

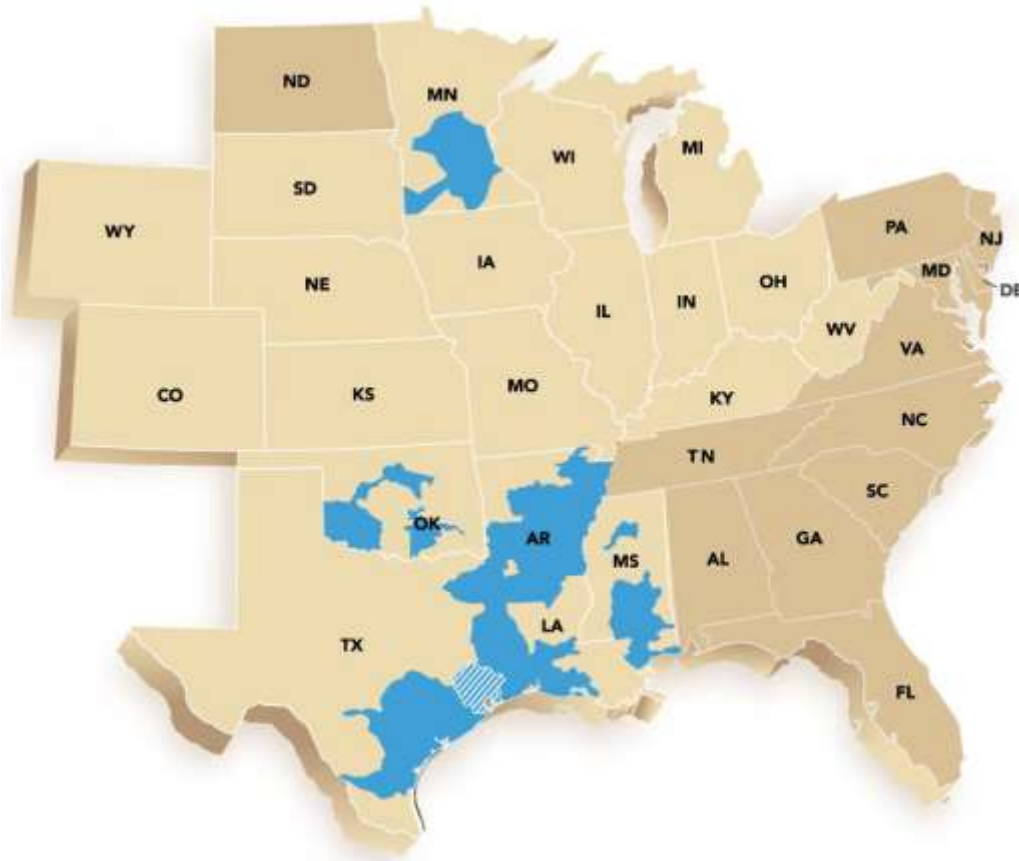
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Engaging the Multifamily Sector




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Segments

-  Electric Transmission & Distribution
-  Natural Gas Distribution
-  Energy Services

As of June 30, 2013

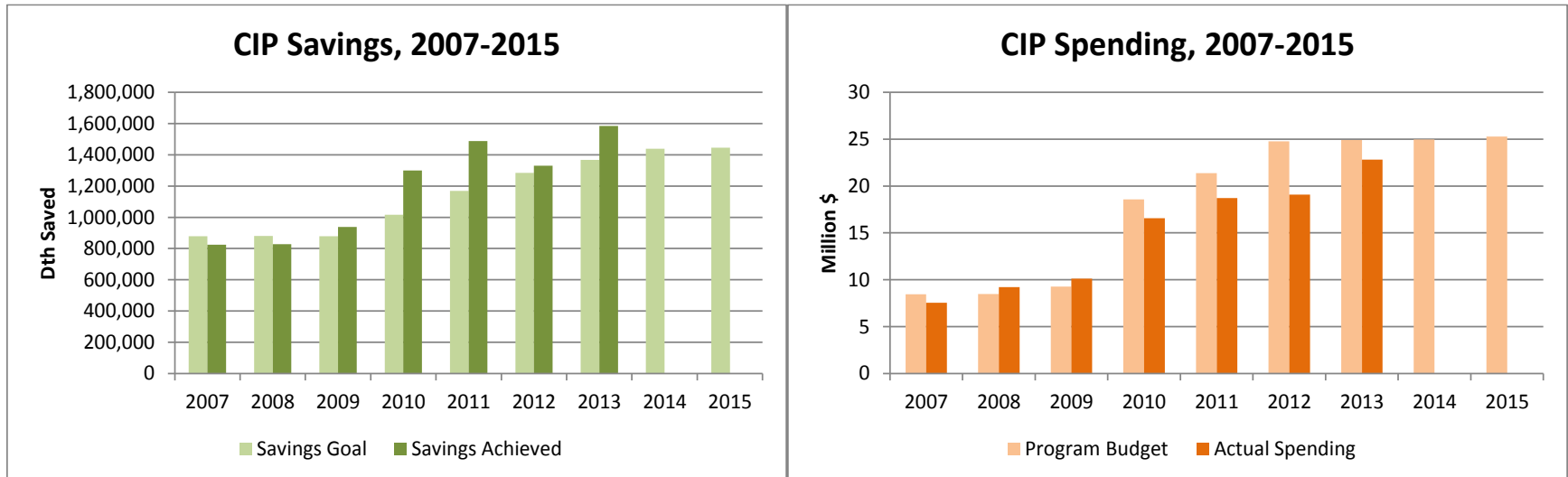
- Minnesota Efficiency Offerings
 - Overview
 - Current Multifamily Offerings & Activity
 - Future Direction
- Other States
 - Arkansas
 - Oklahoma
 - Texas

Minnesota Efficiency History



- Programs since early 1990s
- Originally a spending-based goal
- State EERS known as Conservation Improvement Program (CIP)
- 2007 Next Generation Energy Act created minimum savings targets
 - 1.5% Electric, 1.0% for gas with ramp-up period
- Significant increase in savings & spending for CenterPoint Energy's programs

CenterPoint Energy CIP Results



- Met energy savings goal each year of 2010-2012 Triennium
- Approved Triennial Plan for 2013-2015 achieves 1% energy savings
- 2013 savings results represent 1.16% of sales

Figures per CenterPoint Energy annual CIP Status Reports and approved Triennial CIP Plans.
2013 results are preliminary.

Multifamily customers have access to all our commercial offerings

- Rebates
 - Prescriptive (boilers, tune-ups, water heaters, steam traps, etc.)
 - Custom (low-flow, windows, building envelope)
 - CO Sensors, Energy Recovery – previously custom, now prescriptive
- Audits
- Energy Design Assistance
 - New Construction or Major Renovation
 - Currently several dozen multifamily projects underway

Affordable Housing Multifamily Building Rebate



- New in 2013
- Provides 25% bonus rebate for any prescriptive commercial measure
- Only offering specific to affordable multifamily sector
 - Not intended to comprehensively address the sector
- 2013 Results:
 - 32 Buildings, 1,839 units
 - 5,931 Dth Saved
 - 38% of participation goal

Multifamily Participation in CIP



For Program Years 2010-2013:

- Averaging about 475 participants annually
 - “unique gas account”
- Average total savings of about 91,000 Dth
 - About 9-10 percent of total C&I savings
 - About 200 Dth saved per customer

- Roughly 7,000 MF customers
 - So participation rate is roughly 6.7%
 - May not reflect individually-metered buildings
 - Does not differentiate between affordable and market-rate

- Roughly 8 million Dth in usage
 - So the sector is saving 1.1%
 - BUT: C&I overall is saving almost 1.5%

Next Steps in Multifamily



- “Direct Install Plus” Pilot Study
 - 2012-2013, 10 buildings, 306 units
 - Combined direct-install with targeted building assessment, focus group research
 - Plan to use findings to inform comprehensive MF offering

Next Steps (ctd)

- Coordinating development of joint offering with Xcel Energy
- Challenges include (partial list):
 - Delivery
 - Cost effectiveness
 - Financing alignment
 - Overcoming split incentives
 - Perception
- Plan to engage with local stakeholders for feedback on how these are addressed

Elsewhere in CNP Territory...



- Arkansas CIP
- Oklahoma CIP – Multi Unit Market Transformation Program
- Texas
 - Gas Advantage Multifamily Program;
 - Multifamily Water & Space Heating Market Transformation Program

- Prescriptive Gas EE Offerings, similar to MN
- No dedicated multifamily program
- 30-50% of new construction is in multifamily sector
- Little to no multifamily participation in programs
 - New construction tends to go all-electric
 - AR CIP incentives based on gas savings are not enough to overcome costs of installing gas equipment vs. electric

Multi Unit Market Transformation Program

- Electric-to-Gas Fuel Switching Program
- \$2,000 rebate for HE furnace/boiler; \$900 for HE water heater
- Utility claims gas savings based on full fuel-cycle comparison to electric unit
- Participants tend to be 4-6 units, mid-rise

Gas Advantage Multifamily Program

- Gas utility marketing program
 - Requires developer to individually meter for water heating or cooking
 - Incentives are determined by such factors as cost to serve, gas load and number of units
 - If central boiler system - construction charges are waived
- Average Cost to Serve:
 - Residential home - \$876
 - Multifamily unit without incentives - \$400
 - Multifamily unit with incentives - \$662

Multifamily Water & Space Heating Market Transformation Program

- Electric-to-gas fuel switching program
- Part of electric utility's EE portfolio
- Electric savings claimed based on full fuel cycle

Measure Type	Incentive – Market Rate	Incentive - Affordable
Individual Water Heaters	\$250	\$450
Combo Unit/Gas Heating System	\$350-\$500	\$550-\$750
Central Water Heating (Boiler)	\$150	\$250

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Questions?

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