

## National Grid: Supporting NYC's CLEAN HEAT Program



Technical Conference: January 9, 2012

# National Grid serves over 1.1 million residents in 3 of NYC's 5 Boroughs

*National Grid provides Natural Gas service in Staten Island, Brooklyn and sections of Queens*



National Grid's remaining share of #6 and #4 Oil burning buildings continues to steadily decrease ...



- Since NYC's **CLEAN HEAT** Program was launched in late April 2011, **National Grid** has converted *nearly 300* #6 & #4 oil buildings to Natural Gas
- We are actively working to help convert all eligible customers from all grades of Oil *including #4 & #6* to Natural Gas

Over the past decades, National Grid has aggressively converted buildings in our footprint from all grades of Oil to clean Natural Gas -- *averaging well over 1,000 per year in NYC alone*

## Clean Heat Strategy

---

- National Grid commitment to supporting PlaNYC
  - Assembled cross functional team (sales, engineering, etc.)
  - Develop *structured process*
    - Phased approach in optimizing opportunities
    - **Quick Win**: targeting **Staten Island** as the City's first "**Clean Borough**"
    - Setting the stage for the next steps in our project Brooklyn and Queens where the numbers and opportunities are even greater

## Next Steps – Address Market Segments

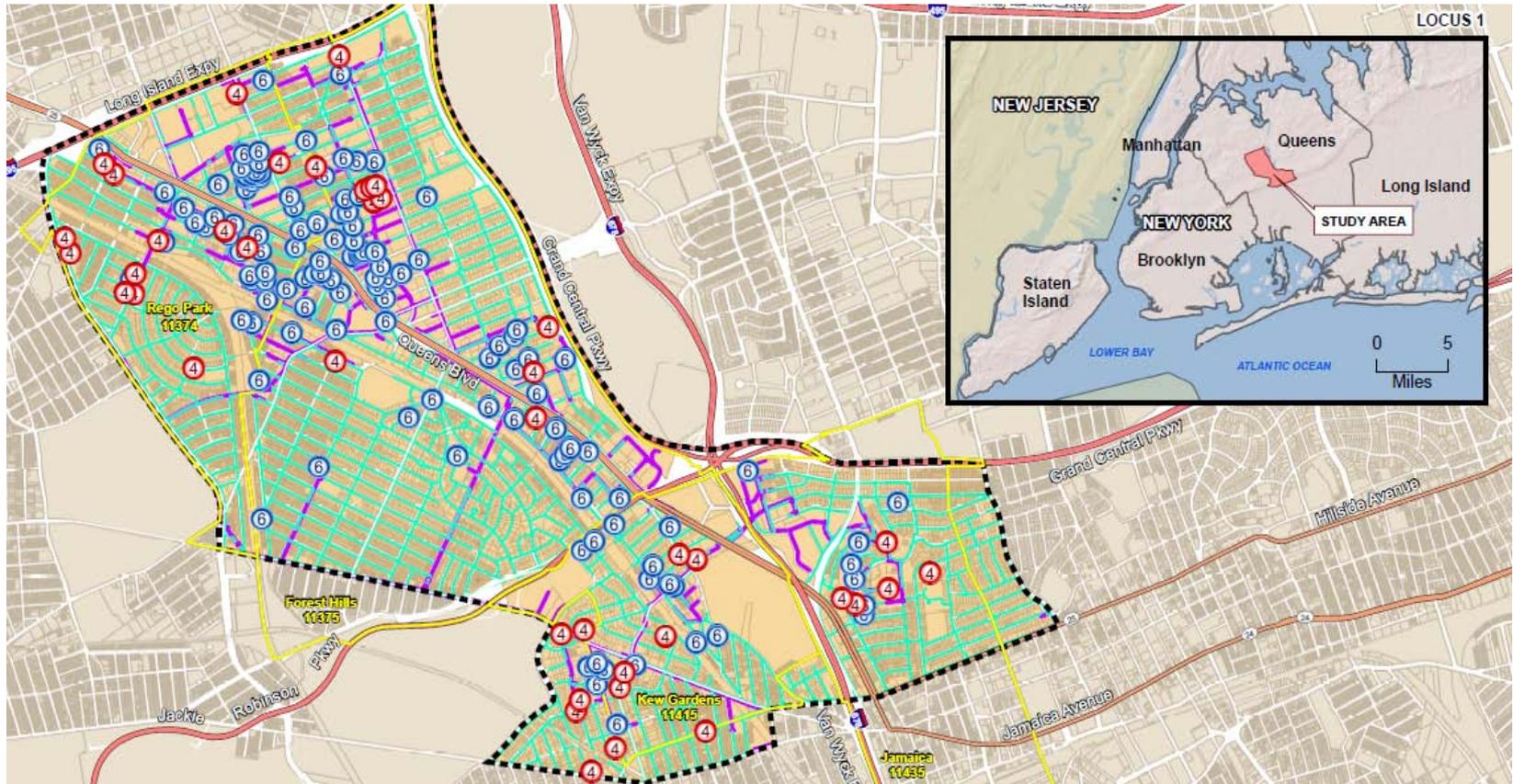
---

Develop market segmentation and further identify optimal implementation strategy for Clean Heat conversions:

- Staten Island: ~ 9 buildings still burning #6 and #4 oil providing NG with the ability to create the first “*Clean & Green Borough*” in NYC
- Identify easily converted premises (low infrastructure costs, expiring boiler permits)
- “Neighborhood Clusters” (economies of scale)

# Cluster – Flushing Meadows, Queens

- Significant population of 4/6 oil customer prospects
- Capital project planned to address growth (including 4/6 conversions)
- Reinforcement and system upgrades necessary to support larger pockets of 4/6 Oil Customers



## #4/6 Oil Conversions Status (as of July 2012)

BOROUGH	CUSTOMERS ALREADY ON GAS	CUSTOMERS IN PROGRESS	CUSTOMERS APPROVED; NO SOLD	CUSTOMERS REQUIRING MAIN	NO CUSTOMER CONTACT	TOTAL CUSTOMERS
BROOKLYN	107	43	69	31	173	423
QUEENS	88	19	6	144	101	358
STATEN ISLAND	3	1	3	5	4	16
<b>TOTAL</b>	<b>198</b>	<b>63</b>	<b>78</b>	<b>180</b>	<b>278</b>	<b>797</b>
<b>PERCENT OF TOTAL</b>	<b>24.8%</b>	<b>7.9%</b>	<b>9.8%</b>	<b>22.6%</b>	<b>34.9%</b>	<b>100.0%</b>

- 42.5% of customers (339) already converted, in progress or approved for service

# Conversion Metrics & Challenges

---

- Approximately **600** buildings remaining in National Grid's territory
- Conversions YTD:
  - ~**300** total conversions (#4 & #6) since implementation of NYC Clean Heat Initiative
    - Represents ~42% of remaining heavy oil population converted in National Grid territory
- Challenges
  - Reinforcement Requirements
    - Customer conversions that require reinforcement; the average footage per customer is 568ft.
  - Resource Allocation