

Efficiency Long Island & Renewable Energy Programs Long Island Power Authority

October 20, 2009

Agenda

- Overview of LIPA
- Clean Energy Program Review
- What Changed?
- Efficiency Long Island Overview
- Efficiency and Renewable Programs
 - ▶ Efficient Products
 - ▶ Residential Programs
 - ▶ Commercial Programs
 - ▶ Renewable Programs
- New Initiatives
- Questions/Discussion

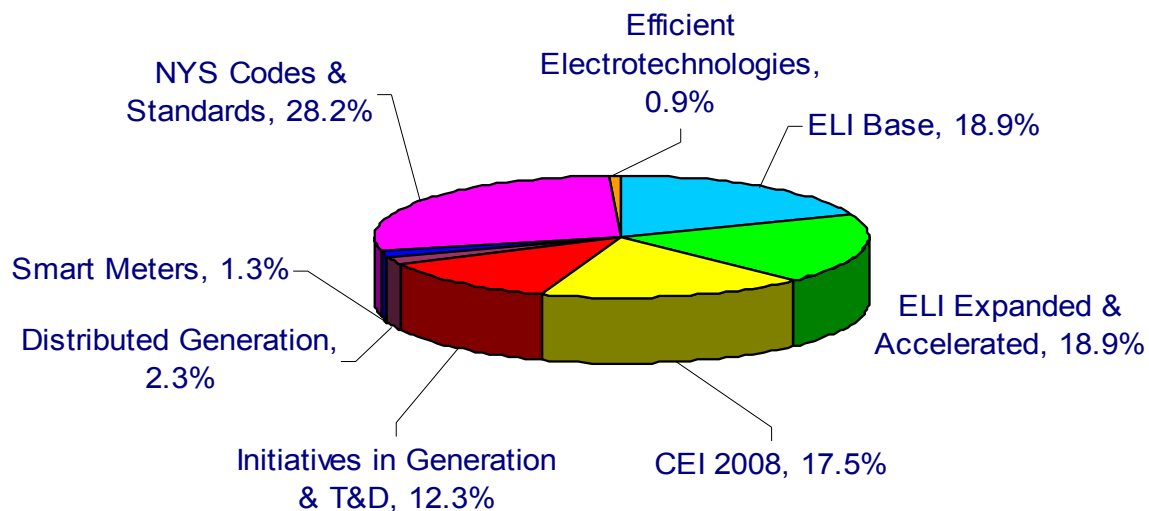
What is LIPA?

- LIPA is a corporate municipal instrumentality and political subdivision of the State of New York. LIPA operates as a non-profit entity.
- In May 1998, LIPA became Long Island's primary electric service provider.
- Today, LIPA is the third largest public power utility in the nation in terms of customers served — delivering electricity to more than 1.1 million customers, a number that continues to grow
- LIPA has a 15 year Management Services Agreement (MSA) with KeySpan (now NationalGrid) under which NationalGrid employees provide day-to-day operations and maintenance for general management of LIPA assets.
- LIPA has a system of:
 - ▶ 535,000 utility poles
 - ▶ Over 8,900 miles of overhead wires
 - ▶ More than 4,600 miles of underground cable.
- Over the past years as the Long Island population has grown, electrical requirements of the modern home have expanded resulting in significant growth in the demand for energy.
- Priorities at LIPA have been, and continue to be, focused on the customer
 - ▶ upgrading and enhancing the reliability of the electric system
 - ▶ advancing energy efficiency
 - ▶ developing and expanding alternative energy resources in a cost effective manner

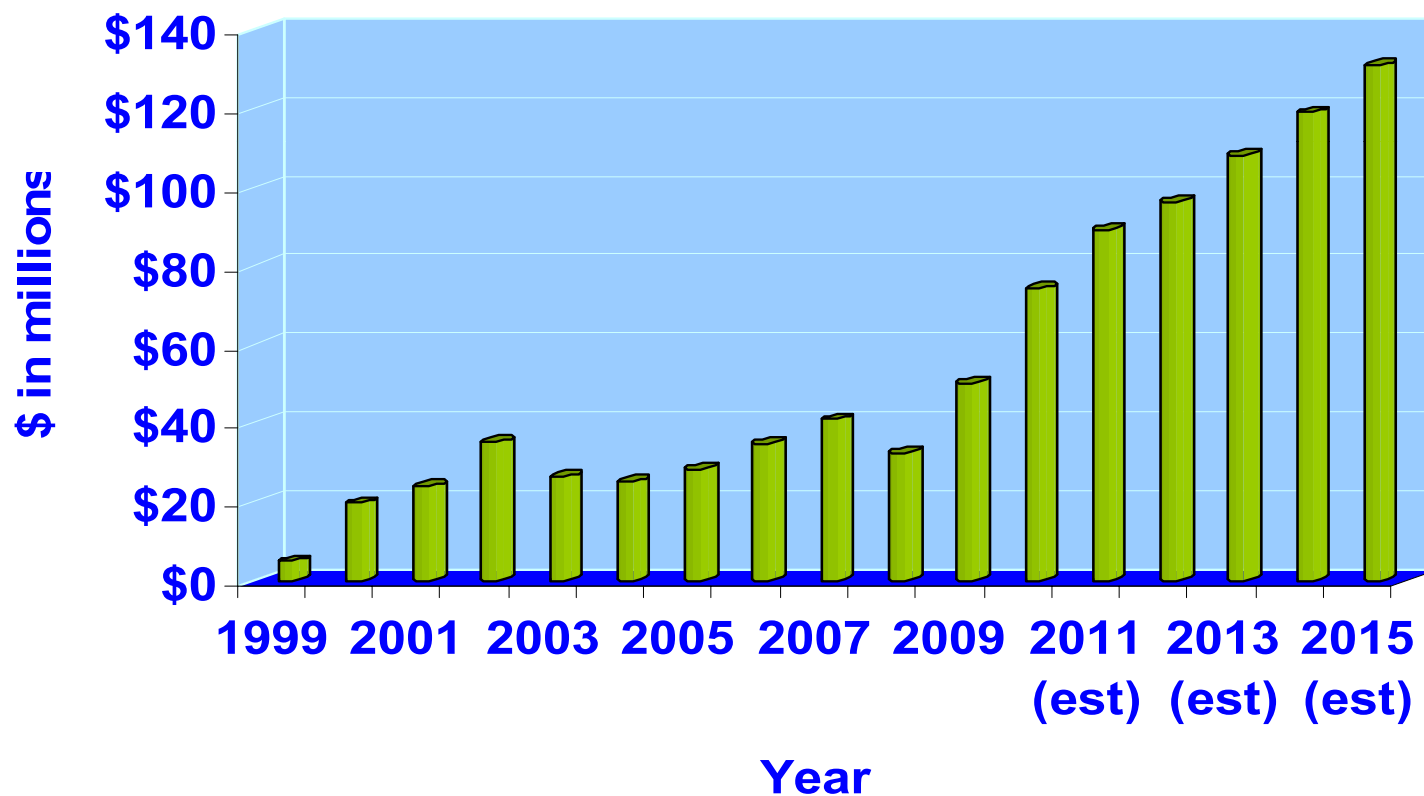
New York State Energy Plan “45 x 15”

- By 2015, New York will meet 45 percent of its electricity needs through improved energy efficiency and clean renewable energy.
 - ▶ Governor Paterson has proposed increasing the Renewable Portfolio Standard to 30 percent.
 - ▶ He has set a goal of decreasing electricity usage by 15 percent.
 - ▶ Realizing the "45 by 15" goal will create an estimated 50,000 new green jobs.

Addressing LIPA's 15x15 Contribution



Efficiency & Renewables Historical and Projected Spending



CEI – Clean Energy Initiative

The CEI was a 10-year, \$355 million dollar commitment that came to a close on December 31, 2008 and was designed to promote energy efficiency and the use of clean new electric generation technologies. The Initiative had several policy objectives:

1. Further customers' ability to control their energy bills
2. Provide a stimulus to the local economy
3. Defer or reduce capacity needs
4. Reduce power plant emissions
5. Contribute to a sustainable energy future

	Spending (in Million \$)	MW Savings	MWh Savings
Original Plan	355	203	777,619
Actual Results	351	208	700,493

Additionally, acting as an economic stimulus, LIPA's efficiency programs have led to the creation of a significant number of jobs on Long Island including the development and expansion of the solar industry.

How Do We Change Along with the Market?



CEI

We are pushing efficiency due to lack of customer awareness & demand



ELI

“Make it simple” for customers to achieve what they are already aware of and meet their increasing demand

Efficiency Long Island

- Efficiency Long Island (ELI) is a ten-year comprehensive, program that succeeds and expands LIPA's commitment to energy efficiency emphasizing peak demand reduction.

Goals:

- Projected cost of \$924 million over 10 years
- Projected to reduce LIPA's peak demand by 520 MW in the 10th year (equivalent to 1 or 2 generating facilities)
- Projected to produce 1,600 GWh of energy savings in the 10th year
- Projected to reduce dependence on fossil fuel
- Projected to reduce participants bills
- Projected to substantially reduce CO₂ emissions
- Projected to help strengthen Long Island's economy and transform markets
- Projected to be economically cost effective and provide long-lived measures

Energy Efficient Products

■ Overview

- ▶ Transform consumer marketing so that high efficiency choices become a routine part of the decision process when purchasing lighting and appliances.
- ▶ Utilize a combination of upstream/ downstream incentives and education.
- ▶ Promote ENERGY STAR qualified products.

■ 2009 Products

- ▶ Clothes Washers
- ▶ Room Air Conditioners
- ▶ Dehumidifiers
- ▶ New Refrigerators
- ▶ Refrigerator Recycling (later 2009)
- ▶ Swimming Pool Pumps
- ▶ Lighting (CFL's, Cold Cathode, Fixtures)

Energy Efficient Products (cont'd)

■ Overview of 2010 Activities

- ▶ Continue tactics for
 - Room Air Conditioners
 - Dehumidifiers
 - New Refrigerators
 - ENERGY STAR Fixtures
- ▶ Strategically begin to decrease bare spiral incentives concurrent with promoting specialty bulbs
- ▶ Seek LED opportunities
 - Under Counter Lighting
 - Fixtures
- ▶ Complete roll-out of Refrigerator Recycling
- ▶ Fully deploy Swimming Pool Pumps
 - Continuous customer education
 - Earlier roll-out
- ▶ Implement Home Energy Comparative Reporting Program

Home Energy Comparison Reports

- Referred to as “Keeping up with the Joneses”
 - ▶ Customers are put in clusters based on billing data
 - ▶ Create household usage profiles that segment customers based on:
 - Home size
 - Location
 - Heat type
 - Age of home
 - Ownership
 - ▶ Customers receive mailings from LIPA on how their usage compares with other like households.
 - ▶ Other markets have seen > 2% reduction in energy use for customers receiving such communications
 - ▶ We will also use these mailing to provide energy saving tips

Residential Program

■ Overview

- ▶ Transform the market so that new homes on Long Island are built to Energy Star specifications.
- ▶ Affect the existing homes market through a combination of direct install measures, rebates and incentives to contractor.
- ▶ Work in conjunction with social service agencies, not for profits and local weatherization agencies to improve the energy efficiency of homes owned by low income customers.
- ▶ Train local contractors in best practices and promote high quality work through incentives and offering training classes.

Residential Program (*cont'd*)

■ 2009 Programs

▶ New Homes

- Energy Star Labeled Homes
- Home Foreclosure/Rehabilitation & Affordable Home Program (late 2009)

▶ Existing Homes

- Residential Direct Install Pilot
- Home Performance with Energy Star
- Residential Energy Affordability Partnership (REAP)
- Cool Homes
- Information and Education
- Remodeling (proposed 2010 pilot)
- MultiFamily (proposed 2010 pilot)

Residential Initiatives

■ Energy Star Labeled Homes

- ▶ LIPA is working with EPA, NYSERDA, local stakeholders, NYSBA and LIBI to evaluate and implement EPA changes to the program in 2011.

■ Long Island Housing Partnership/ Government Affordable Workforce Home & Affordable Foreclosure & Rehabilitation Program

- ▶ Create a new and innovative program that will address the issues associated with the thousands of foreclosed homes on Long Island.
- ▶ LIPA will partner with LIHP, who will purchase homes with federal funding, and LIBI to provide expertise and financial assistance as foreclosed homes are rehabilitated in targeted neighborhoods.

■ Cool Homes Program

- ▶ 2009 Pilot Tune up expected to have over 4,000 participants
- ▶ An early replacement program targeted at customers who have older units that may still be functioning but are inefficient.
- ▶ train local contractors in best practices in installation enabling them to become LIPA participating contractors. LIPA's program currently utilizes over 100 contractors.

Home Performance Direct 2010

- Combines Home Performance Direct, Residential Energy Affordability Partnership and Home Performance with Energy Star.
 - ▶ Customers will be identified and contacted directly by LIPA
 - ▶ Free visit for electric heat, high use central air conditioning and income qualified customers.
 - ▶ Qualifying customers will receive a free visit that will include a Comprehensive Home Assessment, installation of CFLs and air and duct sealing where appropriate.
 - ▶ Oil heat customers without central air conditioning will pay an upcharge.
 - ▶ Follow-up Home Performance with Energy Star measures will focus on electric savings (i.e., insulation and additional air and duct sealing).
 - ▶ 7,500 jobs are projected for 2010 with 5,250 being income-qualified and 2,250 additional customers.
 - ▶ Continuing support for BPI training and diagnostic equipment purchases required to become a Home Performance with Energy Star partner.

- LIPA's Home Energy Analyzer is available on the web. This web-based audit assists customers in modeling their home's energy consumption and identifying areas for efficiency upgrades. Approximately 14,000 customers visited this website in 2008 with expectations that 15,000 will do so in 2009.
- LIPA and NYSERDA joined forces in 2009 to expand current school education program – “In Concert with the Environment.” The new pilot, “Energy Smart Students Program,” targets middle schools and uses a “Train the Trainer” model, enabling a greater number of teachers to incorporate energy efficiency lessons into their curriculum.
- LIPA also participates in numerous trade, community and business events on Long Island (i.e., Trade Ally conferences, USGB seminars, Long Island Home Show, Oyster Bay Oyster Festival, and Fall Home and Garden Show).

Residential Existing Homes Remodeling & Multifamily Pilots 2010



- LIPA will continue to work with EPA, LIBI, NYSBA and Long Island contractors to offer a Remodeling Pilot Program with inception date 1st quarter 2010. The program will incorporate:
 - ▶ Rebates and incentives to qualifying customers and contractors who build or remodel their homes.
 - ▶ EPA Builder Option Package to be used to guide contractors for the portion of the home with a new addition to the footprint or basement upgrade or new floor addition.
 - ▶ Goal is that the home plus the new addition would be a zero increase over the current energy usage.
 - ▶ Customers required to address the efficiency of the remainder of the house to ensure efficiency gains in the addition would not be compromised by the inefficiency of the existing structure.

- LIPA is working with NYSERDA to offer a Multifamily Pilot Program with inception date 1st quarter 2010. The program will:
 - ▶ Serve existing buildings with five or more units.
 - ▶ Offering incentives to building owners who reduce total energy usage by at least 25%.
 - ▶ Be partially funded by RGGI funds with LIPA paying for the electric savings achieved.

Commercial Efficiency Programs

■ Overview

- ▶ Goal is to ensure that new and existing buildings are awarded every opportunity to design, purchase and install the latest technology in an effort to keep their electricity costs to a minimum.
- ▶ Increased focus on the existing building market through early equipment retirements and retrofits.

■ 2009 Commercial Programs

▶ New Commercial Buildings

- Govt/Not for Profit ➤ Prescriptive
- Custom ➤ Whole Building
- Commissioning ➤ LEED
- Technical Assistance

▶ Existing Commercial Buildings

- Govt/Not for Profit ➤ Audit
- Custom ➤ Retrofit
- Technical Assistance ➤ LEED
- Retro-commissioning Pilot Program

Commercial Efficiency Programs (cont'd)



Commercial Program Activities & Enhancements for 2010:

- Expansion of Retrofit Component
- Increased focus on Not-for-Profit, Municipal & School Customers
- 2 major additions for 2010
 - ▶ Solution Provider
 - ▶ Small Commercial Direct Install Program

■ Solution Provider

- ▶ The Solution Provider (TRC) will facilitate energy efficient design and installation of energy efficient equipment and measures for LIPA's Commercial and Industrial major account customers.
- ▶ Focus: Maximizing the closure rate from opportunity to closure. 50% of potential savings come from our major account customers who account for 3% of our business population. The job of the SP is to make sure these opportunities do not fall through the cracks.

■ Small Commercial Direct Install

- ▶ Focus is on the smaller 281 and 280 accounts
- ▶ Provide free assessments at customer facilities and propose retrofit opportunities
- ▶ Provide low cost to no-cost installation services to eligible customers based upon assessment
- ▶ Provide equipment removal and recycling at completion of retrofit

Renewable Energy Programs

■ Overview

- ▶ Foster introduction and growth of renewable technologies in Long Island
- ▶ Solar Technology
- ▶ Wind Technology
- ▶ Solar Thermal Technology

■ Incentives – designed to offset first cost to customers

- ▶ Rebates available to all market segments; residential, commercial and municipal & non-for-profit customers
- ▶ Leverage tax credits NYS State 25% and Federal 30%
- ▶ Accelerated Depreciation for commercial customers

■ Support – Outreach & Education and Market Infrastructure

- ▶ Solar/Wind seminars through partnership with RELI
- ▶ LISEIA, Industry, and Trade Organizations
- ▶ Environmental, Community, and Business Stakeholders

2010 Renewables Programs

- Solar Pioneer and Entrepreneur Program for residential, commercial, municipal and not-for-profit customers

- Backyard Wind Initiative for residential, commercial, municipal and not-for-profit customers

- New Pilot Solar Thermal Pilot Program
 - Designed for electric hot water customers

Brief Overview of Solar Program

- Since 2000, LIPA has provided approximately \$50 million in rebates for approximately 2058 systems.
 - 1937 Residential 121 Commercial
- Additional incentives enhance the payback of a PV system
 - Net Metering for residential and commercial customers
 - Federal 30% credit with no cap
 - NYS 25% tax incentives
 - Tax exemptions for the infrastructure in Nassau and Suffolk counties.
- Transforming renewable market stimulating business and creating clean energy jobs.



2009 Backyard Wind Program

- New pilot program beginning 2009
 - LIPA has provided initial rebates to one customer
 - 13 applications for wind systems
 - Pre-approved 5
 - Pending 7
 - 265 kw
 - 467 MWh @ generator
 - 6 for residential and 6 are commercial with 5 proposed on farms and other at school
- Developing wind planning tools for installers with training planned for later this year
- Federal ITC 30% no cap



Public Outreach

- LIPA is looking to procure services of existing outreach advocacy entities to more aggressively promote and inform customers of LIPA's Energy Efficiency and Renewables programs
- The primary focus of this effort is to utilize existing grass roots entities in becoming greater partners with LIPA by promoting energy efficiency and participation in LIPA's programs.
- The primary goal is increased participation

Customer Contact Center

- Currently we have a # of partners to support our programs who each maintain a LIPA customer service phone line – in addition to our customer care centers
- We plan to undertake development of a contact center to improve the quality and speed of customer service across our programs.
- This “Contact” center will encompass intelligent customer support across multiple channels for one-stop shopping
- It will allow LIPA to set up customer appointments with contractors
 - ▶ Through access to our databases the contact rep will profile the customer and steer them in the right direction
 - ▶ They will have access to contractor schedules (i.e. DI) and be able to set up an appointment on the spot.

Summary

- LIPA's Efficiency & Renewables programs will:
 - ▶ encourage customers to conserve by investing in the most efficient technologies and practices available
 - ▶ offer prescriptive solutions such as appliance efficiency rebates
 - ▶ Offer customized approaches, such as helping customers to assess the appropriate technologies that result in lower energy consumption
 - ▶ work with trades and contractors to ensure that they are aware of and trained in state of the art energy efficiency methods and practices
 - ▶ Work with environmental and public outreach groups to educate and inform customers and advocate participation in our programs
 - ▶ Strengthens Long Island's economy and transform the market for energy efficiency on Long Island

*"Working together...
for a more energy-efficient Long Island."*



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