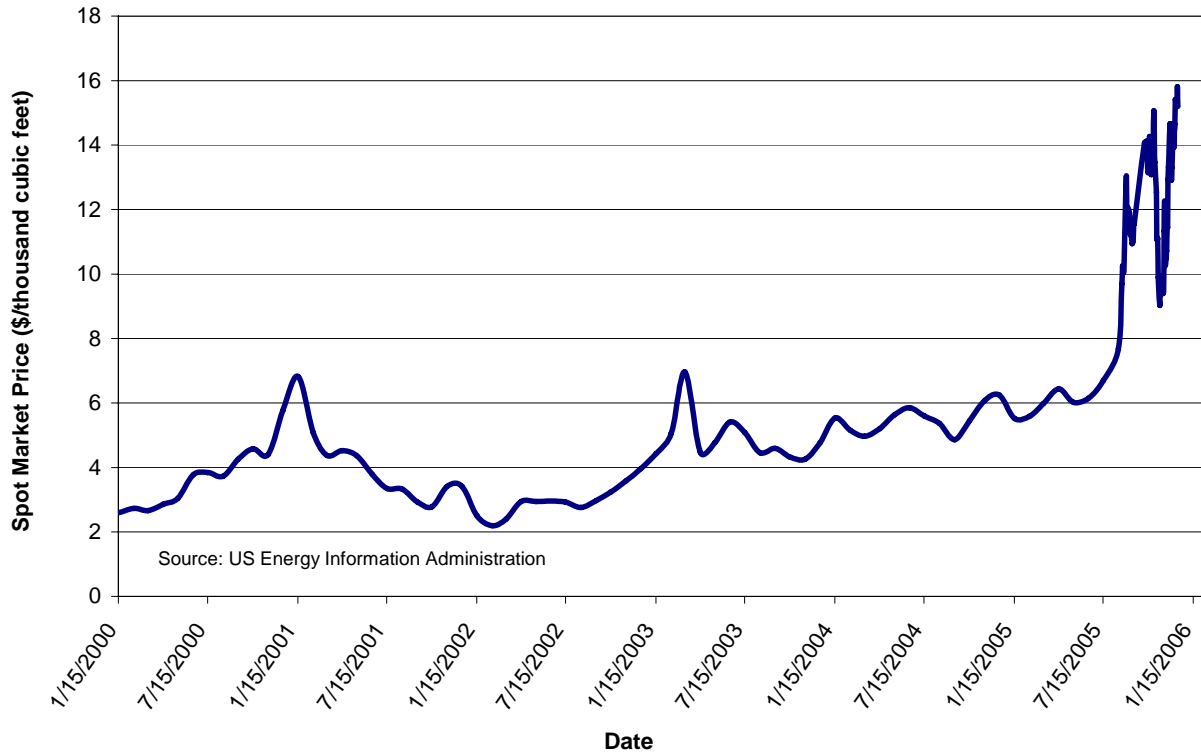


# Heating Energy Efficiency for Tomorrow – HEET

Rhode Island

## Additional Background Information

### Natural Gas Prices (Not Including Transmission & Distribution)



### Natural Gas Commodity Expenditures in New England



State	2003	2004	Estimate	
			2005	2006
Connecticut	\$874,906,143	\$1,197,262,518	\$1,720,930,590	\$2,280,827,918
Maine	\$453,078,592	\$581,447,510	\$842,613,429	\$1,121,847,753
Massachusetts	\$3,024,531,928	\$3,277,604,982	\$4,640,346,833	\$6,097,368,106
New Hampshire	\$350,758,246	\$419,650,019	\$617,000,348	\$820,144,792
Rhode Island	\$537,430,366	\$520,853,008	\$748,163,428	\$991,200,007
Vermont	\$43,443,630	\$45,736,393	\$73,060,664	\$102,275,326
<b>New England</b>	<b>\$5,284,148,905</b>	<b>\$6,042,554,431</b>	<b>\$8,642,183,292</b>	<b>\$11,421,663,903</b>

Source: Energy Information Administration

Notes: 2005 and 2006 consumption assumed to be equal to 2004

2005 Prices based on EIA and NYMEX Henry Hub data w/ 2004 Henry Hub to city gate and electric power price adder assumed constant

2006 Prices assumed to average \$12 per Mcf at Henry Hub based on October NYMEX futures market, same price adders as 2005

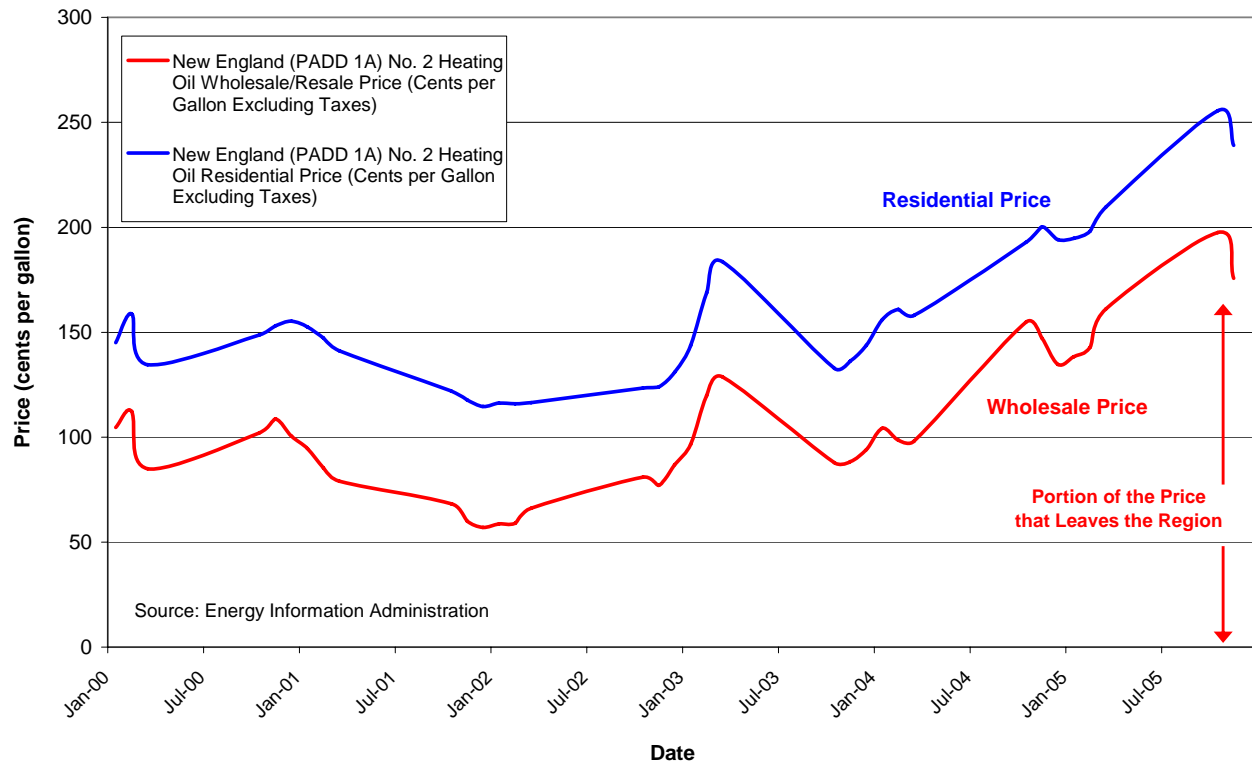
**Dollars sent out of state to pay for high priced fuel are no longer available to invest in the rest of the state's economy**

# Heating Energy Efficiency for Tomorrow – HEET

Rhode Island

## Additional Background Information

### New England Heating Oil Prices



### Fuel Oil Commodity Expenditures for New England

(Residential, Commercial, and Industrial Users)



State	Year		
	2003	2004	2005 / 2006
Connecticut	\$675,710,987	\$890,424,677	\$1,514,516,600
Maine	\$435,924,689	\$574,443,967	\$977,067,400
Massachusetts	\$888,320,974	\$1,170,593,540	\$1,991,053,700
New Hampshire	\$242,698,985	\$319,818,930	\$543,977,600
Rhode Island	\$163,700,424	\$215,717,815	\$366,912,800
Vermont	\$116,085,295	\$152,972,519	\$260,189,800
New England Total	\$2,522,441,354	\$3,323,971,448	\$5,653,717,900

Note: Consumption data is not yet available for 2004 and 2005, so 2003 consumption data was used to estimate total spending

Source: Energy Information Administration

**Dollars sent out of state to pay for high priced fuel are no longer available to invest in the rest of the state's economy**

# Heating Energy Efficiency for Tomorrow – HEET

Rhode Island

## Additional Background Information

### Comparison of Energy Efficiency to Supply Electricity & Natural Gas



#### Energy Source

#### Energy Costs

#### Electricity

##### Electric Supply (spot market) <sup>1</sup>

	Range (\$/MWh)	
Last Year	50	60
September & October 2005	100	120



##### Electric Efficiency Investments <sup>2</sup>

	Range (\$/LifetimeMWh)	
Commercial & Industrial	10	20
Residential	10	40



#### Natural Gas

##### Natural Gas Supply (city gate) <sup>3</sup>

	Range (\$/Mcf)	
Last Year	6	8
September & October 2005	12	16



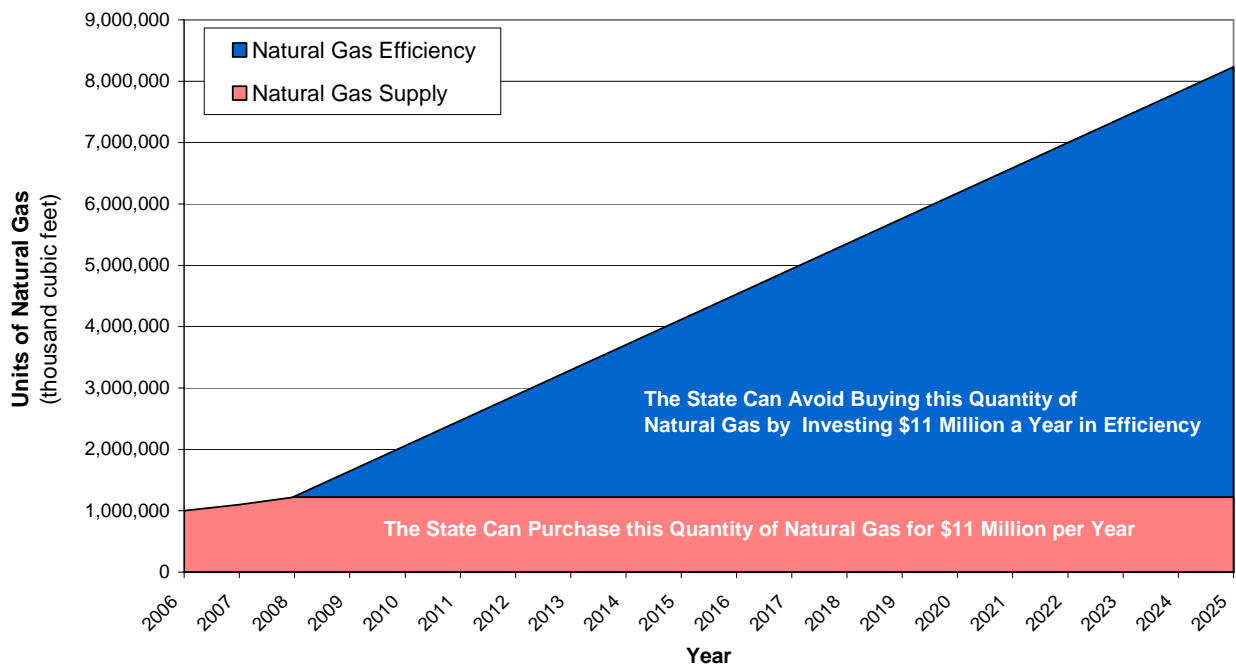
##### Natural Gas Efficiency Investments <sup>4</sup>

	Range (\$/LifetimeMcf)	
Commercial & Industrial	1.0	
Residential	2.5	



- Sources: <sup>1</sup> From ISO New England  
<sup>2</sup> From New England electric efficiency program results  
<sup>3</sup> Energy Information Administration  
<sup>4</sup> ACEEE and New England natural gas efficiency program results

### Energy Choices: Eleven Million Dollars per Year Spent on Buying Natural Gas v. Investing in Efficiency



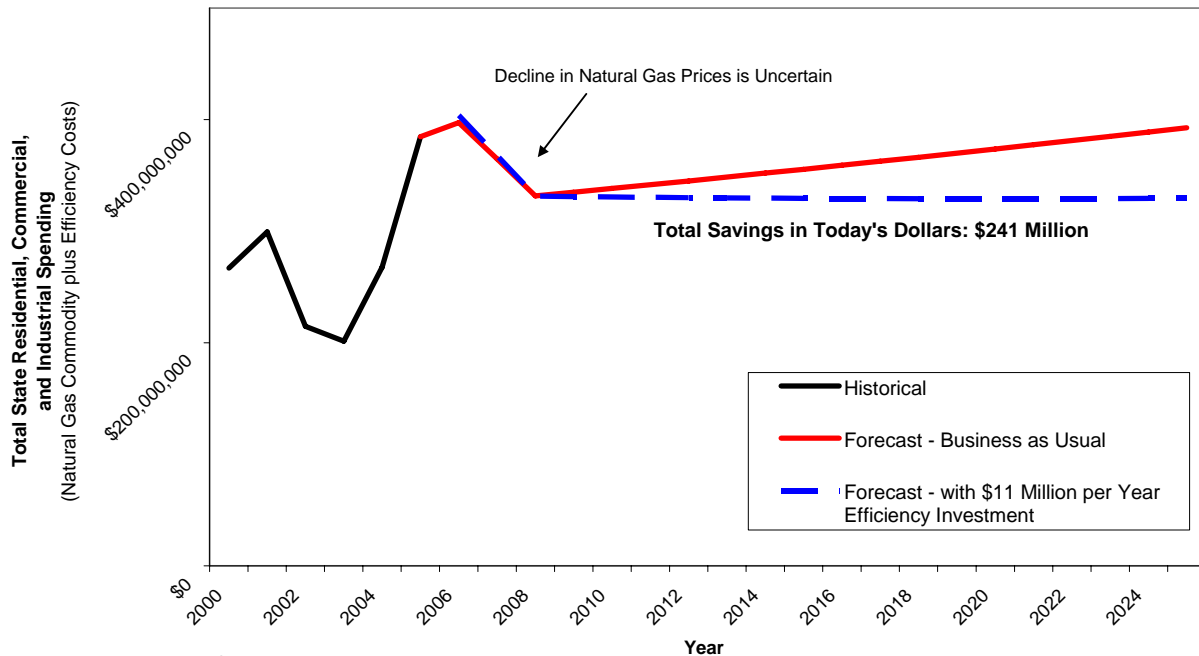
- Sources:  
 Natural Gas Prices: EIA Short-term Outlook w/ a \$7/Mcf long term price plus a \$2/Mcf Henry Hub to City Gate adder  
 Efficiency Costs: Based on VT Gas & ACEEE surveys with a first year cost of ~\$27/Mcf and a leveled cost of ~\$1.3/Mcf

# Heating Energy Efficiency for Tomorrow – HEET

Rhode Island

## Additional Background Information

### Natural Gas Efficiency Programs for Rhode Island: Forecast of Total State Spending with and without Efficiency Investments



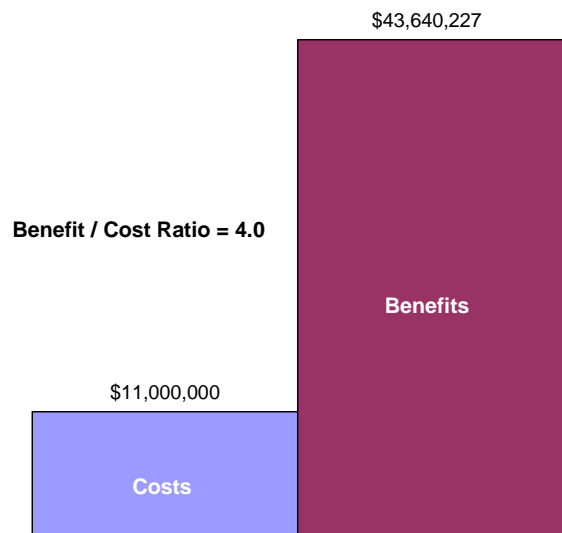
**Sources:**

Consumption: Energy Information Administration w/ RC&I demand growth ~1%  
 Prices: EIA Short-term Outlook w/ a \$7/Mcf long term price plus a \$2/Mcf Henry Hub to City Gate adder  
 Efficiency: Based on VT Gas & ACEEE surveys with a first year cost of ~\$27/Mcf and a total cost of ~\$1.3 per Lifetime Mcf

### Analysis of the Benefits of Natural Gas and Heating Oil Efficiency Programs by the State of Connecticut Climate Change Action Plan 2005

<b>Economic Benefits</b>	<b>By 2020</b>
Combined Natural Gas & Fuel Oil Programs	
Increase in Employment	2,098
Increase in Gross State Product	\$2 Billion
<b>Environmental Benefits</b>	<b>By 2020</b>
Combined Natural Gas & Fuel Oil Programs	
Reduction in Greenhouse Gas Emissions (CO2)	3.96 Million MTons
Reduction in Nitrogen Oxide Emissions	3,025 tons
Reduction in Sulfur Dioxide Emissions	4,562 tons
Reduction in Particulate Matter Emissions	207 tons

### ENE Analysis of Natural Gas Efficiency Programs



Sources: EIA for Natural Gas Prices and ACEEE & VT Gas for Efficiency Program Costs, Discount Rate = 6%