

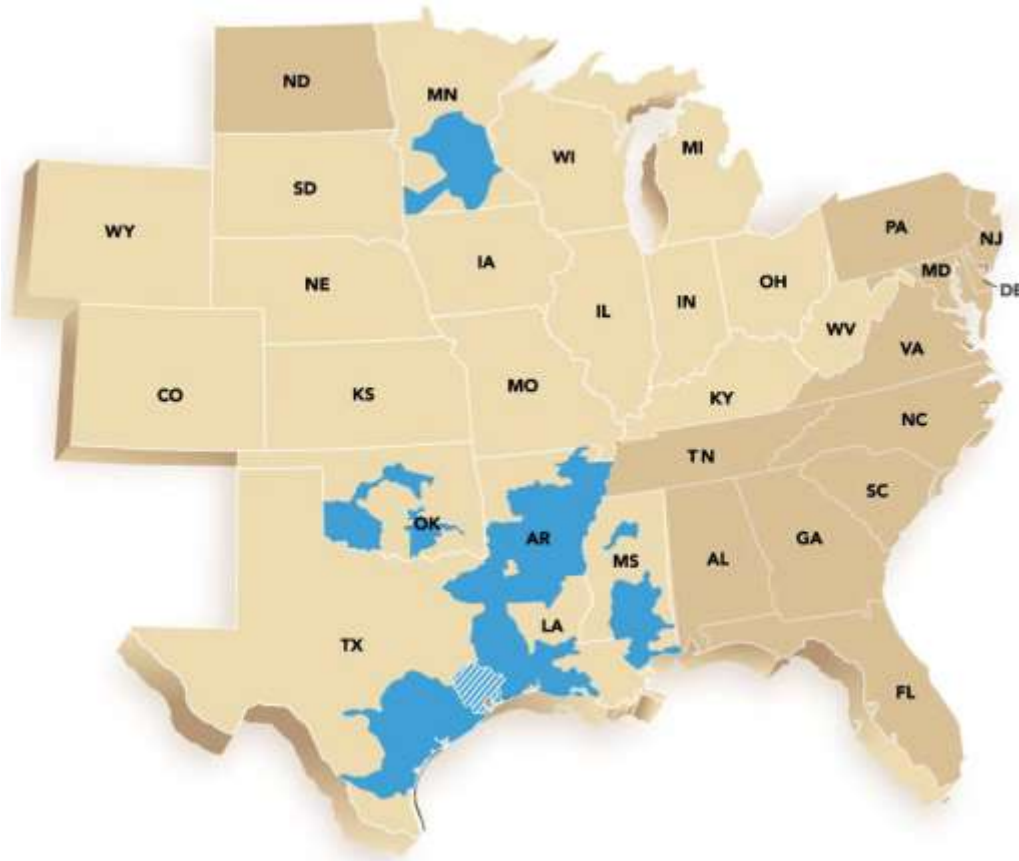
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# **Engaging the Multifamily Sector**




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## Segments

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

As of June 30, 2013

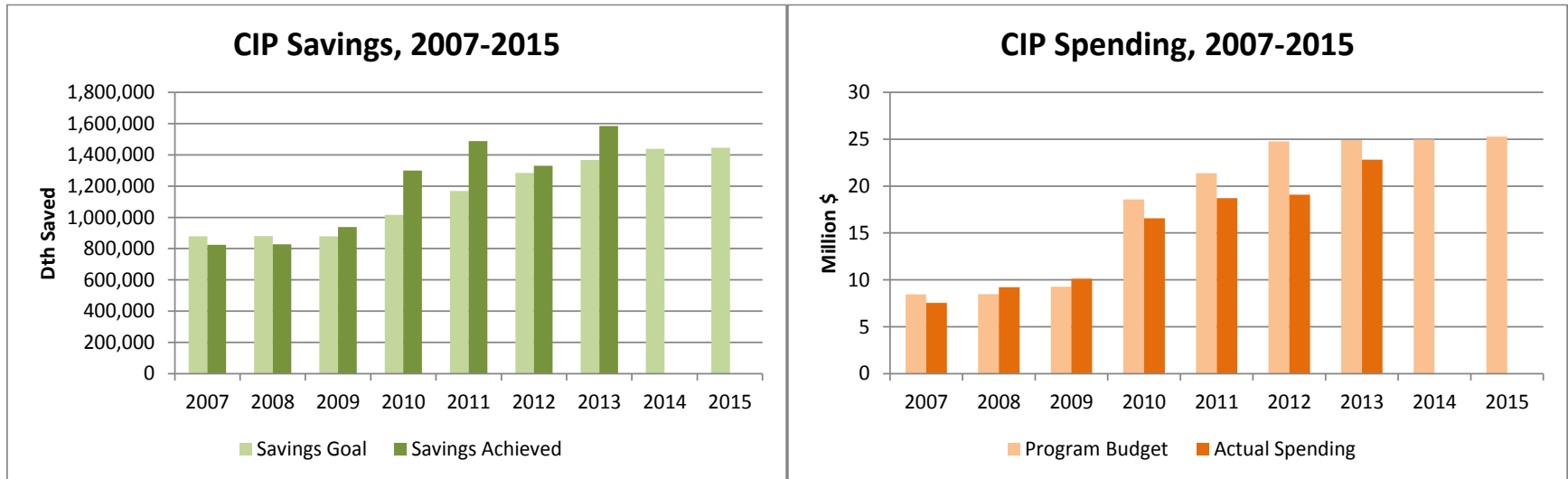
- Minnesota Efficiency Offerings
  - Overview
  - Current Multifamily Offerings & Activity
  - Future Direction
- Other States
  - Arkansas
  - Oklahoma
  - Texas

# 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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