utility Net Peak kW Goal	-
Percent of annual Peak kW Goal Acquired	
Net First-year annual therms acquired this year	8,668
Annual Net Therm Goal	99,000
Percent of annual Therm Goal Acquired	9%
Net Lifecycle kWh acquired this year	-
Net Lifecycle therms acquired this year	22,312
Net Other annual Savings (MMBTUs) Acquired	
Coal	-
Kerosene	-
Oil	-
Propane	-
Total Acquired Net First-Year Impacts To Date	
Net first-year annual kWh acquired to date	-
Net first-year annual kWh acquired to date as a percent of annual goal	
Net first-year annual kWh acquired to date as a percent of 3-year goal	
Net cumulative kWh acquired to date	-
Net utility peak kW reductions acquired to date	-
Net utility peak kW reductions acquired to date as a percent of utility annua	
Net utility peak kW reductions acquired to date as a percent of 3-year goal	
Net NYISO peak kW reductions acquired to date	-
Net first-year annual therms acquired to date	8,668
Net first-year annual therms acquired to date as a percent of annual goal	9%
Net first-year annual therms acquired to date as a percent of 3-year goal	4%
Net cumulative therms acquired to date	8,668
Total Acquired Lifecycle Impacts To Date	
Net Lifecycle kWh acquired to date	-
Net Lifecycle therms acquired to date	22,312
Committed[3] Impacts (not yet acquired) This year	
Net First-year annual kWh committed this year	-
Net Lifecycle kWh committed this year	-
Net Utility Peak kW committed this year	-
Net first-year annual therms committed this year	-

Program Administrator	KeySpan Gas East Corporation d/b/a National Grid	
Quarter	2010 Annual Report	
Filing	90 Day Energy Efficiency Programs	
Program Administrator (PA) and Program ID	NGRIDGC08	
Program Name	Multifamily Energy Efficiency Program	
Program Type	Commercial Retrofit	
Net Lifecycle therms committed this year		-
Funds committed at this point in time		-
Overall Impacts (Achieved & Committed)		
Net first-year annual kWh acquired & committed this year		-
Net utility peak kW acquired & committed this year		-
Net First-year annual therms acquired & committed this year		8,668
Costs		
Total program budget	$	435,861
Administrative costs	$	40,385
Program Planning	$	1,696
Marketing costs	$	3,184
Trade Ally Training	$	33
Incentives, rebates, grants, direct install costs, and other program costs going to the participant		91,181
Direct Program Implementation	$	8,214
Evaluation	$	4,942
Total expenditures to date	$	149,635
Percent of total budget spent to date		34%
Participation		
Number of program applications received to date		1
Number of program applications processed to date[4]		1
Number of processed applications approved to date[5]		1
Percent of applications received to date that have been processed		100%
Carbon Emission Reductions (in tons)		
Total Acquired Net First-Year Carbon Emission Reductions To Date		51
Total Acquired Cumulative Net Carbon Emission Reductions To Date		51
NOTES:		

[1] First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year.

[2] Peak is defined uniquely for each utility.

[3] Committed savings are defined as those for which funds have been encumbered by not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired."

[4]An application is processed once the PA has reviewed the application and made a decision whether to approve the incentive payment to the customer. Once the decision has been made to pay the incentive to the customer, these funds and their associated ener

[5]The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made.

[6] Until a naming convention for program ID is defined, the Company has used the first five characters to represents the PA, the sixth character represents G (gas) or E (electric), the seventh character represents A (residential), B (low income) and C (commercial) and the eighth and ninth characters are numeric in ascending order.

Appendix 3

Detailed Savings Calculations for 2010 Energy Efficiency Programs

The Brooklyn Union Gas Company d/b/a National Grid NY
2010 Actual Participation
Residential High-Efficiency Heating and Water Heating and Controls Program

(1) Measure Description	(2) Quantity	(3) Total Gross therms	(4) Free-Ridership Rate	(5) Net therms Reduction	(6) Gross therms Source
BOILER RESET	12	650	10.00 %	585	NY Technical Manual 12/16/09 per calculation page 46
Boiler-FHW	122	18,745	10.00 %	16,871	NY Technical Manual 12/16/09 per calculation page 44
BOILER-STEAM	970	89,227	10.00 %	80,304	NY Technical Manual 12/16/09 per calculation page 44
Furnace	21	4,934	10.00 %	4,440	NY Technical Manual 12/16/09 per calculation page 54
Furnacew/ECM	306	70,952	10.00 %	63,857	NY Technical Manual 12/16/09 per calculation page 54
THERMOSTAT	474	34,373	10.00 %	30,936	NY Technical Manual 12/16/09 per calculation page 48
WATER HEATER - INDIRECT	139	5,560	10.00 %	5,004	Deemed Value from Implementation Plan
Totals	**2,044**	**224,440**		**201,996**	

(1) Measure Description: Type of measure or product installed.
(2) Quantity: Number of measures or products installed.
(3) Total Gross therms: Total gross therms for measures installed in measure decription for period.
(4) Free-ridership rate: New York Technical Manual
(5) Net therms Reduction: Gross therms * Spillover net of free-ridership rate
(6) Gross therms Source: Source of energy savings.

The Brooklyn Union Gas Company d/b/a National Grid NY
2010 Actual Participation
Gas Enhanced Home Sealing Incentives Program

(1) Measure Description	(2) Quantity	(3) Total Gross therms	(4) Free-Ridership Rate	(5) Net therms Reduction	(6) Gross therms Source
AIR SEALING	1	205	10.00 %	184	NY Technical Manual 12/16/09 per calculation pages 33-35
Totals	**1**	**205**		**184**	

(1) Measure Description: Type of measure or product installed.
(2) Quantity: Number of measures or products installed.
(3) Total Gross therms: Total gross therms for measures installed in measure decription for period.
(4) Free-ridership rate: New York Technical Manual
(5) Net therms Reduction: Gross therms * Spillover net of free-ridership rate
(6) Gross therms Source: Source of energy savings.

The Brooklyn Union Gas Company d/b/a National Grid NY
2010 Actual Participation
Residential ENERGY STAR® Gas Products Program

(1) Measure Description	(2) Quantity	(3) Total Gross therms	(4) Free-Ridership Rate	(5) Net therms Reduction	(6) Gross therms Source
Thermostat_Furnaces	17	918	10.00 %	826	NY Technical Manual 12/16/09 per calculation pages 48-50
Window	156	549	10.00 %	494	NY Technical Manual 12/16/09 per calculation pages 29-32
Thermostat_Steam Boiler	16	863	10.00 %	777	NY Technical Manual 12/16/09 per calculation pages 48-50
Thermostat_Hot Water Boiler	30	1,374	10.00 %	1,237	NY Technical Manual 12/16/09 per calculation pages 48-50
Totals	**219**	**3,704**		**3,333**	

(1) Measure Description: Type of measure or product installed.
(2) Quantity: Number of measures or products installed.
(3) Total Gross therms: Total gross therms for measures installed in measure decription for period.
(4) Free-ridership rate: New York Technical Manual
(5) Net therms Reduction: Gross therms * Spillover net of free-ridership rate
(6) Gross therms Source: Source of energy savings.

The Brooklyn Union Gas Company d/b/a National Grid NY
2010 Actual Participation
Commercial Energy Efficiency Program

(1) Measure Description	(2) Quantity	(3) Total Gross therms	(4) Free-Ridership Rate	(5) Net therms Reduction	(6) Gross therms Source
BOILER - HOT WATER	9	3,643	10.00 %	3,278	NY Technical Manual 9/1/09 per calculation page 49
BOILER - STEAM	9	1,379	10.00 %	1,241	NY Technical Manual 9/1/09 per calculation page 49
COOKING_Custom	1	1,109	10.00 %	998	Custom calculations
CONVECTION OVEN	4	992	10.00 %	893	Deemed value per 8/23/10 Implementation Plan
Cooling_Custom	1	8,399	10.00 %	7,559	Custom calculations
HEATING _Custom	7	34,717	10.00 %	31,245	Custom calculations
INSULATION_Custom	144,000	13,876	10.00 %	12,488	Custom calculations
PIPE INSULATION	1,487	2,519	10.00 %	2,267	Deemed values per 3E Plus model, A.D. Larson
Process_Custom	2	6,615	10.00 %	5,954	Custom calculations
ROOF INSULATION	235,550	70,665	10.00 %	63,599	Deemed value per National Grid New England programs
Steam Traps_Custom	31	7,843	10.00 %	7,059	Custom calculations
VENTILATION_Custom	1	982	10.00 %	884	Custom calculations
WALL INSULATION	62,880	31,440	10.00 %	28,296	Deemed value per National Grid New England programs
Water Heating_Custom	2	17,962	10.00 %	16,166	Custom calculations
Totals	**443,984**	**202,140**		**181,926**	

(1) Measure Description: Type of measure or product installed.
(2) Quantity: Number of measures or products installed.
(3) Total Gross therms: Total gross therms for measures installed in measure decription for period.
(4) Free-ridership rate: New York Technical Manual
(5) Net therms Reduction: Gross therms * Spillover net of free-ridership rate
(6) Gross therms Source: Source of energy savings.

The Brooklyn Union Gas Company d/b/a National Grid NY
2010 Actual Participation
Industrial Program

(1) Measure Description	(2) Quantity	(3) Total Gross therms	(4) Free-Ridership Rate	(5) Net therms Reduction	(6) Gross therms Source
BOILER - HOT WATER	4	2,998	10.00 %	2,698	NY Technical Manual 9/1/09 per calculation page 49
COOKING_Custom	5	16,646	10.00 %	14,981	Custom calculations
CUSTOM - OTHER	8	43,572	10.00 %	39,215	Custom calculations
HEATING _Custom	8	96,734	10.00 %	87,061	Custom calculations
INSULATION_Custom	209,449	186,648	10.00 %	167,983	Custom calculations
PIPE INSULATION	170	288	10.00 %	259	Deemed values per 3E Plus model, A.D. Larson
PIPE INSULATION_Custom	12,444	391,004	10.00 %	351,904	Custom calculations
Process_Custom	3	79,990	10.00 %	71,991	Custom calculations
ROOF INSULATION	23,000	6,900	10.00 %	6,210	NY Technical Manual 9/1/09 per calculation page 49
Steam Traps_Custom	74	20,858	10.00 %	18,772	Custom calculations
Water Heating_Custom	1	9,872	10.00 %	8,885	Custom calculations
Totals	**245,166**	**855,510**		**769,959**	

(1) Measure Description: Type of measure or product installed.
(2) Quantity: Number of measures or products installed.
(3) Total Gross therms: Total gross therms for measures installed in measure decription for period.
(4) Free-ridership rate: New York Technical Manual
(5) Net therms Reduction: Gross therms * Spillover net of free-ridership rate
(6) Gross therms Source: Source of energy savings.

The Brooklyn Union Gas Company d/b/a National Grid NY
2010 Actual Participation
Multifamily Energy Efficiency Program

(1) Measure Description	(2) Quantity	(3) Total Gross therms	(4) Free-Ridership Rate	(5) Net therms Reduction	(6) Gross therms Source
BOILER - HOT WATER	1	120	10.00 %	108	NY Technical Manual 9/1/09 per calculation page 49
Totals	**1**	**120**		**108**	

(1) Measure Description: Type of measure or product installed.
(2) Quantity: Number of measures or products installed.
(3) Total Gross therms: Total gross therms for measures installed in measure decription for period.
(4) Free-ridership rate: New York Technical Manual
(5) Net therms Reduction: Gross therms * Spillover net of free-ridership rate
(6) Gross therms Source: Source of energy savings.

KeySpan Gas East Corporation d/b/a National Grid
2010 Actual Participation
Residential High-Efficiency Heating and Water Heating and Controls Program

(1) Measure Description	(2) Quantity	(3) Total Gross therms	(4) Free-Ridership Rate	(5) Net therms Reduction	(6) Gross therms Source
BOILER - HOT WATER	2,115	208,036	10.00 %	187,233	NY Technical Manual 12/16/09 per calculation page 44
BOILER - STEAM	519	43,645	10.00 %	39,281	NY Technical Manual 12/16/09 per calculation page 44
BOILER RESET CONTROLS	118	6,328	10.00 %	5,695	NY Technical Manual 12/16/09 per calculation page 46
DUCT INS AND LEAKAGE SEALING	0	0	10.00 %	0	Deemed Value from Implementation Plan
FURNACE	821	168,372	10.00 %	151,535	NY Technical Manual 12/16/09 per calculation page 54
THERMOSTAT	448	41,866	10.00 %	37,679	NY Technical Manual 12/16/09 per calculation page 48
Thermostat_Boiler	438	39,845	10.00 %	35,860	NY Technical Manual 12/16/09 per calculation page 54
Thermostat_Furnaces	309	20,289	10.00 %	18,260	NY Technical Manual 12/16/09 per calculation page 48
WATER HEATER - INDIRECT	778	31,120	10.00 %	28,008	Deemed Value from Implementation Plan
Totals	**5,546**	**559,501**		**503,551**	

(1) Measure Description: Type of measure or product installed.
(2) Quantity: Number of measures or products installed.
(3) Total Gross therms: Total gross therms for measures installed in measure decription for period.
(4) Free-ridership rate: New York Technical Manual
(5) Net therms Reduction: Gross therms * Spillover net of free-ridership rate
(6) Gross therms Source: Source of energy savings.

KeySpan Gas East Corporation d/b/a National Grid
2010 Actual Participation
Gas Enhanced Home Sealing Incentives Program

(1) Measure Description	(2) Quantity	(3) Total Gross therms	(4) Free-Ridership Rate	(5) Net therms Reduction	(6) Gross therms Source
AIR SEALING	5	987	10.00 %	889	NY Technical Manual 12/16/09 per calculation pages 33-35
Totals	**5**	**987**		**889**	

(1) Measure Description: Type of measure or product installed.
(2) Quantity: Number of measures or products installed.
(3) Total Gross therms: Total gross therms for measures installed in measure decription for period.
(4) Free-ridership rate: New York Technical Manual
(5) Net therms Reduction: Gross therms * Spillover net of free-ridership rate
(6) Gross therms Source: Source of energy savings.

KeySpan Gas East Corporation d/b/a National Grid
2010 Actual Participation
Residential ENERGY STAR® Gas Products Program

(1) Measure Description	(2) Quantity	(3) Total Gross therms	(4) Free-Ridership Rate	(5) Net therms Reduction	(6) Gross therms Source
Window	446	1,385	10.00 %	1,246	NY Technical Manual 12/16/09 per calculation pages 29-32
Thermostat_Furnaces	41	2,226	10.00 %	2,003	NY Technical Manual 12/16/09 per calculation pages 48-50
Thermostat_Steam Boiler	2	123	10.00 %	111	NY Technical Manual 12/16/09 per calculation pages 48-50
Thermostat_Hot Water Boiler	45	2,000	10.00 %	1,800	NY Technical Manual 12/16/09 per calculation pages 48-50
Totals	**534**	**5,734**		**5,161**	

(1) Measure Description: Type of measure or product installed.
(2) Quantity: Number of measures or products installed.
(3) Total Gross therms: Total gross therms for measures installed in measure decription for period.
(4) Free-ridership rate: New York Technical Manual
(5) Net therms Reduction: Gross therms * Spillover net of free-ridership rate
(6) Gross therms Source: Source of energy savings.

KeySpan Gas East Corporation d/b/a National Grid
2010 Actual Participation
Commercial Energy Efficiency Program

(1) Measure Description	(2) Quantity	(3) Total Gross therms	(4) Free-Ridership Rate	(5) Net therms Reduction	(6) Gross therms Source
BOILER - STEAM	1	89	10.00 %	80	NY Technical Manual 9/1/09 per calculation page 49
Water Heating_Custom	1	10,200	10.00 %	9,180	Custom calculations
BOILER RESET CONTROLS	2	82	10.00 %	74	NY Technical Manual 7/9/09 per calculation page 52
Controls_Custom	2	35,252	10.00 %	31,727	Custom calculations
CONVECTION OVEN	3	744	10.00 %	670	Deemed value per 2010 GasNetworks
WATER HEATER - INDIRECT	3	912	10.00 %	821	Deemed value per 8/23/10 Implementation Plan
Steam Traps_Custom	4	1,012	10.00 %	911	Custom calculations
COOKING_Custom	7	6,834	10.00 %	6,151	Custom calculations
HEATING _Custom	7	31,089	10.00 %	27,980	Custom calculations
FRYER	11	6,446	10.00 %	5,801	Custom calculations
VENTILATION_Custom	11	26,904	10.00 %	24,214	Deemed value per 2010 GasNetworks
INFRARED HEATER	17	12,648	10.00 %	11,383	Deemed value per 2010 GasNetworks
FURNACE	20	4,462	10.00 %	4,015	NY Technical Manual 9/1/09 per calculation page 49
BOILER - HOT WATER	30	12,498	10.00 %	11,248	NY Technical Manual 9/1/09 per calculation page 49
PIPE INSULATION	1,572	2,663	10.00 %	2,396	Deemed values per 3E Plus model, A.D. Larson
WALL INSULATION	207,395	103,698	10.00 %	93,328	Deemed value per National Grid New England programs
ROOF INSULATION	419,230	125,769	10.00 %	113,192	Deemed value per National Grid New England programs
Totals	**628,316**	**381,300**		**343,170**	

(1) Measure Description: Type of measure or product installed.
(2) Quantity: Number of measures or products installed.
(3) Total Gross therms: Total gross therms for measures installed in measure decription for period.
(4) Free-ridership rate: New York Technical Manual
(5) Net therms Reduction: Gross therms * Spillover net of free-ridership rate
(6) Gross therms Source: Source of energy savings.

KeySpan Gas East Corporation d/b/a National Grid
2010 Actual Participation
Industrial Program

(1) Measure Description	(2) Quantity	(3) Total Gross therms	(4) Free-Ridership Rate	(5) Net therms Reduction	(6) Gross therms Source
Controls_Custom	14	32,504	10.00 %	29,254	Custom calculations
CUSTOM - OTHER	171,672	24,892	10.00 %	22,403	Custom calculations
HEATING _Custom	19	116,179	10.00 %	104,561	Custom calculations
INFRARED HEATER	1	744	10.00 %	670	Deemed value per 2010 GasNetworks
INSULATION_Custom	578	904	10.00 %	814	Custom calculations
PIPE INSULATION_Custom	1,500	5,746	10.00 %	5,171	Custom calculations
Process_Custom	3	77,796	10.00 %	70,016	Custom calculations
ROOF INSULATION	80,818	24,245	10.00 %	21,821	Deemed value per National Grid New England programs
VENTILATION_Custom	1	40,343	10.00 %	36,309	Custom calculations
WALL INSULATION	12,300	6,150	10.00 %	5,535	Deemed value per National Grid New England programs
Water Heating_Custom	2	10,619	10.00 %	9,557	Custom calculations
Windows_Custom	171,672	38,075	10.00 %	34,268	Custom calculations
Totals	**438,580**	**378,198**		**340,378**	

(1) Measure Description: Type of measure or product installed.
(2) Quantity: Number of measures or products installed.
(3) Total Gross therms: Total gross therms for measures installed in measure decription for period.
(4) Free-ridership rate: New York Technical Manual
(5) Net therms Reduction: Gross therms * Spillover net of free-ridership rate
(6) Gross therms Source: Source of energy savings.

KeySpan Gas East Corporation d/b/a National Grid
2010 Actual Participation
Multifamily Energy Efficiency Program

(1) Measure Description	(2) Quantity	(3) Total Gross therms	(4) Free-Ridership Rate	(5) Net therms Reduction	(6) Gross therms Source
BOILER - HOT WATER	17	7,724	10.00 %	6,952	NY Technical Manual 7/9/09 per calculation page 50
Controls_Custom	1	1,907	10.00 %	1,716	Custom calculations
Totals	**18**	**9,631**		**8,668**	

(1) Measure Description: Type of measure or product installed.
(2) Quantity: Number of measures or products installed.
(3) Total Gross therms: Total gross therms for measures installed in measure decription for period.
(4) Free-ridership rate: New York Technical Manual
(5) Net therms Reduction: Gross therms * Spillover net of free-ridership rate
(6) Gross therms Source: Source of energy savings.

Appendix 4

2010 Energy Efficiency Program Expenditures

The Brooklyn Union Gas Company d/b/a National Grid NY
Expense Summary of 2010 Costs

Program	General Administration (1)	Program Planning	Program Marketing	Trade Ally Training	Incentives and Services	Direct Program Implementation	Program Evaluation	Total Utility Cost without Shareholder Incentive
Residential High-Efficiency Heating and Water Heating and Controls Program	$543,500	$4,730	$86,181	$3,278	$1,210,177	$164,424	$59,432	$2,071,722
Gas Enhanced Home Sealing Incentives Program (2)	$148,138	$6,194	$51,330	$0	$1,500	$145,054	$17,702	$369,918
Residential ENERGY STAR® Gas Products Program	$13,254	$5,440	$2,885	$0	$3,208	$1,931	$13,016	$39,734
Commercial Energy Efficiency Program	$167,861	$4,435	$31,395	$0	$392,884	$26,899	$31,930	$655,405
Industrial Program	$230,157	$7,857	$25,979	$0	$646,725	$28,334	$42,250	$981,302
Multifamily Energy Efficiency Program	$93,129	$4,089	$14,720	$0	$12,601	$7,692	$13,823	$146,054
Total	**$1,196,039**	**$32,745**	**$212,490**	**$3,278**	**$2,267,096**	**$374,335**	**$178,153**	**$4,264,136**

(1) General administration expenditures include information technology ("IT") expenditures. In 2010 National Grid invested in modifications to its program tracking and work managements system, In Demand. These modifications were necessary to adapt In Demand to the unique requirements of programs in New York. Although IT expenditures of this magnitude were not originally anticipated in the approved program budgets, In Demand will continue to provide benefits to the energy efficiency programs for 2010 and beyond.

(2) 2010 costs for the Gas Enhanced Home Sealing Incentive Program were higher than originally anticipated due to greater complexity in program tracking and reporting.

KeySpan Gas East Corporation d/b/a National Grid
Expense Summary of 2010 Costs

Program	General Administration (1)	Program Planning	Program Marketing	Trade Ally Training	Incentives and Services	Direct Program Implementation	Program Evaluation	Total Utility Cost without Shareholder Incentive
Residential High-Efficiency Heating and Water Heating and Controls Program (2)	$467,098	$4,877	$41,441	($6,970)	$2,813,048	$181,558	$56,514	$3,557,566
Gas Enhanced Home Sealing Incentives Program (3)	$178,192	$5,653	$16,337	$0	$6,450	$526	$14,182	$221,339
Residential ENERGY STAR® Gas Products Program	$3,686	$20	$2,449	$0	$6,725	$1,745	$87	$14,712
Commercial Energy Efficiency Program	$136,274	$5,857	$12,859	$262	$952,536	$66,087	$32,102	$1,205,978
Industrial Program	$125,572	$7,383	$26,018	$143	$410,009	$56,200	$30,730	$656,055
Multifamily Energy Efficiency Program	$40,385	$1,696	$3,184	$33	$91,181	$8,214	$4,942	$149,635
Total	**$951,207**	**$25,486**	**$102,288**	**($6,533)**	**$4,279,949**	**$314,330**	**$138,557**	**$5,805,285**

(1) General administration expenditures include information technology ("IT") expenditures. In 2010 National Grid invested in modifications to its program tracking and work managements system, In Demand. These modifications were necessary to adapt In Demand to the unique requirements of programs in New York. Although IT expenditures of this magnitude were not originally anticipated in the approved program budgets, In Demand will continue to provide benefits to the energy efficiency programs for 2010 and beyond.

(2) The Residential High-Efficiency Heating and Water Heating and Controls Program was suspended on August 18, 2010 after achieving its therms savings reduction target.

(3) 2010 costs for the Gas Enhanced Home Sealing Incentive Program were higher than originally anticipated due to greater complexity in program tracking and reporting.

Appendix 5

Summary of 2010 Energy Efficiency Program Results

The Brooklyn Union Gas Company d/b/a National Grid NY
2010 Target and Actual Results

Program	Net Therms Savings			Customer Participation			Total Utility Cost without Shareholder Incentive		
	Target	Year to Date	Percent Achieved	Target	Year to Date	Percent Achieved	Target	Year to Date	Percent Achieved
Residential High-Efficiency Heating and Water Heating and Controls Program	371,329	201,996	54%	3,940	1,586	40%	$2,281,145	$2,071,722	91%
Gas Enhanced Home Sealing Incentives Program (1)	186,990	184	0%	832	1	0%	$1,943,577	$369,918	19%
Residential ENERGY STAR® Gas Products Program (2)	17,942	3,333	19%	383	72	19%	$60,000	$39,734	66%
Commercial Energy Efficiency Program	432,509	181,926	42%	1,354	63	5%	$1,889,773	$655,405	35%
Industrial Program	783,000	769,959	98%	1,584	44	3%	$3,573,772	$981,302	27%
Multifamily Energy Efficiency Program (3)	493,380	108	0%	4,870	1	0%	$2,437,783	$146,054	6%
Total	**2,285,149**	**1,157,507**	**51%**	**12,963**	**1,767**	**14%**	**$12,186,050**	**$4,264,136**	**35%**

(1) The Gas Enhanced Home Sealing Incentives Program achieved a lower percentage of its 2010 customer participation target and therefore lower 2010 therms savings, due to the delayed program implementation and a delay in processing vendor invoices.

(2) The Residential ENERGY STAR® Gas Products Program achieved a lower percentage of its 2010 customer participation target and therefore lower 2010 therms savings, due in part to a small marketing campaign that was limited given the budget.

(3) The Multifamily Energy Efficiency Program achieved a low percentage of its 2010 customer particiapation target and therefore lower 2010 therms savings; since unit caps continue to limit eligible participants.

KeySpan Gas East Corporation d/b/a National Grid
2010 Target and Actual Results

Program	Net Therms Savings			Customer Participation			Total Utility Cost without Shareholder Incentive		
	Target	Year to Date	Percent Achieved	Target	Year to Date	Percent Achieved	Target	Year to Date	Percent Achieved
Residential High-Efficiency Heating and Water Heating and Controls Program (1)	336,951	503,551	149%	3,940	3,742	95%	$2,103,365	$3,557,566	169%
Gas Enhanced Home Sealing Incentives Program (2)	127,478	889	1%	832	5	1%	$1,220,642	$221,339	18%
Residential ENERGY STAR® Gas Products Program (3)	17,942	5,161	29%	383	115	30%	$60,000	$14,712	25%
Commercial Energy Efficiency Program	311,950	343,170	110%	896	209	23%	$1,228,693	$1,205,978	98%
Industrial Program	405,000	340,378	84%	700	53	8%	$1,875,868	$656,055	35%
Multifamily Energy Efficiency Program (4)	99,000	8,668	9%	961	18	2%	$435,861	$149,635	34%
Total	**1,298,320**	**1,201,816**	**93%**	**7,712**	**4,142**	**54%**	**$6,924,429**	**$5,805,285**	**84%**

(1) The Residential High-Efficiency Heating and Water Heating and Controls Program was suspended on August 18, 2010 after achieving its therms savings reduction target.

(2) The Gas Enhanced Home Sealing Incentives Program achieved a lower percentage of its 2010 customer participation target and therefore lower 2010 therms savings, due to the delayed program implementation and a delay in processing vendor invoices.

(3) The Residential ENERGY STAR® Gas Products Program achieved a lower percentage of its 2010 customer participation target and therefore lower 2010 therms savings, due in part to a small marketing campaign that was limited given the budget.

(4) The Multifamily Energy Efficiency Program achieved a low percentage of its 2010 customer particiapation target and therefore lower 2010 therms savings; since unit caps continue to limit eligible participants.

Appendix 6

Summaries of 2010 Energy Efficiency Program Evaluations

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National Grid

New York Residential High-Efficiency Heating and Water Heating and Controls Program

Process Evaluation Report – Final

December 15, 2010

National Grid

New York Residential High-Efficiency Heating and Water Heating and Controls Program

Process Evaluation Report – Final

December 15, 2010

Prepared for: National Grid

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1. EXECUTIVE SUMMARY

1.1 PROGRAM AND EVALUATION OVERVIEW

The Residential High–Efficiency Heating and Water Heating and Controls Program (the program) provides incentives for the installation of high-efficiency heating and water heating equipment. The program serves National Grid customers across three territories: upstate New York (Niagara Mohawk Power Corporation d/b/a National Grid), Long Island (KeySpan Gas East Corporation d/b/a National Grid), and New York City (The Brooklyn Union Gas Company d/b/a National Grid NY). Residential natural gas heating customers in buildings with one to four dwelling units are eligible to participate in the program, as well those who are converting from oil to gas heating. Measures rebated include high-efficiency furnaces (with and without ECM motors), high-efficiency hot water and steam boilers, boiler reset controls, programmable thermostats, and duct sealing. Customers can receive rebates for installing heating systems in new construction, oil-to-gas conversions, and gas-to-gas replacements.

On June 23, 2008, the New York Public Service Commission (Commission) issued an order establishing an electric and natural gas Energy Efficiency Portfolio Standard (EEPS). The EEPS established targets for energy efficiency, similar to the existing Renewable Portfolio Standard, and other programs intended to reverse the pattern of increasing energy use in New York. The proceeding establishes that electricity usage should decrease by 15 percent by 2015 statewide, and natural gas use should decrease by 4.34 BCF of gas annually through 2011 and 3.45 BCF annually after 2011. The program is included in the portfolio of programs under the EEPS.

Up to June 2010, the Commission required that heating and water heating related incentives and qualifying equipment be consistent across the state. The Commission, through an order posted on June 24, 2010, mandated decreased incentives offered to customers of upstate New York utilities that had exhausted their 2009 – 2011 budgets earlier in 2010.[1] This change was intended to control spending for those programs, which were granted additional funding in the June 2010 Order.

Table 1-1 documents the savings goals presented in the implementation plans.[2] Both Long Island and New York City's goals are higher than those of upstate New York.

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[1] *Consolidated Edison Company of New York, Inc., New York State Energy Research Development Authority (NYSERDA), Central Hudson Gas & Electric Corporation, Order Approving Three New Energy Efficiency Portfolio Standard (EEPS) and Enhanced Funding and Making Other Modification for Other EEPS Programs.* Order posted by the Public Service Commission on 6/24/2010 under Case/Matter 09-G-0363, Filing No. 107. File Name 201_07m0548etal_Order.pdf pages 20-23.

[2] *High-Efficiency Heating and Water Heating and Controls Gas Efficiency Program Implementation Plan* submitted June 8, 2009 by KeySpan Gas East Corporation d/b/a/ National Grid (Case 08-G-1017)

High-Efficiency Heating and Water Heating and Controls Gas Efficiency Program Implementation Plan submitted June 8, 2009 by Niagara Mohawk Gas Corporation d/b/a/ National Grid (Case 08-G-1015)

High-Efficiency Heating and Water Heating and Controls Gas Efficiency Program Implementation Plan submitted June 8, 2009 by The Brooklyn Union Gas Company d/b/a/ National Grid NY (Case 08-G-1016)

Table 1-1. Annual Therm Savings Goals by Company per Program Filings

Territory	2009	2010	2011
Upstate	151,927	303,851	303,851
Long Island	168,477	336,951	336,951
New York City	185,665	371,329	371,329

Tetra Tech conducted a variety of research activities as part of this program evaluation. These activities are detailed below.

National Grid Staff and Implementation Contractor Interviews. Tetra Tech formally conducted program staff interviews during the kick-off meeting in September, as well as additional follow-up interviews in October. Tetra Tech also spoke with three National Grid trade ally (also referred to as contractor) representatives and seven implementation contractors (four individuals from EFI and three individuals from ICF). Please note that staff from CSG were not interviewed as, at the time, the organization was not yet engaged in conducting quality assurance checks for the program. Quality assurance was CSG's only defined role in this program.

Participating and Nonparticipating Trade Ally Interviews. Tetra Tech conducted qualitative in-depth interviews with 27 participating and 12 nonparticipating trade allies in February and March of 2010. These interviews provided meaningful process insights into the program's operations, program interactions with trade allies, characteristics of program participants, and barriers to program participation.

Participant Surveys. The process evaluation also included quantitative telephone interviews with a random sample of 140 downstate[3] and 85 upstate New York[4] program participants conducted between March 23, 2010, and April 21, 2010. Prior to creating the survey participant sample, all households that were sampled as part of a separate National Grid energy efficiency customer satisfaction survey were removed from the Residential High-Efficiency Heating and Water Heating and Controls Program population. Through the survey process, Tetra Tech identified three cases in the sample that were related to new construction of multifamily buildings. These three cases were removed from the sample and contacted independently using a separate in-depth interview guide to direct the interview. The analysis from these cases is included in this report.

Market Assessment. Tetra Tech completed a market assessment of the upstate and downstate New York territories leveraging the US Census data analysis obtained from American Community Survey (ACS) data. The ACS data was considered the most relevant source of data, as it provided the most recent data at a county level.

[3] 69 completed surveys from New York City and 71 from the Long Island region.

[4] Niagara Mohawk

Heating and Water Heating Program Review. Through on-line research, Tetra Tech reviewed other heating and water heating programs available nation-wide and documented the qualifying equipment and rebates provided through these programs.

1.2 SUMMARY OF KEY FINDINGS

National Grid's Residential High-Efficiency Heating and Water Heating and Controls Program (the program) has experienced a considerable amount of scrutiny from the utility and Commission, as the upstate program exceeded its budget and goals for the three-year cycle by January 2010. After less than a year of operation, the program was suspended as of April 5, 2010, having achieved over 300 percent of its therm savings goal and nearly 400 percent of its program budget for the three-year program cycle. Meanwhile, downstate New York, particularly the New York City territory, has struggled to meet its first year goals. Program staff have attempted to react to the slower uptake found in New York City through various marketing strategies designed to engage trade allies and customers. While the program has progressed steadily through the first year, the New York City region continues to struggle.

On the whole, feedback from program managers, trade allies, and program participants emphasize the need for, and value of, the program. Despite the apparent need for the program in the state, the program faces both process challenges and difficult market conditions. Specifically, the program is confronted by issues associated with the rebate application process, the effectiveness of marketing targeting downstate New York customers and unique challenges facing the New York City territory.

Staff generally interact and communicate effectively with each other. There were some communication and procedural issues with EFI, the rebate processing vendor, identified early in the evaluation. Follow-up interviews with program staff revealed that, while there is regular communication, issues between National Grid and EFI persist.

One issue noted by both program staff and EFI is the number of data points required from program participants and contractors as part of the program. The Commission requires specific fields be captured in order to calculate measure-level energy savings. However, according to process interviews, the data requirements impact the program operations by requiring the tracking of additional data fields, affecting the rebate process through an increased percentage of flawed applications. Subsequently, the wait time for payments has increased.

Responses indicate the program may encounter moderate free-ridership rates, pending a formal study. Additionally, the benchmarking review indicates the efficiency requirements are low compared with other utility jurisdictions; these lower efficiency levels could lead to higher free-ridership rates.

Program staff, supported by ICF in downstate New York, are primarily responsible for marketing efforts. Due to the significant difference in program uptake by territory, the program's marketing activities vary by region. Staff in upstate New York did not need to do any significant direct marketing to either their customers or trade allies, as the program exceeded its goals so quickly. Conversely, downstate New York staff spend considerably more monetary and staff resources to market to their customers. Despite this increased effort, the results were mixed. According to program staff interviews, the funds dedicated to marketing in downstate New York do not go as far as the upstate funds, as marketing channels (e.g., radio advertisements) are more expensive in the downstate regions.

The program in downstate New York also invests in marketing and outreach directed towards trade allies in downstate New York. While the level of outreach efforts is sufficient, the differences in market conditions and in trade ally perceptions of high-efficiency equipment, as identified by interviewees, decreases the program's ability to move customers from standard- to high-efficiency installations and services. Additionally, a significant portion of the marketing and outreach is through the oil-to-gas conversion program. Program staff discussed the need to continue expanding the marketing initiative to those trade allies operating in the oil-to-gas conversion program who may also have opportunities to market the Residential High-Efficiency Heating and Water Heating and Controls Program.

Upstate New York exceeded the budget and savings goals for its three-year cycle by January 2010. Long Island is on track to meet its goals, and New York City continues to struggle to meet its goals. However, there are significant market barriers in downstate New York and this process evaluation provides evidence that the territory goals were not set appropriately relative to each other.

Program design is, and will continue to be, complicated by regional and national standards, particularly when attempting to estimate impacts attributable to the program. Currently, the federal tax credit offered through the American Reinvestment and Recovery Act (ARRA) provides a credit of up to 30 percent of the energy efficiency investment, although the qualifying equipment specifications are considerably higher than National Grid's specifications (e.g., a minimum of 95 percent AFUE for natural gas furnaces and a minimum of 90 percent AFUE for gas, propane, and hot water boilers).

Disentangling the impact of the tax credit, which will continue through 2010, is not a clear-cut process. However, the limited research on this issue provided some indicators that households that receive the program rebate and tax credit are more likely to say they would have installed the equipment without the program than those that received the rebates without any tax incentives.

By 2013, regional standards are projected to come into effect. These regional standards will require all replacement furnaces sold in the northern region, including New York, to have a minimum efficiency of 90 percent AFUE, compared to the current national standard of 78 percent AFUE.[5] A baseline efficiency of 90 percent AFUE will require HVAC programs, such as National Grid's, to significantly increase their standards to meet their impact goals.

1.3 RECOMMENDATIONS

Continue to collaborate and maintain open communications with all program partners, especially when the suspension of program benefits is under consideration. Program contractors discussed the desire for National Grid to continue to provide timely information about the program's status, especially when the program is facing the potential of suspension. While implementation contractors recognize that National Grid may not always have control over the decision to suspend a program or when that decision is made, the more advance notice they have, the better they can plan.

Establish and communicate clear protocols and procedures for implementation contractors. Discussions with program staff and implementation contractors revealed a desire and need to establish clear protocols and procedures. These include reporting timeframes, required level of

[5] Source: Alliance to Save Energy (http://ase.org/content/article/detail/6187)

information to be included in the data tracking system, and quality assurance processes. National Grid staff have provided this information to implementation contractors through their communications; however, the ability to reference a protocol document will protect the utility and ensure that all parties are familiar and can adhere to National Grid's requirements.

Continue working with implementation contractors to identify new techniques to market to trade allies and complete a trade ally market assessment to identify any existing barriers. The contractor market is a primary outreach channel for program participants; therefore, it is critical that the program continue to identify means to effectively market to this group. Process interviews revealed that program staff often discuss methods to increase the effectiveness of marketing to trade allies. Program staff should continue to collaborate with contractors to develop effective outreach techniques. Additionally, the program significantly leverages contractor relationships through the oil-to-gas conversion program to inform customers about the energy efficiency market. The program should continue to educate these trade allies about the energy efficiency offerings in addition to the oil-to-gas offerings. We also recommend National Grid conduct a more thorough market assessment of the trade ally market to further identify barriers to installation of high-efficiency equipment.

Provide trade allies with additional tools to promote high-efficiency equipment. Trade allies interviewed expressed a desire to receive additional information supporting high-efficiency measure adoption. Trade allies in downstate New York reportedly have more sales tools available to them than those in upstate New York, including an energy calculator. These trade allies found the tools helpful in moving customers from standard to high-efficiency. Examples of sales tools that trade allies shared interest in include a return on investment calculator and energy savings calculator. Trade allies also expressed interest in some guidance on how to effectively move customers from standard to high-efficiency equipment.

Continue to provide outreach, training, and education opportunities to trade allies. Trade allies that attended training or marketing events sponsored by National Grid were generally very complimentary of the offering. We recommend that the program continue to offer these opportunities for trade allies. We also recommend that the education opportunities continue to include information on program requirements and accurate completion of program applications, proper installation of high-efficiency equipment and techniques on installing within more difficult-to-serve buildings (e.g., multi-unit buildings).

Continue to promote the program through trade ally infrastructure, while increasing direct marketing to customers. A majority of customers report that they first heard of the program from a trade ally. The response to the means of program awareness illustrates the significant impact the trade ally infrastructure has on customers' decisions to install high-efficiency equipment. Additionally, while the upstate program did not focus on trade ally marketing as much as downstate New York, these trade allies still have the potential to have significant influence on customers' decisions, even outside of the program.

Although a majority of participant remarked that they heard of the program through trade allies, they also voiced a desire to receive information through direct mailings from National Grid. Experience with other heating and water heating program evaluations indicate that some direct mailings, such as bill stuffers, are not as effective as the contractor or retailer infrastructure to reach out to the public. With that said, it is a relatively low cost marketing tool that may be employed.

Complete market analysis when establishing program goals to manage expectations and avoid suspension of program offerings. Programs, especially those that are relatively new, may

experience surprising performance issues. Often, these unexpected results are due to unrealistic program goals. Understanding the market in which a program is offered is essential in establishing realistic program goals. One unfortunate byproduct of unrealistic goals is the need to suspend a program when the program goals are set too low for the market in which the program is offered. Program suspension has the potential to negatively affect customer and trade ally satisfaction with the utility, as well as decrease their level of trust in the utility and its energy efficiency programs. There are also cost-effectiveness implications associated with discontinuing a program early in the program cycle. Should the program be re-instated in upstate New York, National Grid should conduct a market analysis in order to support setting of more realistic goals in an attempt to avoid any future suspensions. The state-wide baseline study, which is currently in the planning, will help with this assessment. The utility can also do a similar activity using a customer market survey.

Review the heating measures rebated and incentive values provided through the program by region in light of potential net-to-gross issues. The program rebates heating equipment as low as 90 percent AFUE, although the most commonly rebated measure is 92 percent AFUE. The benchmarking review identified that this level of efficiency is the lowest amongst the utilities reviewed and that other programs are more commonly rebating a minimum efficiency level of 92 percent AFUE, with a number of utilities moving to a minimum efficiency level of 94 or 95 percent AFUE. Traditionally, lower efficiency equipment tends to yield lower net-to-gross ratios (through higher free-ridership rates). Increasing the efficiency level could translate into net-to-gross ratios for the program.

Additionally, there is a movement toward increased federal standards. These federal standards will move the baseline to 90 percent AFUE for New York. Reaching savings goals and gaining contractor buy-in should these standards change may prove difficult if the program does not begin pushing the high-efficiency HVAC market earlier.

Similarly, the incentives should be evaluated taking into consideration the unique barriers presented by each region. The utility benchmarking review identified that the incentive values may be set too high for some measures, such as the higher efficiency forced air furnaces with ECM motors. The higher incentive values may be necessary for downstate New York; however, in upstate New York a high incentive may not be necessary. Increasing the required efficiency levels and reducing incentives in upstate New York may help to manage the budget while encouraging market transformation toward higher efficiency levels.

Ensure any net-to-gross estimation techniques take into consideration the federal stimulus funded tax incentives. Net-to-gross evaluations are confounded by the potential impact of the federal tax credits. It is often difficult to disentangle the true impact of the program when a significant tax credit exists for the same equipment. Respondents that received or planned to receive a tax credit for their purchases exhibited a greater tendency toward free-ridership than those that did not receive this credit. Should the impact evaluation require the assessment of net-to-gross estimates while the tax credit is available to customers, it will be important that the approach include a means for identifying the impact of that tax credit.

Review and discuss data required to be tracked for the program. We recognize that the Commission stipulates the type of data that should be collected through the program and that National Grid is adhering to that requirement by ensuring EFI is collecting the information as well. However, there is evidence that the requirements are affecting customer satisfaction as well as program cost-effectiveness. We recommend that National Grid, along with their impact evaluation contractor and EFI, proactively identify the following items: the most essential fields for the impact

evaluation, the fields that cause the greatest problems for rebate processing, and potential efforts to reducing the number of flawed applications.