

Over the last 20 years, National Grid has saved its New England customers more than \$3.6 million in energy costs while reducing emissions and mitigating climate change impacts

For the last 20 years, National Grid has been an ardent supporter of energy-efficiency programs, has implemented numerous award-winning programs and is a nationally-recognized leader in this area. National Grid's innovative energy-efficiency programs are an integral part of the company's continuing commitment to providing superior customer service and environmental stewardship.

The company's dedicated staff and strong infrastructure of vendors and service providers deliver these programs by closely working with commercial and industrial customers, small businesses and aggressively marketing its programs to residential customers. This unique customer relationship has put National Grid in an excellent position to directly help customers cope with rising energy costs and address policy makers concerns to have energy-efficiency be part of the solution to the increases in energy prices and global warming.

Since 1987, National Grid has advocated in federal and state legislative arenas and other forums for energy-efficiency policies and programs to benefit customers, communities and the environment. In 2007, the company achieved a major milestone, marking 20th anniversary of its nationally recognized, award-winning energy efficiency programs and investing over \$1 billion in efficiency programs. During the last 20 years, more than 4.7 million National Grid customer projects have been completed in New England, saving more than \$3.6 billion in energy costs; 26 billion kilowatt hours of electricity, enough to power 3 million homes for one year and 650 million therms of natural gas, enough to heat 500,000 homes for one year. The programs have reduced greenhouse gas emissions in New England by 18.3 million tons, the equivalent of removing 2.3 million cars from the road. Its efforts and commitment to this endeavor yielded 60% participation in the programs among National Grid's 1.7 million New England distribution customers, saving them more than \$250 million on an annual basis.

The programs have helped the region avoid building more than 530 megawatts of new generation through demand reduction programs. National Grid's investments in energy efficiency in existing and new homes and low-income housing not only reduce customers' electric bills, but also provide them with considerably more comfortable living conditions.

National Grid has worked directly with business customers over many years to help incorporate efficiency into their operations and budgets while protecting the environment by brokering energy solutions that assist in managing businesses competitively. The company also offers business programs that address efficiency opportunities for new construction and retrofits, and influences how buildings are designed and constructed, while leveraging the expertise of manufacturers, distributors, contractors, architects and engineers to finish projects with better building practices that focus on enhanced customer productivity using the least possible energy.

National Grid's efforts are ongoing, delivering real savings and carbon reductions every year. More than 385,000 residential and 3,300 business customers participated in the programs in 2007 alone, reducing their annual usage by 265,000 MWh, enough electricity to power more than 42,000 homes.

Funded through a customer system benefits charge approved by regulators, the company invested \$125 million in 2007 in its energy-efficiency programs and launched new gas efficiency programs in Rhode Island and New York. Working in concert with state legislators and regulators, National Grid is proposing to double program efforts to achieve state-specific efficiency goals and combat climate change. All programs are regularly evaluated by independent third party experts using rigorous evaluation techniques to ensure cost-effectiveness and the delivery of real energy savings to customers.

National Grid has earned numerous awards for its programs as part of its advocacy campaigns including the following. A full list of awards is available upon request.

- 2007 AESP Award for its "Outstanding Achievement in Program Implementation" for its 20 year energy efficiency programs
- US EPA and DOE Excellence in ENERGY STAR® Outreach Award and the ENERGY STAR Sustained Excellence Award for leadership and outstanding contributions (9th consecutive award)
- US EPA and DOE Awards for ENERGY STAR Homes in 2007 and Small Business Services in 2003
- 12 Exemplary Program Awards from ACEEE (Large and Small Commercial and Industrial Programs, Residential and Low Income programs)

The company strongly believes that it has a responsibility to customers, communities, and the areas where it operates to actively support energy-efficiency programs that provide long-term economic and environmental benefits while mitigating climate change, ultimately helping to improve the quality of life for the region as a whole.