

Geographic Targeting Frequently Asked Questions (FAQs)

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Q: What does Geographic Targeting of energy efficiency mean?

Geographic Targeting is a strategy Efficiency Vermont is using that directs energy efficiency efforts toward targeted Vermont geographic areas to help relieve the electric load on constrained transmission and distribution systems.

A constrained transmission and distribution system is an area where the demand for power on sub-stations and power lines is at or near capacity during periods of peak

demand for electricity. These peak demand periods typically occur during the hottest days of the summer or coldest days during the winter. As electricity demand increases, the need to take action, either to upgrade the electric transmission and distribution infrastructure or to reduce the load becomes more critical to prevent possible power interruptions.

Efficiency Vermont's Geographic Targeting effort, if successful, will demonstrate lower cost ways to accommodate growing electricity demands. More expensive alternatives to Geographic Targeting include upgrading electric transmission and distribution infrastructure.

Q: Who benefits from Geographic Targeting and how?

These efforts benefit all Vermont customers across the state by reducing expensive power supply purchases. Furthermore, if enough homes and business improve their electrical energy efficiency within these Geographically Targeted areas, all Vermont electric ratepayers will benefit by avoiding the need for costly transmission and distribution upgrades. These targeted efforts will also:

- Benefit local communities by allowing Vermont ratepayers to buy local rather than sending dollars out of state to purchase additional electric capacity.
- Reduce emissions from power plants that burn fossil fuels, thereby contributing less to air pollution and global climate change.
- Support Vermont businesses (including retailers, suppliers, trades people and design professionals) that specialize in energy efficiency products and services.

Q: Why is Efficiency Vermont focusing efforts on Geographic Targeting?

As demand for electricity grows, so does the need for the infrastructure capacity-including power lines, substations, and transformers - to handle the increased load.

In August 2006, the Vermont Public Service Board issued an order that increased the state's budget levels for energy efficiency, and then directed portions of the total funding to be used to reduce the electric load on over-burdened or constrained transmission and distribution systems. The resulting goal is to postpone or avoid the need to upgrade electric transmission and distribution infrastructure.

Early results through 2008 indicate that the Geographic Targeting efforts have reduced peak demands faster in the targeted areas than had been previously achieved through broadly dispersed energy efficiency services. As a result, the Vermont Public Service Board has directed Efficiency Vermont to continue the effort through December 31, 2011. . In November 2008, the Public Service Board also issued an order revising the areas where Geographic Targeting efforts will focus.

Energy efficiency has repeatedly proven to be far less expensive and less risky than building new power plants to address power supply issues. The intent of Geographic Targeting is to validate that energy efficiency will also be less expensive and less risky than

building new, bigger power lines when existing constrained systems can't deliver electricity when and where it is needed.

Q: Where are the Geographically Targeted areas in Vermont?

There are four Geographically Targeted areas which have been identified by the Public Service Board with input from Vermont electric utilities. About 73,000 homes and businesses have been targeted in these four areas which are served by two electric utilities – Green Mountain Power and Central Vermont Public Service. The table below provides details regarding the targeted areas.

Geographically Targeted Area	Electric Utility Providing Service	Customers in Area	Peak Demand Period
Northern Chittenden County	Green Mountain Power (GMP)	21,353	Summer
Rutland	Central Vermont Public Service (CVPS)	12,538	Summer
Southern Loop		22,434	Winter
St Albans		17,247	Summer

Click on the map of Vermont to see more detailed information about the location of the Geographically Targeted areas.

Q: Why are some homes and businesses included in the Geographically Targeted areas and some are not?

Only those accounts on the targeted electric distribution lines are included in the Geographic Targeting efforts. So, it is possible for neighbors on either side of the street to be served by different electric supply lines, with one neighbor in the Geographic Targeted areas and the other neighbor out of the Geographic Targeted areas.

Non-Geographic targeted accounts can continue to participate in Efficiency Vermont programs in order to reduce their electric costs, but are due to their adequate power supply, they are not the top priority for reducing peak loads and forestalling infrastructure investment.

Q: Will the Geographically Targeted areas ever change?

The current Geographic Targeting efforts will be addressed by Efficiency Vermont through the end of 2011. It is unlikely that Geographic Targeting areas will change between now and then. If Geographic Targeting efforts continue after 2011, it is possible that Geographic Targeting areas will be adjusted to target areas where future system constraints are projected.

Q: Why and how have previous Geographic Targeting areas changed?

Three significant changes to the Geographic Targeting areas occurred on January 1, 2009.

- 1) Newport/Derby area is no longer a Geographically Targeted area. Recent changes in electric distribution system upgrade plans have resulted in the Public Service Board removing the Newport/Derby region from the Geographic Targeting initiative as of January 1, 2009.
- 2) The addition of the Greater Rutland area. Over 12,000 CVPS customer premises have been added in the Rutland area-they will have a Summer Peak focus. The new area stretches from the south end of Pittsford southward almost to Wallingford and from Center Rutland (west of the City) eastward to Mendon.
- 3) The expansion of the Northern Chittenden County area. Approximately 1,400 customer premises have been added along both sides of Williston Road in South Burlington from Hinesburg Road to and including Industrial Avenue.

Q: What is the significance of the “Summer” or “Winter” peak designation?

Each Geographically Targeted area has its own unique transmission and distribution constraints. These constraints can be driven by multiple factors but are often a result of customer electric demand on the system during peak usage periods. These typically occur during the hottest days of the summer or coldest days during the winter. Efficiency Vermont is putting special emphasis on efficiency measures that reduce these seasonal demands.

For example, in summer peaking areas, commercial high efficiency air conditioning is a technology that will be emphasized. In winter peaking areas, measures that take advantage of cold outside air for commercial refrigeration will be promoted.

Q: Are all energy efficiency opportunities of equal importance within Geographically Targeted areas?

Efficiency Vermont is eager to help homes and business address all cost-effective energy efficiency improvements. However, some opportunities help address our Geographic Targeting objectives more than others. It's important to look at how energy efficiency improvements overlap with peak use times. This overlap is known as *coincident peak*. The table below illustrates the Geographically Targeted areas and their coincident peak hours.

Geographic Targeted Area	Peak Demand Period	Coincident Peak Hours
Northern Chittenden County Rutland St Albans	<u>Summer</u> (June, July and August)	non-holiday weekdays 1 pm - 5 pm
Southern Loop	<u>Winter</u> (December & January)	non-holiday weekdays 5 pm - 7 pm

While energy efficiency improvements of all types are valuable to energy supply savings, specific users of electricity are being targeted based on their affect on these coincident peak hours. An example of this is air conditioning. New energy efficient A/C systems provides a reasonable energy savings benefit, but it is more important when one considers its contribution to summer peak demand savings.

Q: What is different about Efficiency Vermont services in Geographically Targeted areas?

Efficiency Vermont is implementing specific energy efficiency efforts within Geographic Targeted areas to assist customers in understanding the benefits of adopting efficiency measures and in appropriate situations, offset the costs of energy-efficient improvements.

In Geographically Targeted areas, these energy efficiency opportunities will be evaluated on a case-by-case basis to determine if the benefits to the electric grid are greater than the associated installation costs. If an energy efficiency measure is cost-effective, it may be eligible for an incentive.

Q: Where do I call to get more information about Geographic Targeting services?

Email or call Efficiency Vermont toll-free at 888-921-5990 for more information. You can also visit our webpage: www.encyvermont.com/geotargeting

Q: Can I expect my electric bill to go down as a result of these Geographic Targeting efforts?

If you live in a Geographically Targeted area and participate in our programs, yes it should. But also as a Vermont ratepayer, the avoidance of high cost investment in infrastructure development is an added benefit for all Vermonters. Since energy efficiency is cheaper than the purchase of electric power supply, the benefits are seen when increases in statewide electric costs are avoided. There is always a direct benefit to customers who adopt energy efficiency measures which is a lower electric bill, regardless of where your home or business is located.

Q: How are these Geographic Targeting services funded?

Efficiency Vermont is funded by an energy efficiency charge (EEC) on your electric bill. Before Efficiency Vermont was created in 1999, the energy efficiency charge was used to pay for energy efficiency services formerly provided by your electric utility.

The EEC is adjusted annually by the Public Service Board for electric bills rendered after the first of each year. Spending for Geographic Targeting efforts is about a third of the total Efficiency Vermont budget.

Q: When will the Geographic Targeting efforts start and end?

The official launch of Geographic Targeting efforts was July 1, 2007 and the first efforts concluded on December 31, 2008. The second round of efforts launched on January 1, 2009 and will run through December 31, 2011. Customers in Geographic Targeted areas

will hear more about events in targeted areas through local media outlets. Check back here or at www.newbulbintown.com to monitor Geographic Targeting activities.

Q: Will Geographically Targeted services address all electric energy efficiency options, like renewable energy and distributed generation?

Efficiency Vermont currently has a comprehensive set of electric energy efficiency services available to residential, commercial, industrial, municipal and other customers. We address all cost-effective electric energy efficiency options and encourage Vermont ratepayers to contact us to help them save energy.

Distributed generation and renewable energy strategies for reducing peak loads on the electric system are being explored independent of the Geographically Targeted efforts. Associated incentives for distributed generation and renewable energy projects are also separate from Geographic Targeting incentives. For more information about renewable energy options, visit the Renewable Energy Resource Center at www.nerc-vt.org or call the RERC toll-free 877-888-7372.

Q: I get lots of power failures and brownouts, am I in a Geographically Targeted area?

Power failures can be attributed to many factors, including: damage from high winds, trees on lines, and other electric infrastructure damage. The potential does exist for these issues to surface more frequently if energy efficiency or infrastructure investment is not adequate to handle future electric loads.

Q: How can I take steps to reduce energy in my home and/or business?

Lighting is the typically the easiest and most cost-effective energy efficiency investment consumers can make. Anyone in Vermont can save energy and support energy efficiency efforts by looking for our instant rebate offer available at local lighting and appliance retailers. Business customers can purchase up to 25 compact fluorescent lamps per purchase at local retailers and may make up to 4 purchases per year. Residential customers can purchase up to six compact fluorescent bulb packages per year.

Special energy efficiency events will be held in communities across the state in the coming months. Efficiency Vermont invites you to participate and learn more about energy efficiency. Go to www.newbulbintown.com to see when an event is scheduled for your community.

Efficiency Vermont also provides technical resources for all Vermont residential and commercial customers looking to save energy. Call us toll-free 888-921-5990 for more information on how you can start saving energy today.