

March 29, 2012

VIA ELECTRONIC DELIVERY

Honorable Jaclyn A. Brillling, 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

2011 Marketing Report – Niagara Mohawk Power Corporation d/b/a National Grid

Dear Secretary Brillling:

As required by the Commission's August 22, 2011 *Order Approving Revised Deadlines for Monthly and Annual Reporting* in Case 07-M-0548, annual reports of each calendar year's Outreach & Education/Marketing program achievements shall be submitted no later than 90 days after the conclusion of the calendar year being reported. Accordingly, attached please find the 2011 Marketing Report for the EEPS electric and gas programs administered by Niagara Mohawk Power Corporation d/b/a National Grid.

Respectfully submitted,

/s/ Janet M. Audunson

Janet M. Audunson, P.E., Esq.

Enc.

cc: Floyd Barwig, DPS Staff w/enclosure (via electronic mail)
Steven Keller, DPS Staff w/enclosure (via electronic mail)
Robert Roby, DPS Staff w/enclosure (via electronic mail)
Carlene Pacholczak, DPS Staff w/enclosure (via electronic mail)
Denise Gerbsch, DPS Staff w/enclosure (via electronic mail)
Edward White, w/enclosure (via electronic mail)
Philip Austen, w/enclosure (via electronic mail)
Cathy Hughto-Delzer, w/enclosure (via electronic mail)
Ian Springsteel, w/enclosure (via electronic mail)
Lisa Tallet, w/enclosure (via electronic mail)
Active Parties in Case 07-M-0548 via EEPS listserv

**NIAGARA MOHAWK POWER CORPORATION d/b/a
NATIONAL GRID**

**2011 ANNUAL REPORT: ELECTRIC ENERGY EFFICIENCY
MARKETING**

Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid")

2011 Annual Report: Energy Efficiency Marketing

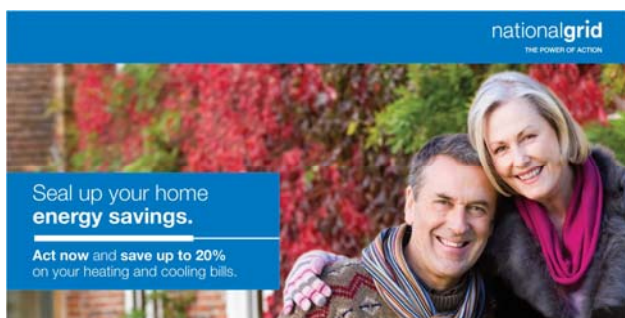
Residential ENERGY STAR® Recycling Program



Upstate New York electric customers qualify for a \$50 rebate for recycling their second refrigerator or freezer. In order to maximize participation in the program a multi-channel marketing campaign was implemented in 2011. Consistent copy and creative was used throughout all tactics. Channels utilized for the campaign in 2011 included: (i) e-mail blasts that were distributed in February, May, July and September; (ii) direct mail that was distributed in June; (iii) a bill insert that was

distributed in May; (iv) television ads that ran March through June and August through October; and (v) print ads that ran March through June and August through October.

Residential Electric Enhanced Home Sealing Incentives Program



Beginning on October 1, 2010, this program became available to National Grid's residential electric heating customers in Upstate New York. Qualifying customers were eligible to receive a comprehensive home assessment and up to two hours of air

sealing for a participation fee of fifty dollars. Additionally, these customers may have been eligible for up to \$3,000 in attic insulation incentives.

In order to maximize participation in the program, a multi-channel marketing campaign was implemented in 2011. Consistent copy and creative was used throughout all tactics. Channels utilized for the 2011 campaign included: (i) e-mail blasts that were distributed in February and March; (ii) direct mail that was distributed in March and April; (iii) a bill

insert that was distributed in April; and (iv) print ads in April and May. National Grid stopped marketing the program in late May 2011 due to program design issues. The program was suspended in September 2011 and is currently being redesigned.

Energy Initiative – Large Industrial Electric and Mid-Sized Electric Programs


In 2011 these programs were promoted as part of an Upstate New York Large Retrofit Campaign. The 2011 campaign began in March and ran through October.

There was a three-month long Paid Search and Digital banner ad campaign in the Spring 2011 which drove almost 2,000 customers to National Grid's campaign web page to learn more about the program or sign up for evaluations of their facilities.

In late May 2011 there was a large direct mail campaign which targeted general businesses, as well as healthcare facilities, educational facilities, restaurants, hospitality facilities and manufacturing facilities. This direct mail piece highlighted the specific energy efficiency measures that would benefit each facility based on industry type and went out to approximately 6,000 customers. Direct mail campaigns were delivered to over 100 previous participants in April 2011, as well as outreach to trade partners. Email blasts were sent out to follow-up and complement each direct mail letter. Emails had a 15.63% open rate and a 3.10% click rate; an improvement over 2010 results.

In April 2011, previous participants were targeted for telemarketing efforts and over 100 program leads were received that were passed to the sales team.


In October/ November 2011, print ads ran in Upstate New York business publications.



THE POWER OF ACTION

**If saving money is on your menu,
saving energy should be your first course.**

Markings Line
Q123456789 0000 000
Sample A, Sample
Optional Address
123 Main Street
Anytown, US 12345-6789
11234567891



1. Yuki Iida, "Managing Energy Costs in Restaurants, Introduction," 2009, E Source
2. Yuki Iida, "Managing Energy Costs in Restaurants," 2009, E Source
3. Yuki Iida, "Restaurants," 2009, E Source
4. "ENERGY STAR® Guide for Restaurants: Putting Energy into Profit," November 2010, EPA 430-R-10-050

Dear Facilities Manager,

For the average restaurant, energy accounts for 9 percent of expenses.¹ Not to mention restaurants use up to three times more energy per square foot than most other types of commercial buildings.² Improving energy efficiency could be a cost-effective approach to reducing operating expenses.

When it comes to increasing your margins, National Grid wants to be part of your solution.

With energy efficiency products, you can cut utility costs by 10 to 30 percent without sacrificing service, quality, style or comfort.³ For example, adding inexpensive side panels to your exhaust hood is a simple way to capture overflowing heat and smoke that might be taxing your cooling load and making your work environment uncomfortable. Also, adding Energy Star[®] qualified lighting fixtures wherever possible can reduce lighting energy consumption and heat output by 75 percent.⁴

Every step of the way, National Grid is your partner in saving energy. Here are some other areas where we can offer incentives to save energy and maximize your return on investment:


- Lighting & lighting controls
- Energy management systems
- HVAC equipment
- Fume hood controls
- Domestic hot water equipment
- Kitchen hoods and ventilation
- Energy Star rated commercial kitchen appliances

It all starts with an on-site visit to your facility.


To learn more about all the ways National Grid can help you reduce your energy costs, contact us today. Call: 1-800-787-1706 for electric customers, 1-800-843-3636 for gas customers to schedule a free, on-site building walk-through with one of our energy efficiency experts.

We can't wait to help you start saving money.

Sincerely,



Ingrid Corona
Commercial Efficiency Specialist

 Printed on recycled paper.
See terms and conditions on reverse.

business@us.ngrid.com

www.powerofaction.com/foodbiz

Small Business Services Energy Efficiency Program

In 2011 there were various marketing tactics implemented throughout the year. First, direct mail letters were sent out in mid-February and they continued into November. The campaign targeted up to 25,000 small businesses in the general mailings (approximately 6 such general mailings occurred in 2011) and there were smaller mailings that targeted specific industries based on applicable case studies as well as previous audit participants that had not elected to move forward with energy efficiency improvements.

Bill inserts were distributed in July 2011 and the program was represented in an E-action newsletter article in March and August 2011 highlighting new case studies.

There were trade publication ads regarding the program in Buffalo Business First, The Central NY Business Journal and the Albany Times Union in September and October 2011.

Email blasts were sent out to follow up on certain direct mail campaigns. Open rates stayed around 13% during the summer and click rates around 1%.

Collaboration efforts with one of our program vendor partners helped to re-brand the program and utilize 3 new case studies that were initiated by our vendor partners and then provided to us for re-branding and re-purposing.

There were multiple print ads, banner ads and general outreach with local chambers of commerce in 2011 including the Schenectady Chamber of Commerce, Mohawk Valley Chamber of Commerce, Albany-Colonie Regional Chamber of Commerce, and others in Rensselaer County. These chamber ad initiatives began in January and ended in July/August.

From June through August 2011, National Grid tested the effectiveness of Twitter as a tactic to promote energy efficiency awareness where we tweeted about new case study information.

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Small Business Program

Crest Cadillac, Inc.

Syracuse, NY

Crest Cadillac, Inc.

Crest Cadillac, Inc., is a regional Cadillac dealership that has served the Syracuse market for 28 years. Many of the dealership's sales representatives have been with the company for more than 20 years. Crest Cadillac has received the Standards of Excellence award and they have been a Cadillac Master Dealer recipient on multiple occasions.

Now, in addition to leading the way in customer satisfaction, the company has focused on reducing energy use, lowering energy costs and conserving resources for everyone.

Project Summary

Crest Cadillac retained an energy audit from SmartWatt Energy, Inc., via National Grid's Small Business Energy Reduction Program, to conduct a full-building audit of all lighting systems in its dealership in Syracuse for potential energy-savings upgrades. The company's goals were to dramatically improve the quality and quantity of light, and to save money on energy costs.

Savings Summary

The Solution

Replacement of 217 lighting fixtures throughout the auto dealership's 15,000-square-foot service center, oil room, bodyshop, paint room, washbay, carwash, parts department and office facilities helped Crest Cadillac shed 13.8 kW from their facilities.

The Result

Annual Energy Savings	\$4,255
Annual Displaced Energy	38,266 kWh
National Grid rebate	\$9,949
CO ₂ reduction	42,093 pounds

For more information on National Grid's energy efficiency programs, please call 1-800-332-3333 or visit www.powerofaction.com/smallbusiness

Residential Building Practices & Demonstration Program

Upstate New York electric customers that meet minimum annual energy usage requirements qualify for inclusion in the Residential Building Practices & Demonstration program. Participants are randomly selected. National Grid has partnered with OPOWER (vendor) to offer this program. OPOWER provides design services, print and mail for all of the marketing collateral supporting this program. All content is reviewed with and approved by National Grid. Promotional collateral includes hard copy and email versions of Home Energy Reports which provide customers with 12-months of energy usage; a "neighbor comparison" with similar local households; and energy savings tips. OPOWER also maintains an accompanying website with the same information along with additional resources for reducing home energy use. Hardcopy reports and the website were in use from May through December. Email reports – available for approximately 50,000 customers – were sent in November and December 2011. Also in December, customers were able to create and send electronic holiday "E-cards" to friends and family encouraging them to implement a few simple energy saving tips throughout the holidays.

BUDGET VERSUS SPENDING

Program Name	2011	
	Marketing Budget	2011 Marketing Actual
Small Business Services Energy Efficiency Program	\$ 200,000	\$ 148,080
EnergyWise Electric Program	\$ 224,279	\$ 4,316
Energy Initiative - Large Industrial Electric Program	\$ 72,000	\$ 40,456
Energy Initiative - Mid Sized Electric Program	\$ 182,814	\$ 76,668
Electric Enhanced Home Sealing Incentives Program	\$ 181,020	\$ 147,268
Residential ENERGY STAR® Electric Products and Recycling Program	\$ 478,500	\$ 263,823
Residential Building Practices and Demonstration Program	\$ 20,000	\$ 21,520

**NIAGARA MOHAWK POWER CORPORATION d/b/a
NATIONAL GRID**

**2011 ANNUAL REPORT: GAS ENERGY EFFICIENCY
MARKETING**

Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid")

2011 Annual Report: Energy Efficiency Marketing

Residential ENERGY STAR® Gas Products Program

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Saving money and energy starts with a rebate from National Grid.

Now is the perfect time to start saving on your energy bills. National Grid not only makes it easy... we'll pay you to get started!

Act now to find out about this valuable rebate* on ENERGY STAR® rated thermostats.

For more information on ENERGY STAR® rated product rebates [click here](#).

\$25 REBATE
programmable thermostats

*To qualify for this offer, you must be a residential gas heating customer of the Company in Upstate New York. New equipment installed from 1/1/11 to 12/31/11 is eligible contingent upon availability of funds. Savings source: [www.energystar.gov](#). Savings and energy efficiency experiences may vary. ©2011 National Grid.

[www.powerofaction.com/upstaterherts](#)

Upstate New York gas customers qualify for rebates upon installation of programmable thermostats. In order to maximize participation in the program a multi-channel marketing campaign was implemented in 2011.

Consistent copy and creative was used throughout all tactics. Channels utilized for the 2011 campaign included: (i) e-mail blasts that were distributed in May, July and September; (ii) direct mail that was distributed in April; (iii)

print ads that ran in April and May; and (iv) a web tile appearing on the [nationalgridus.com](#) site from July through November.

Residential EnergyWise Gas Program

www.powerofaction.com/ny/energywise. Sincerely, Amy Hargis, Project Manager, Residential Energy Efficiency Program Operations. P.S. Studies show that every dollar put toward reducing your energy costs creates an additional \$10 in either increased value or reduced operating expenses! The program's eligible property owner (landlord) is responsible for the cost of the program. The program is available to property owners who own a building with 5-50 units and are providing the service National Grid. The program is available to property owners who own a building with 5-50 units and are providing the service National Grid. The program is available to property owners who own a building with 5-50 units and are providing the service National Grid. Call today 1-800-368-9688, ext 24. Or visit [www.powerofaction.com/ny/energywise](#). ©2011 National Grid."/>

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Reduce your tenant's energy costs and increase the value of your property.

Dear Property Owner/Manager:

There is no better way to increase the value and appeal of your condominium or apartment complex than with energy efficient upgrades... supplementing valuable incentives from National Grid.

Keeping tenants happy and your building hot. Keeping your tenants and keeping your complex at capacity has a huge impact on your profitability. Reducing energy costs is a no-brainer for landlords and property owners. With National Grid's EnergyWise Multifamily Program, you may be eligible for rebates that make it easier to accomplish all of that, and more. Thanks to your cost-effective upgrades, your tenants now enjoy lower energy bills along with a more comfortable environment.

Building value, lowering costs. When you participate in National Grid's EnergyWise Multifamily Program, you could be eligible to receive valuable incentives for upgrades like:

- Free energy evaluation to assess energy usage and identify opportunities to increase efficiency.
- Free installation of R-10 compact fluorescent bulbs (CFLs) per dwelling unit.
- Free installation of low flow showerheads, toilets, and traps for hot water saving and traps.
- Insulation, air sealing and attic ventilation.
- Ductwork and air filtration testing.

In addition, National Grid partners with FREE Engineering for this program. As National Grid's assigned contractor, FREE offers the resources of expert installation and the convenience of on-call maintenance service.

It all starts with a FREE on-site energy evaluation of your complex. Contact us today for a free, no-obligation energy evaluation, and we'll show you how to make your complex more energy efficient and profitable. Call 1-800-368-9688, ext 24 or visit [www.powerofaction.com/ny/energywise](#).

Sincerely,
Amy Hargis
Project Manager
Residential Energy Efficiency Program Operations

P.S. Studies show that every dollar put toward reducing your energy costs creates an additional \$10 in either increased value or reduced operating expenses!

The program's eligible property owner (landlord) is responsible for the cost of the program. The program is available to property owners who own a building with 5-50 units and are providing the service National Grid. The program is available to property owners who own a building with 5-50 units and are providing the service National Grid. The program is available to property owners who own a building with 5-50 units and are providing the service National Grid.

Call today 1-800-368-9688, ext 24. Or visit [www.powerofaction.com/ny/energywise](#). ©2011 National Grid.

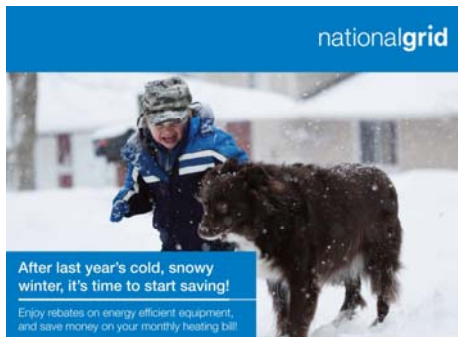
Upstate New York building owners of 5-50 unit multifamily properties receiving gas service from National Grid qualify for a free energy evaluation to identify opportunities for increased energy efficiency. Incentives for insulation, air sealing, attic ventilation, ductwork and air infiltration testing, and lighting and refrigerator replacements are also available.

In order to maximize participation in the program a multi-channel marketing campaign was implemented in 2011. Consistent copy and

creative was used throughout all tactics. Channels utilized for the 2011 campaign included direct mail that was distributed in May and collateral developed for building

owners and tenants which was distributed throughout the year including at landlord/property association events. A web tile appeared on the nationalgridus.com site from July through November 2011.

Residential High-Efficiency Heating and Water Heating and Controls Program



In 2011, limited marketing support was required in National Grid's Upstate New York gas service territory to reach the annual participation and therm savings goals for this program. An e-mail blast was distributed in September 2011. Direct mail was distributed in December 2011 to build a pipeline of leads for 2012 installations.

Residential Gas Enhanced Home Sealing Incentives Program



Beginning on October 1, 2010, this program became available to Upstate New York residential gas heating customers. Qualifying customers were eligible to receive a comprehensive home assessment and up to two hours of air sealing for a participation fee of fifty dollars. Additionally, these customers may have been eligible for up to \$3,000 in attic insulation incentives.

In order to maximize participation in the program, a multi-channel marketing campaign was

implemented in 2011. Consistent copy and creative was used throughout all tactics.

Channels utilized for the 2011 campaign included: (i) e-mail blasts that were distributed in February and March; (ii) direct mail that was distributed in March and April; (iii) a bill insert that was distributed in April; and (iv) print ads in April and May. National Grid stopped marketing the program in late May 2011 due to program design issues. The program was suspended in September 2011 and is currently being redesigned.

Energy Initiative – Large Industrial Gas, Mid-Sized Gas and Commercial High-Efficiency Heating and Water Heating Programs


In 2011, there was an Upstate New York Large Retrofit Campaign for these programs. The campaign began in March and ran through October.

National Grid utilized a three-month long Paid Search and Digital banner ad campaign in Spring 2011 which brought almost 2,000 customers to our campaign web page to read more about the program or sign up for evaluations of their facilities.

There was a large direct mail campaign in late May 2011 which targeted general businesses, as well as healthcare facilities, educational facilities, restaurants, hospitality facilities and manufacturing facilities. In this direct mail piece that went out to nearly 6,000 customers, National Grid highlighted the specific measures that make sense for each target industry. There was a direct mail campaign to over 400 previous participants in April 2011 and a campaign for outreach to trade partners. Email blasts were sent out to follow-up and complement each direct mail letter. Emails had a 15.63% open rate and a 3.10% click rate; an improvement over 2010 results.

In April 2011, there was a targeted telemarketing campaign to previous participants where we received over 100 program leads that were passed to the sales team.

Print ads ran late in the year in various Upstate New York business publications.



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"The lighting is much brighter and safer and we anticipate at least a 50% reduction in energy costs."

Larry Bascom
Operations Manager
Quandt's Foodservice Distributors, Inc.

Learn how Upstate New York Businesses have benefited from Commercial Energy Efficiency Programs from National Grid

National Grid partnered with Sportsman Bowl in Schenectady, N.Y. and provided them with over \$9,000 in incentives to help improve their lighting and decrease their energy costs. As a result, Sportsman Bowl saved over \$7,000 on their annual energy bill.

National Grid partnered with Quandt's Foodservice Distributors in Amsterdam, NY and provided over \$36,000 in incentives to install energy efficient lighting and sensors. As a result, Quandt decreased their annual energy bill by over \$25,000.

When businesses like yours reduce the amount of energy they use, everyone wins. You save money and also reduce your environmental impact.

If you would like to participate in National Grid's energy efficiency programs for Upstate New York Businesses, please call (518) 433-3797 or visit www.powerofaction.com/UNYEEPrograms to learn more.

Call National Grid today for recommendations on which energy efficiency measures you can take to make your business more profitable.

Residential Building Practices & Demonstration Program

Upstate New York gas customers that meet minimum annual energy usage requirements qualify for inclusion in the Residential Building Practices & Demonstration program. Participants are randomly selected. National Grid has partnered with OPOWER (vendor) to offer this program. OPOWER provides design services, print and mail for all of the marketing collateral supporting this program. All content is reviewed with and approved by National Grid. Promotional collateral includes hard copy and email versions of Home Energy Reports which provide customers with 12-months of energy usage; a "neighbor comparison" with similar local households; and energy savings tips. OPOWER also maintains an accompanying website with the same information along with additional resources for reducing home energy use. Hardcopy reports and the website were in use from May through December. Email reports – available for approximately 50,000 customers – were sent in November and December 2011. Also in December, customers were able to create and send electronic holiday "E-cards" to

friends and family encouraging them to implement a few simple energy saving tips throughout the holidays.

BUDGET VERSUS SPENDING

Program Name	2011	
	Marketing Budget	2011 Marketing Actual
EnergyWise Gas Program	\$ 232,028	\$ 43,690
Energy Initiative - Large Industrial Gas Program	\$ 39,237	\$ 16,769
Energy Initiative - Mid-Sized Gas Program	\$ 17,605	\$ 11,591
Gas Enhanced Home Sealing Incentives Program	\$ 34,559	\$ 25,423
Residential ENERGY STAR® Gas Products Program	\$ 13,650	\$ 11,191
Residential Building Practices and Demonstration Program	\$ 8,000	\$ 11,015
Commercial High Efficiency Heating and Water Heating Program	\$ 46,991	\$ 13,755
Residential High-Efficiency Heating and Water Heating and Controls Program - Incremental	\$ 90,500	\$ 110,096