WORKING GROUP V - NATURAL GAS

WORK PLAN

1. Develop a forecast of annual natural gas demand through 2020 for all sectors except electric generation **(DPS Staff lead)**
   Sources to be assessed include:
   - Optimal Study
   - Utility "*Winter Supply Demand*" 5-year sales forecasts
   - EEA/ICF
   - EIA/DOE
2. Complete a list of all existing efficiency programs that save natural gas including SBC, NYPA, LIPA, existing utilities, etc. **(NYSERDA lead)**
   The analyses will assess savings, costs (including costs to customers) and ratepayer impacts;
   - Existing programs
   - EMPower
   - Fast Track programs / Expedited programs
   - NYPA / LIPA
   - Others?
3. Subtract expected savings from existing programs from the forecasted demand through 2020
4. Based on the results of step 3, develop scenarios of what additional savings can be achieved based on potential and cost in order to determine the target – e.g., how much would a 10% target cost, how much would a 15% target cost, etc.
5. Allocate the additional savings by geographical area
6. Develop a list of programs that will achieve the additional savings (i.e., commercial water heating, new construction, etc.) and their respective benefit-cost ratios and other metrics as outlined in the June 23 EEPS Order
7. Develop recommendations for how costs for new programs will be collected by LDCs and from whom
8. The final WG5 report will identify and explain significant differences between the natural gas and electric industries to better illustrate and support the group's assessment.

OTHER KEY DATES & DELIVERABLES

- **August 19 –** Complete work plan and provide to Judge Stein and the working group's Steering Committee
- **Mid-September** (date TBD) – Interim Report due (similar to Phase I working group process held in fall/winter 2007; groups will report out to the ALJ and all parties)
- **October 15** – Final Reporting Day (all groups); presenting final products and listing consensus

RELATED CONSIDERATIONS

- Savings estimates for codes and standards
- Geographical differences
  - Upstate: Sales are generally decreasing or are flat – should there be less aggressive targets?
  - Downstate: Sales are generally increasing and more growth is expected due to low natural gas saturation levels – should there be more aggressive targets?
- Program administration issues
- Impacts of electric to gas conversions and combined heat and power (CHP).
- Focus on highest B/C ratios
- Cost allocation issues (e.g. is volumetric surcharge enough to cover the costs?)
- Treatment of interruptible and/or special contracts customers