

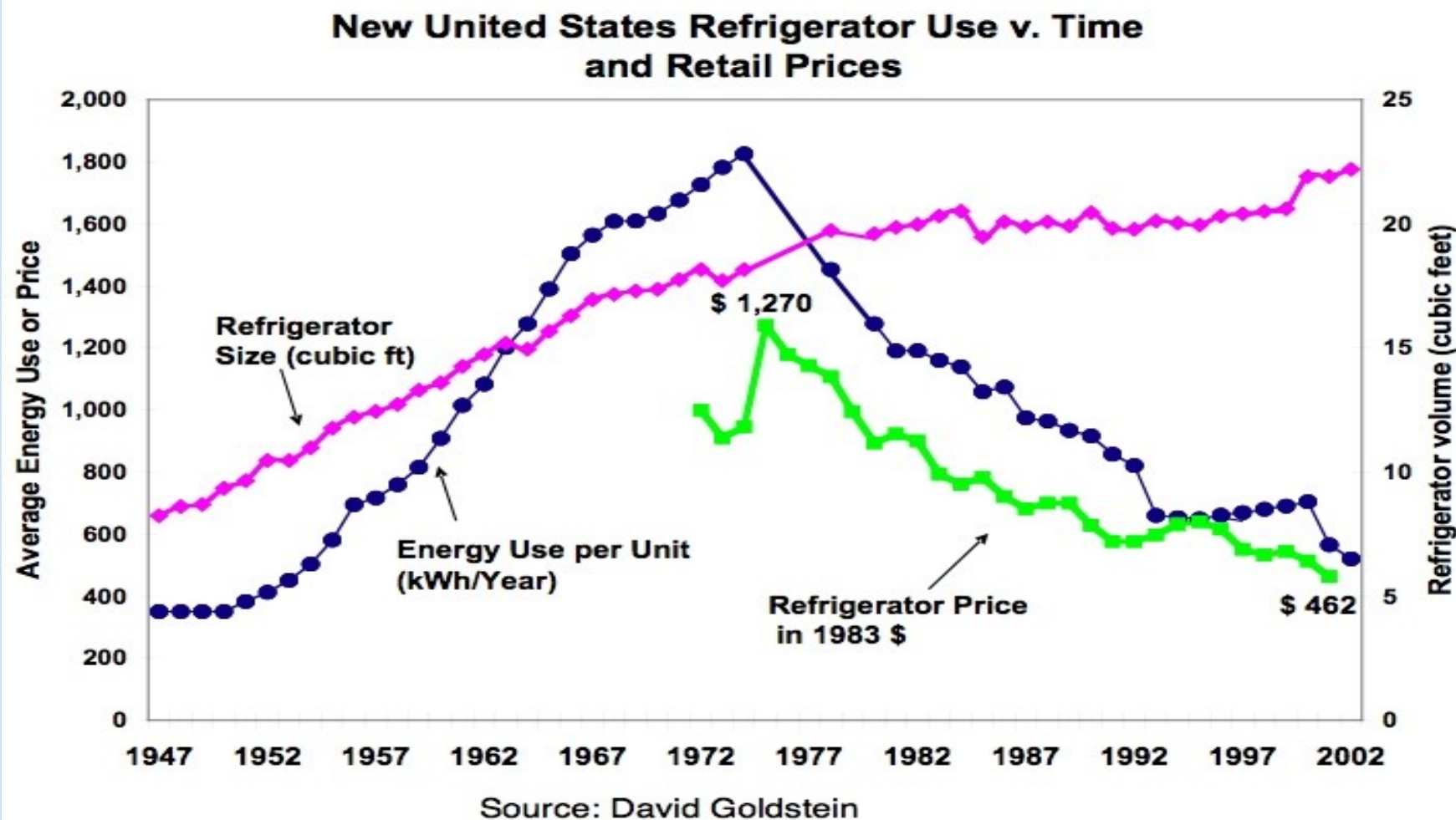
# A Star is Born

**Marc Hoffman**  
**Executive Director**  
**Consortium for Energy Efficiency**  
**July 21, 2008**



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# SERP Demonstrates Refrigerator Efficiency Gains



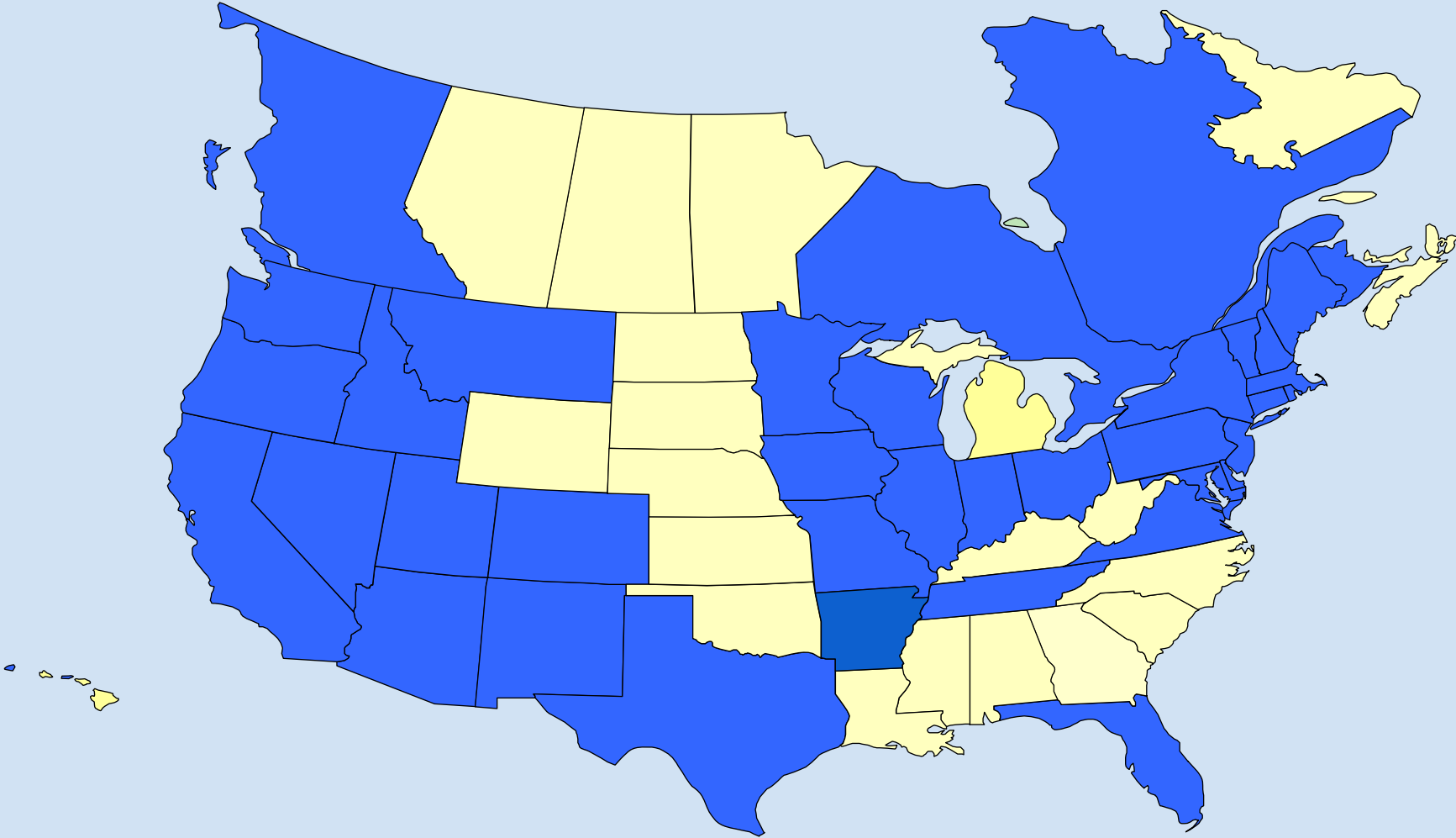
# The Consortium Today

- CEE brings together 84 Efficiency Program Administrators serving all or part of 33 states and 4 provinces
- Governed by Board of Directors drawn from members
- Develop and sponsor 12 CEE national Initiatives for member adoption in own programs
- Staff of 21 (3 dedicated to gas programs)
- \$2.7 million budget
  - 75% from members,
  - 25% from EPA and DOE



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# Help Complete the Picture



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# Efficiency Programs Have Clout

## **\$3.7 Billion in 2007 program budgets**

- Use national marketing platforms: ENERGY STAR<sup>®</sup>, CEE
- Harmonize around CEE initiative specifications of high efficiency to increase availability of qualifying products
- Partner with other national industries at the CEE forum
- Work together at CEE as the U.S.-Canadian Efficiency Program Industry
  - CEE members direct almost 90% of total DSM budgets

**In 2006, CEE member programs saved ratepayers \$5.4 billion**



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# Gas DSM Programs: An Emerging Industry

- Almost **\$ 500 Million** U.S.-Canadian 2007 gas DSM program budgets
- U.S. Gas DSM grew 68% in 2007
- 2006 impacts of CEE member's programs
  - At least 165 Million Therms
  - Almost **\$200 Million savings for ratepayers**
- CEE members have gas DSM programs in 16 states and 3 provinces—with more coming



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# U.S. Gas DSM Program Industry at CEE

- **Arkansas**
  - CenterPoint Energy
- **California**
  - Southern California Gas
  - Pacific Gas & Electric
  - San Diego Gas & Electric
- **Iowa**
  - MidAmerican
  - Alliant
- **Indiana**
  - Vectren
- **Massachusetts**
  - National Grid
  - Bay State Gas
  - NSTAR Gas
  - Berkshire Gas
  - New England Gas
- **Maine**
  - Northern Gas
- **Minnesota**
  - CenterPoint Energy
  - Xcel Energy
- **New Hampshire**
  - Northern Gas
- **New Jersey**
  - NJ Clean Energy Program
  - South Jersey Gas
  - Public Service Electric & Gas
- **New York**
  - NYSERDA
  - National Grid
- **Oregon**
  - Oregon Energy Trust
  - NW Natural
  - Avista
- **Rhode Island**
  - National Grid
- **Utah**
  - Questar Gas
- **Vermont**
  - Vermont Gas
- **Washington**
  - Puget Sound Energy
  - Cascade Gas
  - Avista
- **Wisconsin**
  - Focus on Energy
  - Madison Gas & Electric
  - Alliant



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# Gas DSM Programs Report

1. Resource Efficient Clothes Washers
2. High Efficiency Furnaces
3. What's Next?



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# Revolution in Clothes Washer Efficiency

51% of Clothes Washers were ENERGY STAR in 2006

	MEF	WF
Tier 4B	1.80	5.5
Tier 4A	1.80	7.5
Tier 3	1.60	8.5
Tier 2	1.42	9.5
Tier 1	1.26	11

1995-2002

	MEF	WF
Tier 3B	1.80	5.5
Tier 3A	1.80	7.5
Tier 2	1.60	8.5
Tier 1	1.42	9.5

2004

	MEF	WF
Tier 3	2.20	4.5
Tier 2	2.00	6
Tier 1	1.8*	7.5*

2007

ENERGY STAR Levels

\*ENERGY STAR 2007 MEF 1.72; WF 8.0

\*ENERGY STAR 2009 CEE Tier 1

\*ENERGY STAR late 2011 CEE Tier 2



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# Gas DSM Programs Incentivize the Highest Efficiency Models

Number of Clothes Washer Models Qualifying for CEE Initiative



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# Gas Furnaces

## Creating a Market for High Efficiency

- ENERGY STAR at 90% AFUE (1995)
- CEE Gas Heating Initiative (1998)
  - Tier 1 = ENERGY STAR
  - Tier 2 at 92% AFUE
  - Tier 3 at 94% AFUE
- Market share increased when program support grew from 9 to 21 programs in 2001 and continues to grow: 23% (2001) to 38%(2007)
- One quarter of shipments meet CEE Tier 2

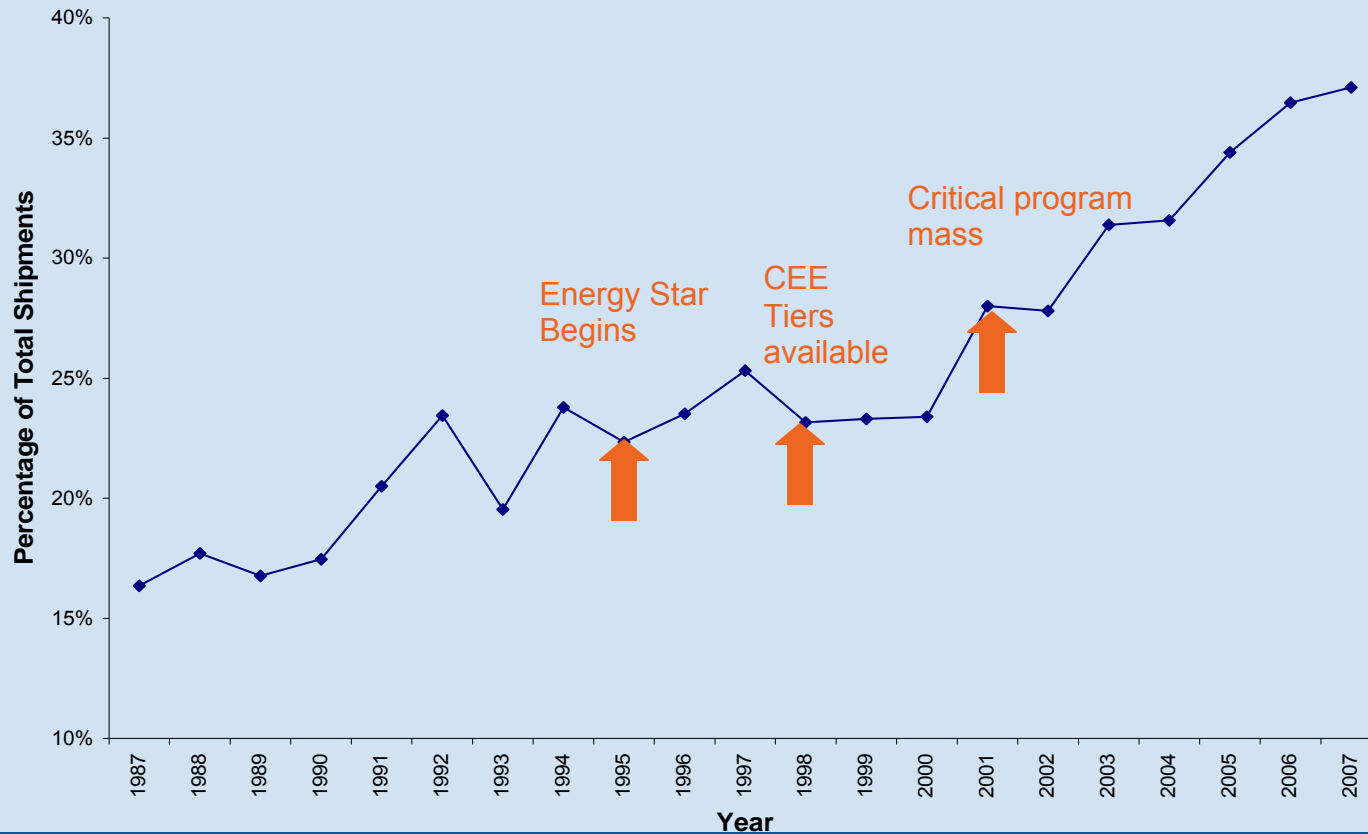


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# A Critical Number of Programs Moves Markets

## Natural Gas Furnace Shipments 1987-2007

Percent of Shipments > 90% AFUE



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# Efficient Gas Water Heaters

- **Water heaters consume 15% of all residential energy**
- **Potential energy, cost and carbon savings are significant—up to 40%**
- **Advanced technologies exist, but consumers are unaware, and plumbers compete on first cost**
- **Little market traction for efficient gas water heaters**

# Newest CEE Initiative

## Efficient Residential Gas Water Heating

- Brought programs and manufacturers to consensus on specifications and a U.S.-Canadian strategy
- Together, successfully went to DOE to align new ENERGY STAR category with CEE specs
- Launching a new industry-wide partnership to attack supply and demand simultaneously



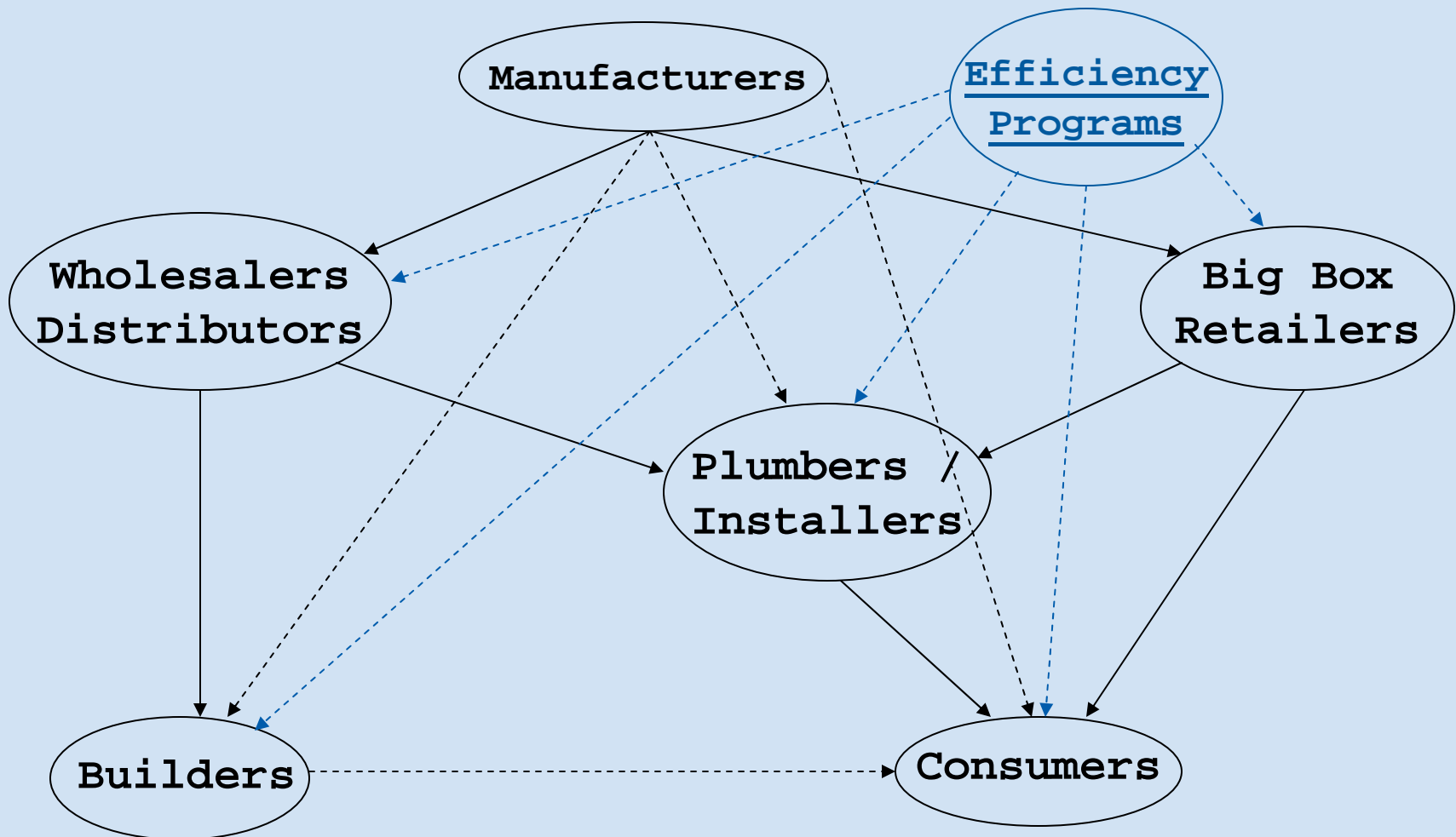
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# ENERGY STAR and CEE Align High Efficiency Residential Water Heating Spec

	Storage <75,000 Btu/h
Tier 0	$\geq 0.62$ EF
Tier 1	$\geq 0.67$ EF
Tier 2	$\geq 0.80$ EF

	Tankless >50,000 and <200,000 Btu/h
Tier 1	$> 0.82$ EF (w/ electronic ignition)

# Complex Supply Chain Needs Coordinated Messages



# CEE Campaign for ENERGY STAR Water Heaters

- Develop common messaging for voluntary use by all participants
- Share nonproprietary information for national campaign strategy and maximum program leverage
- Sponsors are gas DSM programs and the major water heater manufacturers and associations
- Open solicitation period—the more utilities, the broader the campaign, the faster we can change this market to deliver savings to ratepayers and society



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# Creating a Star—Gas DSM Programs

1. Challenge—Grow the Gas DSM Program Industry to be as robust and effective as the Electric DSM Program Industry has become
2. Work together as an industry at CEE
3. Gas DSM Programs have delivered, are delivering, and can do even more to meet the challenges of higher prices and climate change

**JOIN US TO MEET THIS CHALLENGE**



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