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# 2010 Proposed Low-Income Framework

( Conserve • Save • Comfort )



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# Agenda

- Screening Tool
- Budget
- Targets
- Incentives



# Simple Payback Screening Tool



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- Union supports the shift away from a TRC approach
- Union supports a simple payback screening model
- Payback numbers and smart protocols will be filed with Union's detailed Low-Income plan
- Union recommends the collection of data in 2010 in order to better understand the cost/benefits of deep measures both on a household and program level

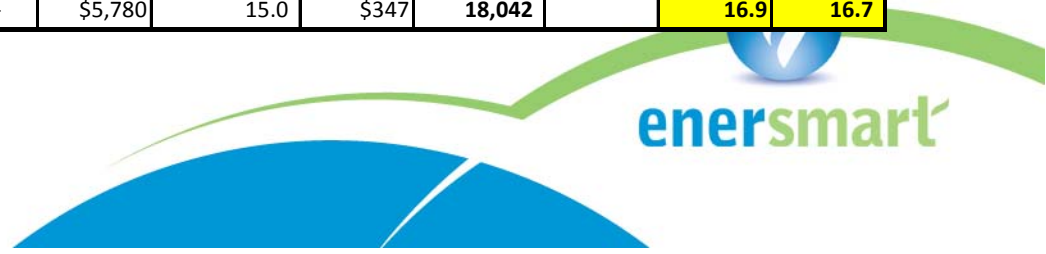


# Simple Payback Screening Tool – Sample



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Measure	Total Gas Savings M3/y	Total Electricity savings (kWh/y)	Total Water Savings (L/Y)	Total Installed Cost\$	Measure Life ( years)	Annual savings, \$/y	Life Cycle Savings (M3)	Life cycle savings, \$	Savings-weighted Package Measure life	Simple payback
<b>MultiFamily</b>										
Showerheads (1)	38	-	7797	1	10	\$21	380	\$212	1	0.05
Aerators (1)	10	-	2004	1	10	\$5	100	\$55	0	0.18
Pipe Wrap (1)	25	-	-	4	10	\$5	250	\$45	0	0.89
Programmable Thermostats	145	84	-	70	12	\$35	1,740	\$414	1	2.03
Novitherm Panels boiler tune-up & install	-	-	-	-	15	\$0	-	\$0	-	-
CFL's (15 W)	-	1,040	-	20	4	\$104	-	\$416	1	0.19
Wall Insulation	560	-	-	2,220	30	\$101	16,800	\$3,024	9	22.02
Attic Insulation	98	-	-	744	30	\$18	2,952	\$531	2	42.01
Basement Insulation	66	-	-	900	30	\$12	1,980	\$356	1	75.76
Draft-proofing (caulking, weather-stripping etc)	150	-	-	180	25	\$27	3,760	\$677	2	6.65
High-Efficiency Furnaces (+ECM), base Mid eff	-	-	-	-	18	\$0	-	\$0	-	-
Tankless Water Heaters	-	-	-	-	14	\$0	-	\$0	-	-
High-Efficiency Energy Star Water Heaters	-	-	-	-	14	\$0	-	\$0	-	-
Drain Water Heat Recovery	39	-	-	740	20	\$7	780	\$140	0	105.41
Fuel-switching	71	-	-	900	-	\$13	-	\$0	-	70.42
Solar thermal water heating systems	-	-	-	-	25	\$0	-	\$0	-	-
<b>Total</b>	1,203	1,124	-	\$5,780	15.0	\$347	18,042		16.9	16.7



# 2010 Proposed LI Budget



- High level breakdown of budget
- Access to Federal and Provincial incentives (or any 3<sup>rd</sup> party funding) could increase participants
- Proposed LI budget increase represents a 100% increase from 2009
- Budget may increase beyond 2010 as processes and programs are launched in additional communities



# 2010 Proposed LI Budget Breakdown



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<b>UNION GAS PROPOSED 2010 BUDGET</b>	
<b>Budget Category</b> (All detailed costs are estimates until program plan is complete)	<b>2010 Budget</b> (before 3 <sup>rd</sup> party rebates)
<b>Program Variable Costs</b>	
Audit Costs	\$0.1 million
Basic Measures	\$0.8 million
Extended Measures	\$1.4 million
<b>Total Program Variable Costs</b>	<b>\$2.3 million</b>
<i>Variable Cost per Participant – Basic Measures</i>	<i>\$135</i>
<i>Variable Cost per Participant – Extended Measures (includes audit costs)</i>	<i>\$6,000</i>
<b>Program Fixed Costs</b>	
Education/Training	\$0.05 million
Marketing/Service Provider Fees	\$0.4 million
<b>Total Program Fixed Costs</b>	<b>\$0.55 million</b>
<b>Other Fixed Costs</b>	<b>\$0.25 million</b>
(labour, expenses, evaluation, research)	
<b>Total Budget</b>	<b>\$3 million</b>



# 2010 Proposed LI Targets



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- Assessed potential for ramping up and considered input from the group
- Doubling of target for extended measure participants from 2009
- Decrease in basic measure participants from 2009

<b>Union Gas 2010 Proposed Target Compared to 2009 Board-Approved Target</b>			
	2009 Low- Income Plan	Proposed 2010 Low- Income Plan	Increase/(Decrease)
Extended Measure Participants	125	250	<b>100%</b>
Basic Measure Participants	10,000	6,000	<b>(33%)</b>



# 2010 Proposed LI Scorecard



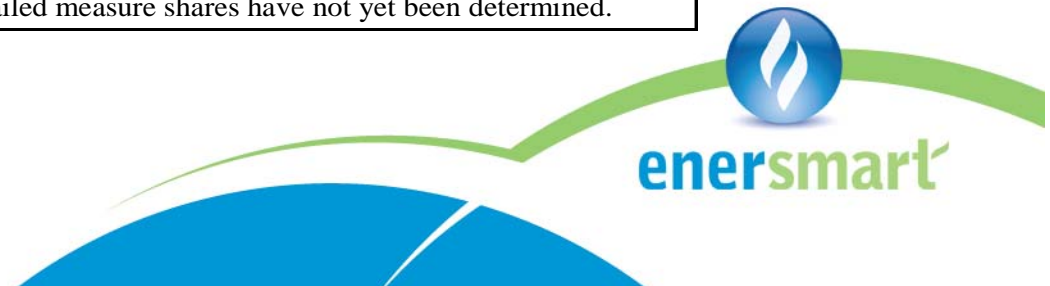
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- Supports CWG on scorecard model to evaluate LI programs
- Agree with all proposed metrics except for social service agency referrals – beyond the control of the utilities

## Proposed Scorecard

Union Gas Low Income DSM Scorecard		2010 Performance Levels			
Element	Performance Metrics	50%	100%	150%	Weights
ULTIMATE OUTCOMES	1) Basic Measure Participants	4,000	6,000	8,000	20%
	2) Extended Measure Participants	200	250	300	30%
	3) Total Gas Savings (m <sup>3</sup> ) (measure savings x measure life)	TBD <sup>1</sup>	TBD <sup>1</sup>	TBD <sup>1</sup>	40%
MARKET EFFECTS	4) Increase in number of communities served by deep measure programs (over 2009)	2	3	4	10%

<sup>1</sup> The 50%, 100% and 150% performance levels for the “Total Gas Savings” metric will be proposed in Union’s 2010 Plan to be filed with the Board, as detailed measure shares have not yet been determined.





# 2010 LI Proposed Incentive Structure



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- Utility shareholder incentive has proven to be successful
- Incentive must directly correspond to level of effort and results achieved
- Incentive value must be commensurate with the new expanded LI portfolio
- Incentive payout of \$650,000 for 100% achievement of 2010 targets is competitive with Union's DSM plan





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Questions/Comments?

