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# CT Comprehensive Energy Strategy

*An Innovative Approach to Improve the Economics of Energy to Your Company*

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## The Comprehensive Energy Strategy brings down energy costs for residents & businesses

*Governor Dannel Malloy: “Focusing on innovative approaches to energy efficiency – cost effective renewable power, smarter building management, and expanded use of low-cost natural gas, we are reducing consumer costs, making the state more competitive, and creating good jobs with good benefits.”*

*Press Release, State of Connecticut, Governor Dannel P. Malloy, February 19, 2013*



# Connecticut's Comprehensive Energy Strategy (CES)



Prepared by DEEP in coordination with:

- PURA
- Legislature
- DECD
- Numerous other stakeholders

Five Priority Areas:

- ✓ Energy Efficiency
- ✓ Industrial energy needs
- ✓ Electric Supply including renewables
- ✓ Transportation
- ✓ Natural Gas

## 2013 Comprehensive Energy Strategy for Connecticut

PREPARED BY  
The Connecticut Department of Energy  
and Environmental Protection



FEBRUARY 19, 2013



# 2013 Comprehensive Energy Strategy



- Energy Efficiency
  - Increase CLM funding to capture all cost-effective CLM
  - Broader and deeper measures
- Industry energy needs
  - Energy efficiency, gas expansion, & clean energy options
- Electricity supply
  - Cheaper, cleaner, more reliable electricity
- Transportation
  - Infrastructure improvement and investment in clean fuels
- Natural Gas Expansion
  - Unique opportunity to expand natural gas distribution system
  - Required the Gas LDC's to submit a Natural Gas Infrastructure Expansion Plan
  - Put CT on par with other states by raising the gas penetration from 30% to 50 %



# Benefits of Natural Gas



- ✓ **Economical** – About half the price of oil or propane. Gas equipment costs less to operate and increases your property value.
- ✓ **Low Maintenance** - Natural gas is cleaner, so less maintenance and repairs are required over the years.
- ✓ **Available** - Produced in North America, natural gas is delivered via in-ground pipe network with no delivery trucks.
- ✓ **Efficient** – 95% efficient
- ✓ **Environmental Benefits** – Cleanest burning fossil fuel, reduces emissions.
- ✓ **Reliable** - Always there, long equipment lifespan, guaranteed heat content.
- ✓ **Versatile** - Ideal for heating, hot water, cooking & manufacturing.
- ✓ **Quality of Life** - With no spills, or smoke and quieter running; natural gas creates a more comfortable environment.



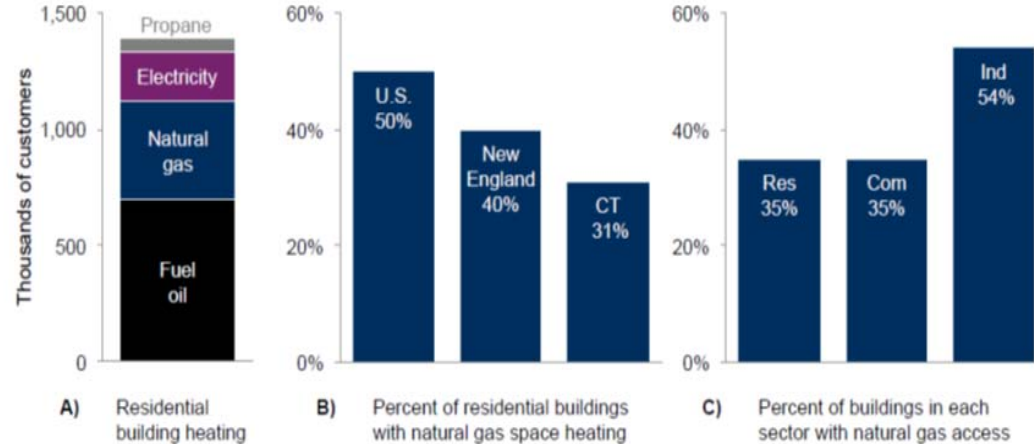
# The Region and CES

## Increase Competitiveness and economic growth

- Level the playing field – Commercial and Industrial
- In heating and industrial manufacturing, Connecticut significantly lags surrounding states in the utilization of natural gas

30-35% - Connecticut  
 47% - Massachusetts  
 48% - Rhode Island  
 40+% - New England  
 50% - US

(A) Relatively few Connecticut homes are heated using natural gas. (B) The percentage of Connecticut homes heated by natural gas is lower than that of the New England region and the U.S. average. (C) A large portion of Connecticut buildings in all three sectors do not have natural gas access — i.e., do not use gas for space heating or otherwise.



Source: U.S. EIA, "State Energy Data System"; U.S. EIA, Residential Energy Consumption through 2010; and Connecticut Department of Economic and Community Development, Expanding Natural Gas.

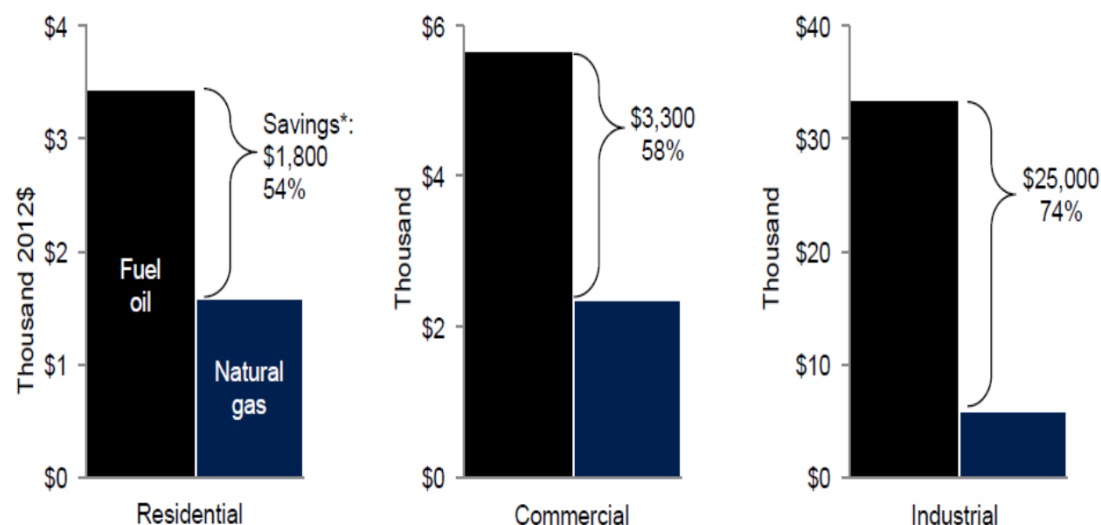


## Benefits CES

### Converting 300K residents and business to Natural Gas

- \$2.8 billion savings over the next 20 yrs.
- Offers about 50% heating cost savings all sectors
- Reduce annual industrial customers bills -\$25K/yr.
- Job creation - Statewide 7,000

FIGURE 5: Average annual savings from heating with natural gas instead of fuel oil, by sector



Source: U.S. EIA. 2012. AEO 2012 Early Release - Supplemental tables for regional detail, Table 11, New England. \* Savings based on the differential in average fuel prices for the period 2012-2032.



## Timeline

- June 14th - CNG, SCG and YG filed Joint Plan with DEEP and PURA
- DEEP provided comments July 16th
- Currently involved in PURA hearings and expect a Decision in November

## Highlights

- Increased supply from gas transmission system and LNG upgrades
- 900 miles of new gas mains (many to 'anchor loads')
- 300,000 new gas customers over a ten year period

## Shale Gas Plays - Continental U.S.







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# Infrastructure Expansion Plan



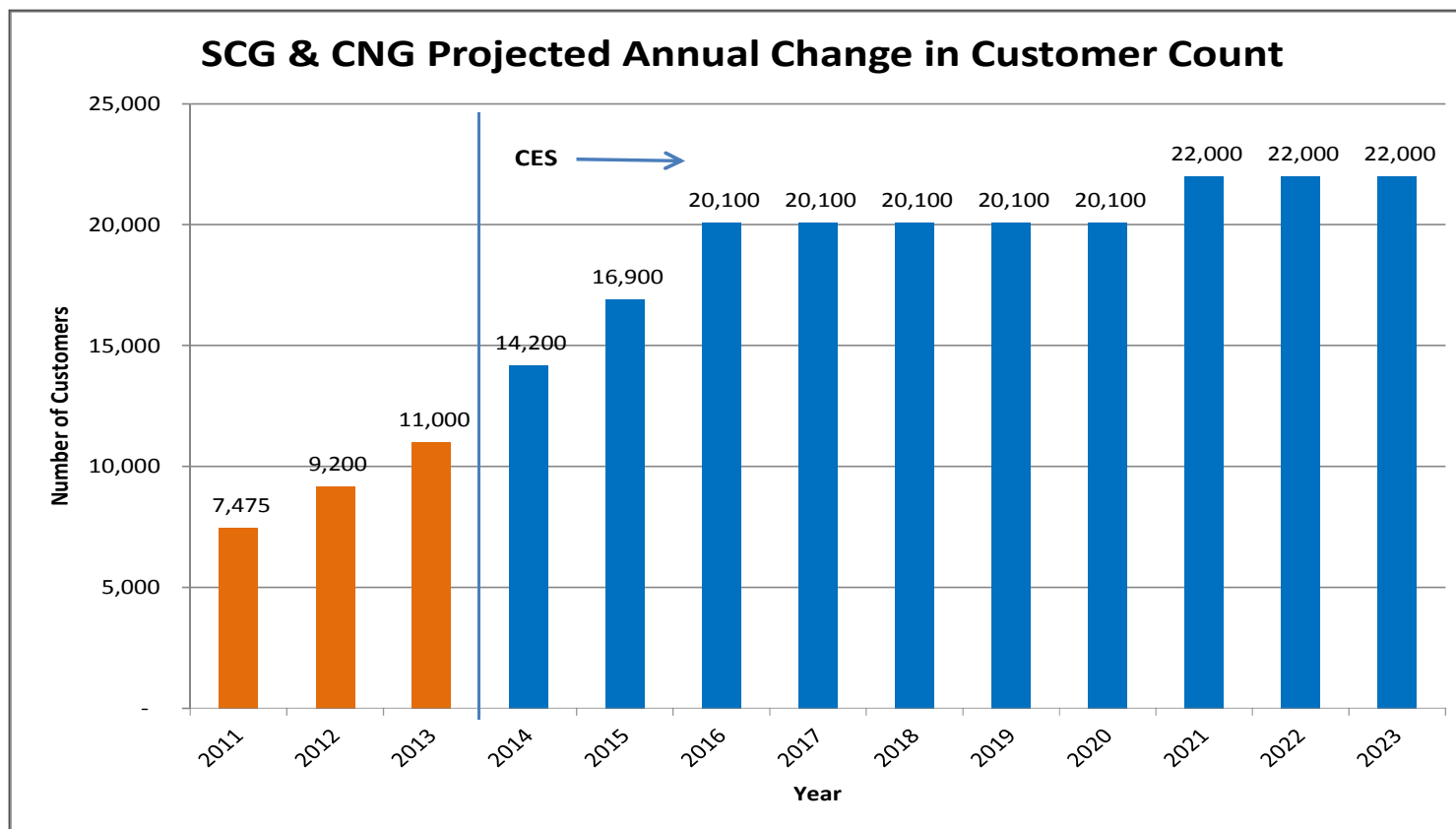
## Gas LDC Recommendations

- A comprehensive and balanced plan for the systematic expansion of the gas distribution system
- Consistent with Public Act 13-298, a road map for gas expansion
- Extend Hurdle Rate Model, Eliminate hurdle rate for prospects less than 150' main
- Ability to forecast future project conversions over 3 to 5 year period
- Portfolio view of projects
- Establish expanded project prioritization model which includes: societal benefits, economic activity, environmental benefits and economic development
- Financing options
- Funding from new gas tariffs – Shared Savings Rate and System Expansion Rate



# SCG and CNG

## Growth Strategy with CES



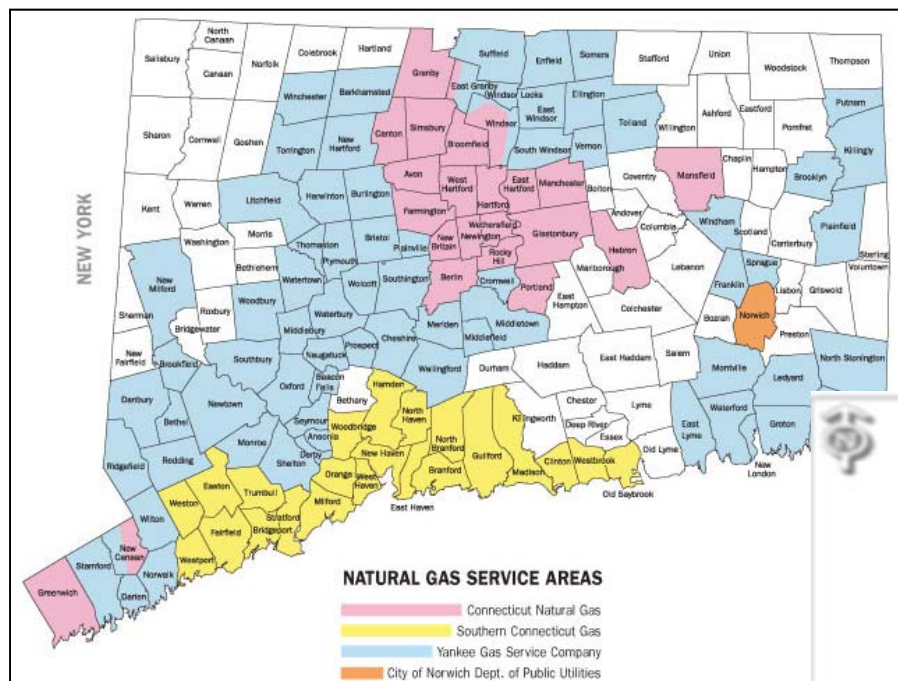
Cumulative Change in Customers	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	14,200	31,100	51,200	71,300	91,400	111,500	131,600	153,600	175,600	197,600





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# Gas Company Territory Map





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# Is Gas Available?

## Internal Customer Analysis & Mapping Tool

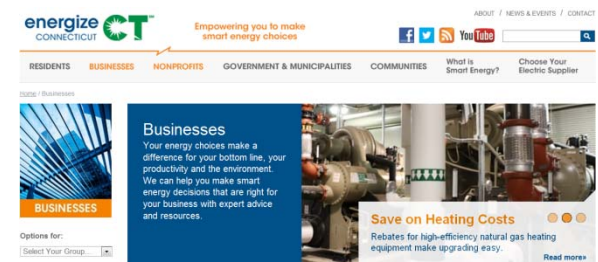




# For More Information



- “Get Connected!” Initiative
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  - [www.energizect.com/businesses](http://www.energizect.com/businesses)
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# Contact Information



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