

# The KeySpan “Hybrid” Energy Efficiency Program Model

## The Hybrid Model: Design the Program and Contract To Implement

- In most cases, KeySpan designs its programs and contracts with vendors to implement, while maintaining management oversight.
- In all cases, we retain the marketing function. Marketing can consist of direct-mail ,e-mail newsletters, bill-inserts, the corporate website, the *e-fficiency* newsletter, trade ally/manufacturer/distributor promotional assistance, telemarketing, and via internal sales personnel and CSR referrals.
- The model allows for innovation, flexibility, control, and efficient utilization of program staff.
- Programs can be easily modified to improve performance

# Budget and Staffing

- KeySpan currently offers 11 residential and 9 commercial programs in both Massachusetts and New Hampshire
- The 20 programs are overseen by 7 program managers, 3 supervisory managers, and a handful of support staff
- Approximate combined budget for all the programs is 14 million dollars

# KeySpan Residential Programs

- Residential Conservation Services
- Home Analyzer Internet Audit Service
- ENERGY STAR® Windows
- ENERGY STAR® Programmable Thermostats
- ENERGY STAR® Homes
- High-Efficiency Heating Equipment
- High-Efficiency Indirect Water Heating Equipment
- Tankless On-Demand Water Heating Equipment
- Weatherization Program
- Low-Income Weatherization Program
- Building Practices and Demonstration Program

# Residential Conservation Services

- State mandated energy auditing service
- Vendor provides staff for audit delivery and associated services
- Marketing managed to control demand
- Approximately 3,000 audits performed annually
- In process of re-bidding contract

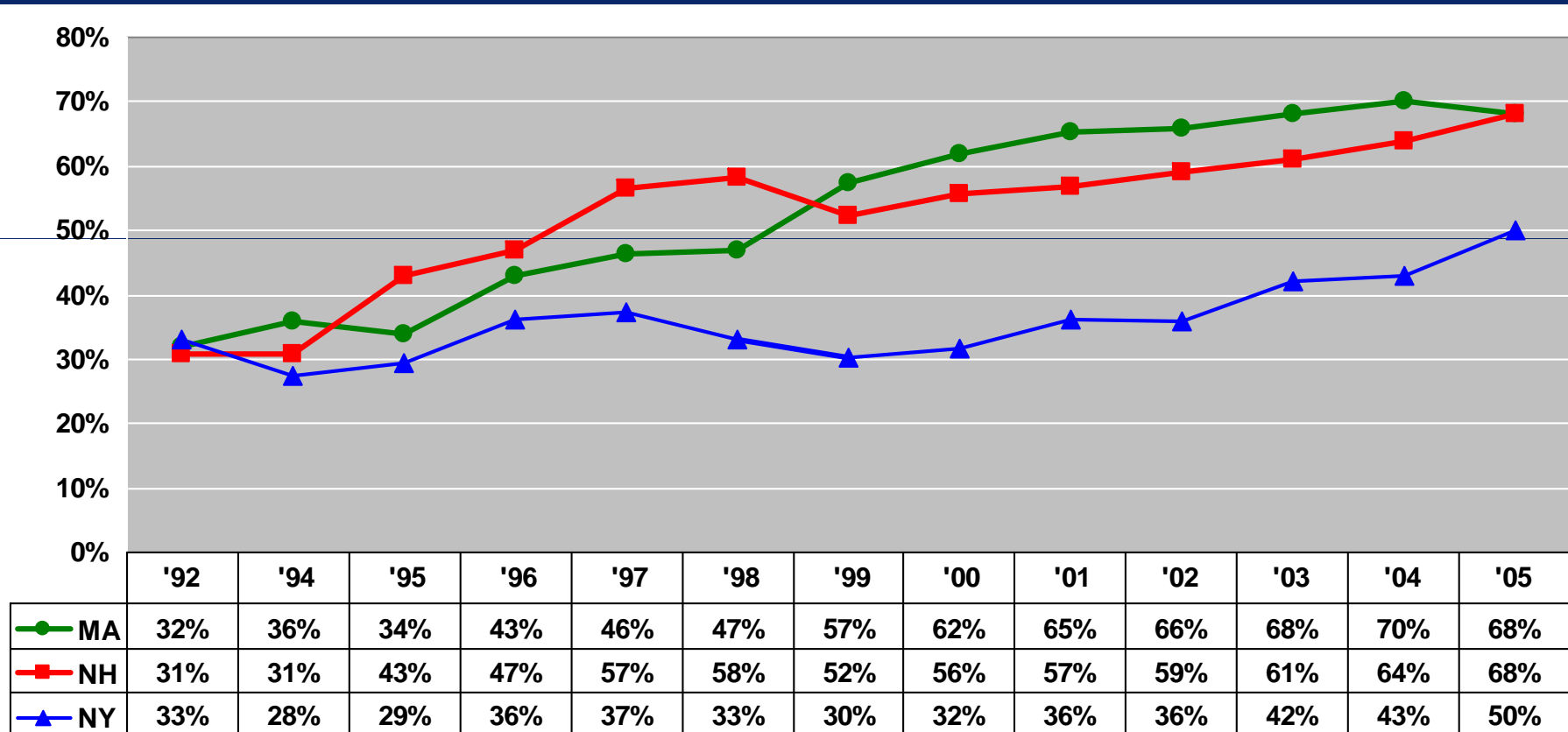
# Home Energy Analyzer Internet Audit

- Vendor's product provides:
  - ✓ Personalized bill analysis
  - ✓ Energy audit recommendations
  - ✓ Links to KeySpan's energy efficiency programs.
- This program supports RCS and other residential energy efficiency programs.
- 7,000 internet audits done annually

# Residential High-Efficiency Heating Equipment

- \$100 Rebate for Furnaces with 90%+ AFUE Rating, \$400 for Furnaces with 92%+ AFUE Rating and ECM motor.
- \$200 rebate on Steam Boilers with electronic ignition and 82%+ AFUE Rating
- \$500 rebate on Hydronic Boilers with 85%+ AFUE Rating, \$800 rebate on Hydronic Boilers with 90%+ AFUE Rating.
- Rebates amounts and measures have changed with market conditions and new technologies
- KeySpan markets the program, the vendor processes rebate applications, issues checks, and tracks data
- 6,600 rebates issued last program year

# High-Efficiency Gas Warm Air Furnace Shipments



Note: CY'93 data is not available & "High Efficiency" is defined as AFUE rating of  $\geq 88\%$

Source: GAMA



# High-Efficiency Water Heating Indirect and Tankless

## Indirect

- \$300 rebate for installation of an indirect water heater attached to an ENERGY STAR® FHW boiler
- 1200 rebates issued last program year

## Tankless

- \$300 rebate for installation of an instantaneous, tankless water heater
- 300 rebates issued last program year

*Both programs are marketed by trade allies in addition to normal marketing channels.  
Vendor processes rebates, issues checks, tracks data.*

# ENERGY STAR® Homes

Program provides certifications and design support for ENERGY STAR® Homes.

Design and Certification Process Includes:

- ✓ Home energy rating and energy saving recommendations
- ✓ Inspections during construction
- ✓ A final inspection to certify the home as ENERGY STAR®

A new vendor was recently chosen to provide these services

There were 477 participants last program year

# ENERGY STAR® Windows & Programmable Thermostats

## Windows

- Program offers a rebate of \$10 per window with a U-factor of .35 or less
- KeySpan markets the program with the assistance of Trade Allies. Vendor processes rebate applications , issues checks, and tracks data
- Rebates for 42,000 windows issued last program year

## Thermostats

- Program offers \$25 rebate for up to two qualifying thermostats
- Instantaneous rebate offered for installation during RCS audit
- 6,700 rebates were issued the last program year

# Weatherization Program

- 20% rebate, up to a maximum of \$750, for contractor installed weatherization.
- Weatherization measures include: envelope and distribution system insulation, infiltration testing and air sealing.
- Trade Ally weatherization contractors must apply and be listed to be eligible to offer the rebate.
- New contractors can be listed and existing contractors de-listed at will.
- QC provided by an independent vendor.
- 1,200 rebates issued last program year.

# Low Income Program

- Income eligible customers receive a weatherization energy audit and, where appropriate, the installation of measures including insulation, air sealing, and heating systems, at no cost to the customer.
- The program is operated through local Community Action Agencies (CAA's). There are 18 CAA's in our service territory, KeySpan has contracted with one CAA to act as our administrative vendor for the program.
- 1,300 homes were weatherized last program year.

# Residential Building Practices and Demonstration Program

- Funding is provided for new or underutilized energy efficiency technologies such as Micro CHP, solar thermal applications, and combustion controls
- Proven measures flow into other residential programs
- KeySpan selects the customers and hires installation contractors to perform the work

# C&I and Multifamily Programs

- Commercial Energy Efficiency Program
  - Energy Audits and Engineering Services
  - Prescriptive and Custom Incentives
- Commercial High-Efficiency Heating Program
- Economic Redevelopment Program
- Emerald Network®
- Building Practices & Demonstration Program
- Training & Certification
- Business Analyzer Internet Audit Service
- Commercial Kitchens
- Solar Thermal Program

# Commercial Energy Efficiency Programs

- Customized audit report estimates installation costs, energy savings, and rebates
- Engineering services are offered for projects requiring advanced technical analysis
- Prescriptive rebates are available for common energy efficiency measures
- Custom Incentives are available for projects that can use natural gas more efficiently than industry practices, or more efficiently than building code requirements. Incentives are available up to \$100,000
- 793 rebates and incentives issued the last program year



# Business Energy Analyzer

- On-line audit program for smaller facilities
- Instant energy saving recommendations following completion of online survey
- Case study profiles available for similar businesses/facilities
- There were 263 audits the last program year

# Commercial High-Efficiency Heating Equipment Program

- Rebates available for the installation of high efficiency gas heating and water heating equipment
- Rebate amounts range from \$150 for a 90% AFUE 150 MMBTU furnace up to \$6,000 for a 1,700 MMBTU condensing boiler with 90% thermal efficiency
- Energy audit not required
- 823 rebates were issued the last program year

# Economic Redevelopment Program

- Available only in qualifying economic redevelopment zones
- Customized rebate based upon therm savings and type of measures installed
- Rebate up to 50% of the cost of measures to a maximum \$100K per project
- There were 21 projects funded last program year

# Emerald Network<sup>®</sup>

- The Emerald Network Program offers incentives and services to customers focused of developing new “green” buildings or increasing green aspects of their existing buildings.
- \$100K in matching grants for high-performance design.
- \$125K in financial incentives to incorporate green technologies.
- \$25K to support training for operators of green buildings.

# Building Practices & Technology Demonstration Program

- Funding provided for new or underutilized energy efficient technologies or applications such as:
  - Engine heat recovery
  - Combustion controls
  - Fuel Cells
- Promotes innovative applications of technology.
- Proven measures flow into other commercial programs

# Solar Incentives

- KeySpan offers solar thermal incentives to encourage the installation of solar thermal technologies.
- Technologies include solar DHW heating, solar pool heating, and solar space heating.
- Solar thermal incentives are provided at a special incentive rate that ranges between \$3 and \$5 per therm

# Potential Hybrid Model Problems

- Structuring RFP's and vendor contracts such that services required are clearly enumerated.
- Determining that services are obtained at a fair price.
- Choosing the best vendor