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August 21, 2008

Via Overnight Mail

Hon. Jaclyn A. Brillling,
Secretary
State of New York Public
Service Commission
Three Empire Plaza
Albany, New York 12223

Re: Case 08-__ - __ Con Edison's Filing of Expedited Programs in
Accordance with the Commission's Order Establishing Energy Efficiency
Portfolio Standard and Approving Programs in Case 07-M-548

Dear Secretary Brillling:

Please find enclosed for filing an original and twenty-five copies of the filing of Consolidated Edison Company of New York, Inc. ("Con Edison" or "Company") that contains the first set of energy efficiency programs that the Company was authorized to file pursuant to the Commission's order in the Energy Efficiency Portfolio Standard ("EEPS") Proceeding. In accordance with the discussion that took place at the procedural conference on July 29, 2008, the Company is filing these programs under a new case number with a draft notice for publication under the State Administrative Procedure Act.¹ The Company requests expedited consideration so that it may commence delivery of these beneficial programs as soon as possible.

On June 23rd 2008, the Commission issued a landmark order that adopted the goal of reducing electricity usage by 15% statewide by 2015.² Con Edison supports this State goal and is pleased to submit its first set of programs contemplated by Ordering Clauses 9 and 11 of the June 23rd Order, *i.e.*, this filing contains the Company's program plan for implementation of the two electric programs (the "Expedited Programs") and one natural gas efficiency program:

¹ No active party list has been established for the case number that would be applicable to Con Edison but the Company has provided a courtesy copy to interested parties via the ListServer. The Company will serve its filing as directed by the Commission, but requests that it be permitted to use electronic service.

² Case 07-M-0548 - Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard, *Order Establishing Energy Efficiency Portfolio Standard and Approving Programs* (June 23, 2008) ("June 23rd Order").

- Small Business Direct Installation program for Con Edison’s electric customers;
- Residential ENERGY STAR electric heating, ventilation and air conditioning program for Con Edison’s electric customers; and
- Residential gas equipment program for Con Edison’s natural gas customers.

The plan set forth herein provides in detail all of the information required by the June 23rd Order (p. 58), including: (1) benefit/cost estimates using the Total Resource Cost test methodology; (2) description of the collaborative discussions the Company has held with other utilities, NYSERDA and other interested parties to accomplish statewide uniformity to the extent practicable; and (3) measurement, verification and evaluation plans that conform with the guidelines distributed by Department of Public Service Staff on August 7, 2008.

The Company envisions this filing, together with the second filing contemplated by the Order, as the key components of its comprehensive 500 MW electric energy efficiency initiative. The programs presented here will accordingly contribute to the Company’s broader energy efficiency strategy of becoming a key provider of energy efficiency services to its customers in support of the State’s 15X15 program, PlaNYC 2030 goals and the Company’s plan to defer over a \$1 billion in electric transmission and distribution infrastructure investment.³

The June 23rd Order required the utilities to file the gas programs but made the two electric Expedited Programs optional. Con Edison decided to file all of the programs permitted by the June 23rd Order. In addition, to provide more efficient program administration and delivery, Con Edison will implement the residential efficient gas equipment and electric HVAC programs as a single residential program. Con Edison will also integrate the electric Expedited Programs with its other existing programs, *e.g.*, its targeted demand side management and demand response programs and the programs it will file in the second filing required by the Commission in the June 23rd Order.⁴

As recognized by the Commission in its June 23rd Order (at 49), there are many reasons for establishing investor-owned utilities as program administrators, among them that utilities “have direct access to customers and customer usage information. They offer

³ On August 20, 2008, the Commission adopted a policy on incentives but an order is not available at this time. The Company expects -- that while each of these programs has a 3-year goal-- the incentive regime applied to the Company will be based on the total achievements for all of its programs at the end of the three-year period, and not for any one program. Similarly, in order to have flexibility to achieve its overall goal, the Company expects that it will be allowed to shift a certain level of funds between and among programs (up to 40%) without Commission approval (the Company would provide appropriate notification to Staff in such instances).

⁴ Con Edison notes that on April 15, 2008, pursuant to the Commission’s order in Case 06-G-1332, the Company filed its gas efficiency collaborative report with the Commission. The Company proposed in that report to administer a gas efficiency program for rate year 2 of its gas rate plan, beginning on October 1, 2008. The Company will also integrate the gas equipment program that the Company has been authorized to file here with the overall gas efficiency program that the Commission adopts for the Con Edison service territory for rate year 2.

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a diversity of approaches that may lead to a wider offering of programs than would occur under a centralized administrator.” Con Edison agrees that it is well positioned to deliver customized energy efficiency programs to meet the needs of its customers. The Company has an ongoing relationship and regularly communicates with its customers. The Company understands the unique characteristics and needs of various customer segments and demand profiles and can match these with its own system planning requirements. This institutional knowledge, combined with the engineering and technical understanding of its electric and gas systems, will enable Con Edison to design effective and comprehensive solutions that will maximize participation and energy savings. In addition, Con Edison’s knowledge of its electric system will allow the Company to implement the programs to achieve infrastructure benefits.

Con Edison respectfully requests that the Commission approve the Company’s program filing so that the Company can start bringing cost-effective energy efficiency benefits to its customers.

Respectfully submitted,

/s

Richard B. Miller

Enc.

cc: Case 07-M-0548 ListServer