



Energy Efficiency - Delivering on the Promise

October 2, 2012

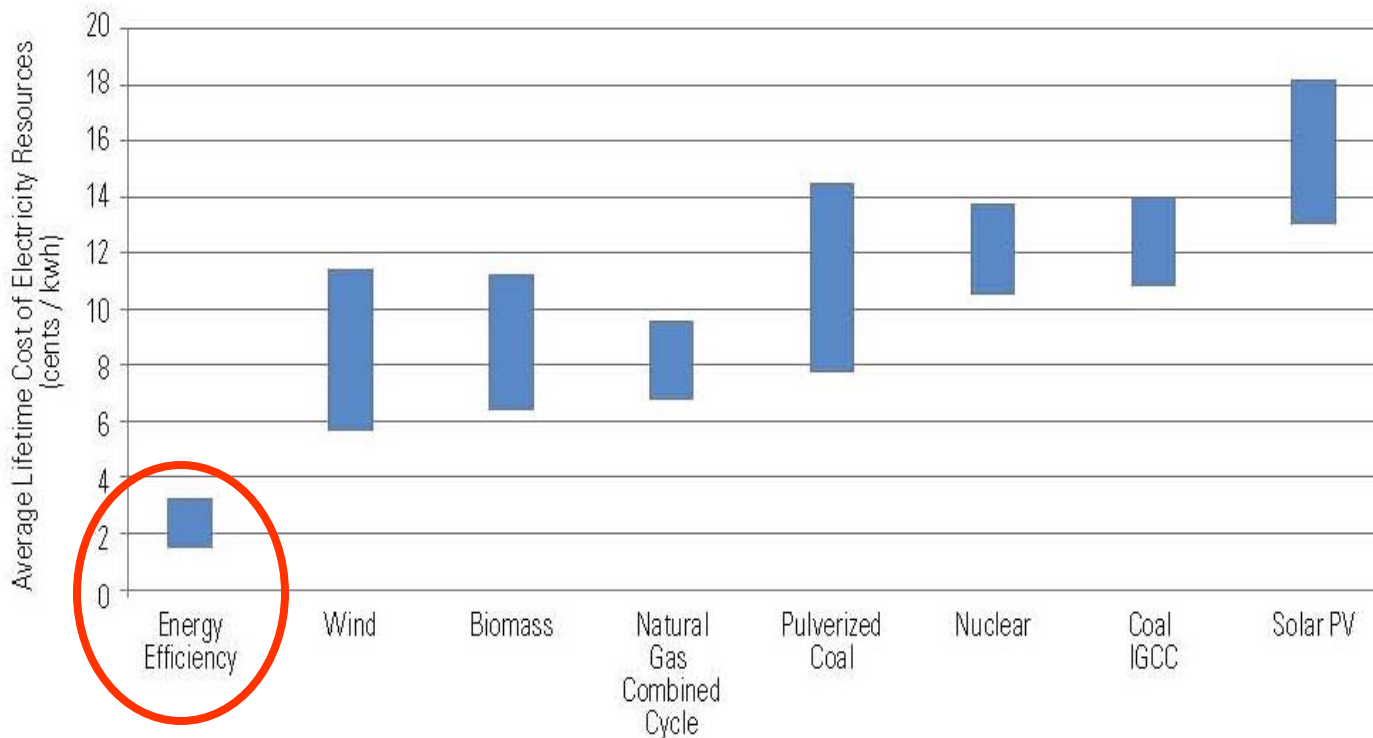
Tilak Subrahmanian

AESP Conference



Reminder – Interest in EE because ...

AVERAGE LIFETIME UTILITY COST OF ELECTRICITY RESOURCES¹²



Source: ACEEE



Delivering on the promise requires...

Enabling Policy
Environment

+

Renewed
Operating
Model

*Clear and stable policies
with supporting economics
that catalyze the
ecosystem*

*A fundamental re-think of
the business model and
operating model to deliver
on the promise*



Excellent start at the highest level ...

Enabling Policy Environment

Clear & Stable Policy Environment

- Green Communities Act in MA
- Public Act 07-242 in CT
- Supporting Orders by Regulatory bodies

Alignment of Stakeholders

- Statutory Agencies
- Other interested parties
- Balancing of competing interests

Supporting Economics

- For Customers
- For Utilities
- For vendors
- For the entire ecosystem



Balance and vigilance is necessary moving forward ...

Enabling Policy
Environment

What's a
sustainable
level of EE
funding

How to hold
Utilities/PAs
Accountable

How to hold
Consultants
Accountable

How to define
and ensure
"Equity"

What's an
appropriate
level of
oversight

Striking balance
between
encouraging
new techs but
not pushing it

How to factor
in non-energy
consideration
s

How to
engage
advocacy
groups



Utilities/PAs need to step up to the opportunity ...

Renewed Operating Model

Deep Understanding of Markets

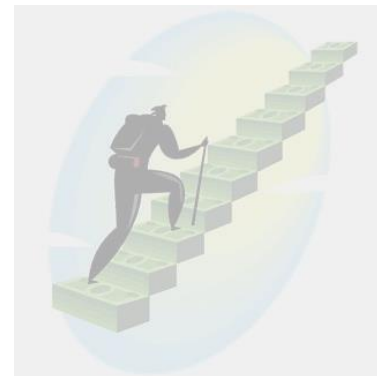
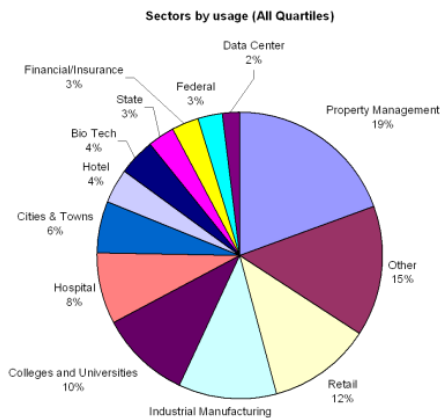
- Customer segmentation
- Targeted marketing
- Integrated energy solutions

Innovation

- Sophisticated go-to-market approaches
- Community engagement
- Market maker for new technologies

Entrepreneurial Organization

- Develop talent and expertise
- Drive accountability
- Leverage broader org.



Segment-driven go-to-market approach

Go to Market Approach



- *Direct sales*
- *Focus on the C-level*
- *Customized solutions*
- *Multi-year agreements (MOUs)*
- *Long sales cycle*



- *Channel sales*
- *Small business and micro business portals*
- *Mainstreets program*
- *Prescriptive offerings*
- *Higher rebates*



Small Business



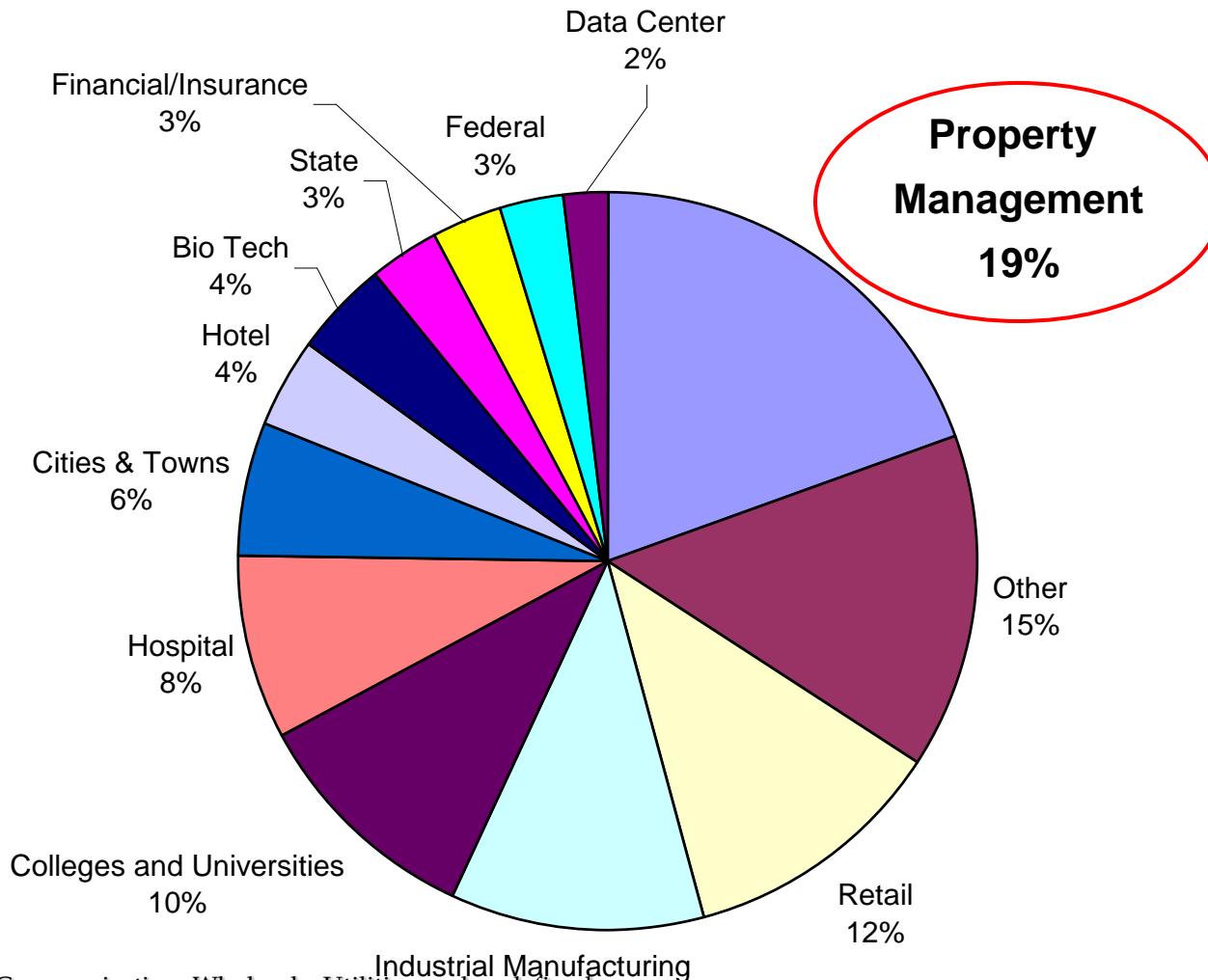
Micro Business

- *"Main Streets"*
- *Mass marketing*
- *Self-service*



Sector View ...

Sectors by usage (All Quartiles)



Other includes Media, Communication, Wholesale, Utilities, and undefined



Learnings from Renew Boston are driving our framework for engaging communities

- Focus on City/Town buildings first
- Leverage City/Town to target small businesses
- Leverage City/Town to reach residents



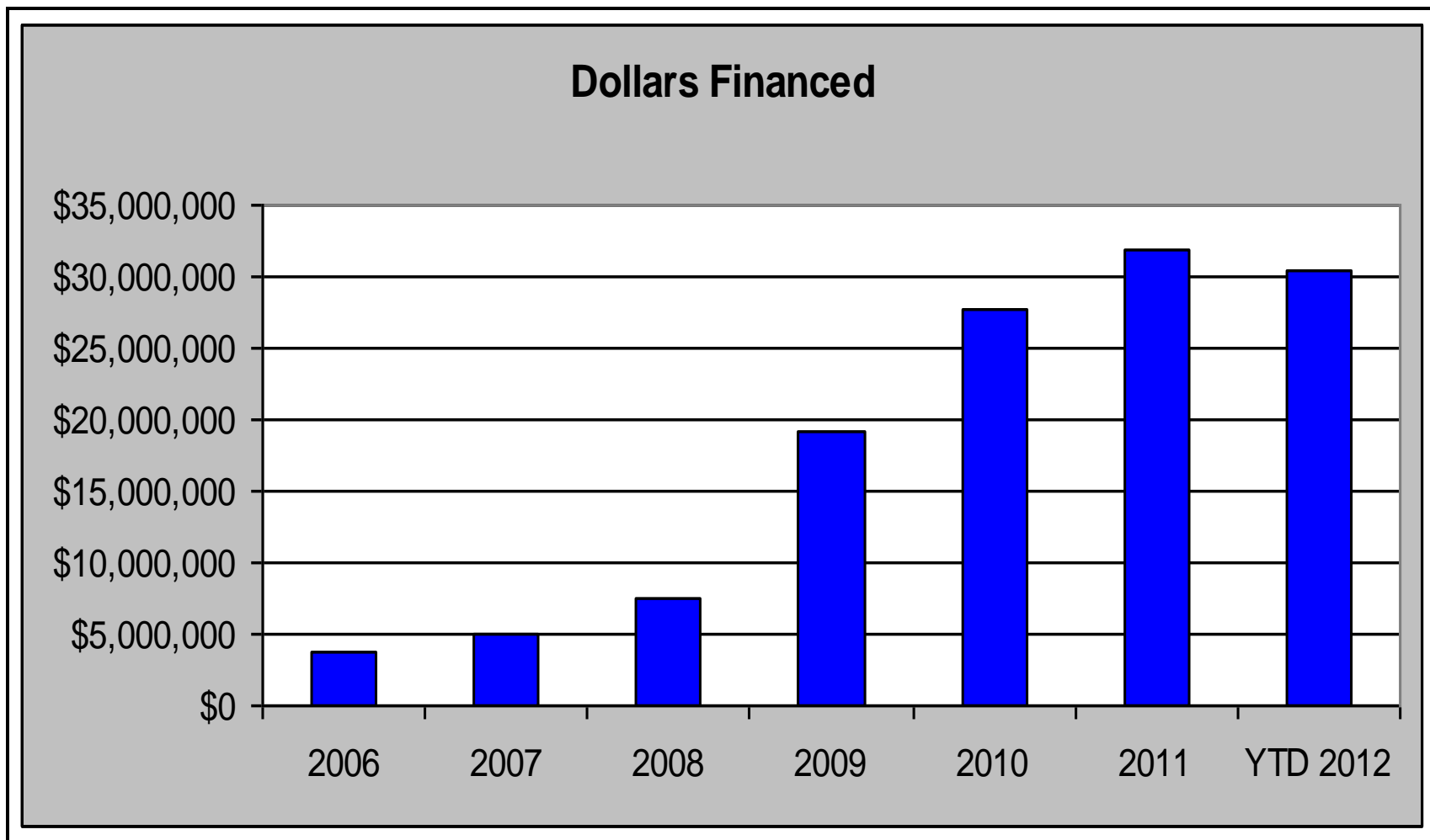
Save Energy, Save Money

Thomas M. Menino, Mayor





Financing Approaches, like Heat Loan, are important tools ...



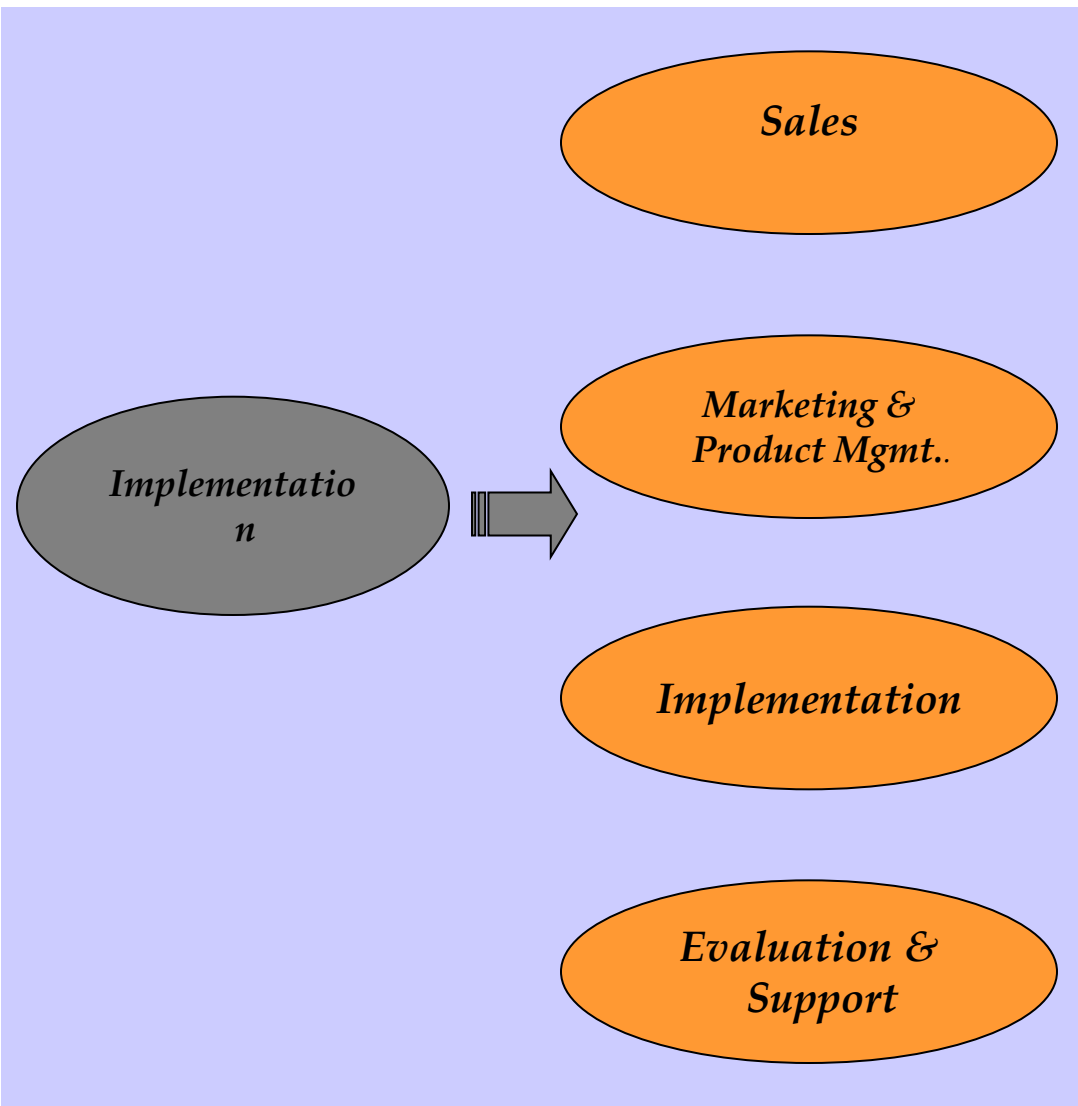


The organization must evolve to support a rapidly-growing Business Unit

✓ **Build/develop talent and expertise**

✓ **Drive accountability & discipline**

✓ **Build strategic relations & leverage expertise**





In Closing, we have an excellent start ...

- Several policy mechanisms in place
- Need vigilance to ensure a robust environment:
 - Encourages innovation
 - Strikes balance between competing priorities
 - Holds all engaged parties accountable
- We all need to step up our game
 - Utilities/Program Administrators
 - Consultants/advisors
 - Vendors and other players
- Need both - economic and environmental sustainability