

STATE OF NEW YORK

Public Service Commission

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COMMISSION OKs NEW ENERGY EFFICIENCY PROGRAMS

— Consumers, Businesses to Reap Substantial Energy Savings Benefits —

Albany, NY—1/15/09—The New York State Public Service Commission (Commission) today approved a range of expedited utility-administered energy efficiency programs that will provide substantial money-saving rebates for thousands of electricity customers in New York State interested in reducing their monthly utility bills by installing energy efficient equipment in their homes and businesses.

“The utility-managed energy efficiency programs we are approving today are a critical component to ensure the State’s future economic and energy-related well-being,” said Commission Chairman Garry Brown. “Energy efficiency is the most cost-effective, and most immediate, way to reduce the burden of rising energy and environmental costs on residential and business customers. For the first time in several years, electric utilities across the state are being provided the opportunity to directly deliver energy efficiency programs to customers. By enabling electric utilities to offer customers the opportunity to install energy-efficient equipment and appliances we help create clean energy jobs while at the same time reducing monthly utility bills. This initiative is squarely in context of broader State policies designed to develop a clean energy industry and economy.”

In 2008, the Commission adopted a goal of reducing electricity usage by 15 percent statewide by 2015. An Energy Efficiency Portfolio Standard (EEPS) program was created for New York State to develop and encourage cost-effective energy efficiency over the long term, and immediately to commence or augment near-term efficiency measures.

The six large investor-owned electric utilities were invited to submit for approval proposals for certain "Fast Track" utility-administered electric energy efficiency programs. The utility-administered programs approved were submitted as a result of that invitation.

Utility-administered electric energy efficiency programs were approved today for Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., and National Grid. The new efficiency program offerings include a direct small business installation program and a residential Energy Star electric heating, ventilation and air conditioning program. The utilities were directed to have the programs up and running as soon as possible.

Based on the Commission's action, more than \$181.7 million is being made available for these energy efficiency programs through 2011. These unprecedented initiatives are expected to reduce annual energy consumption in the state by 584,718 MWh, which is the equivalent usage of approximately 73,000 houses for an entire year.

The new residential energy efficiency programs will offer rebates for heating, ventilation and air conditioning equipment ranging from \$25 for Energy Star thermostats to \$600 for high-efficiency air conditioning units. There are a host of other types of equipment that will also be eligible for rebates.

For the residential and small business components, Con Edison will set aside \$87.8 million, National Grid will set aside \$69.8 million, O&R will set aside \$9.5 million, and Central Hudson will set aside \$14.7 million. Rochester Gas and Electric Corporation and New York State Electric & Gas Corporation did not submit plans for this phase of the energy efficiency proceeding.

Only customers who pay the System Benefits Charge (SBC) on their electric bills which fund these energy efficiency programs are eligible to participate in the programs and receive efficiency services or rebates or financial inducements for installing energy efficiency measures.

The purpose of the residential HVAC program is to promote the installation of Energy Star rated or higher energy efficient central air conditioning units at the time of replacement or in residential new construction situations. The major promotional mechanisms are to be upstream incentive payments to manufacturers/distributors and incentive payments to end-use customers and contractors for quality installations of high efficiency central HVAC units. To ensure uniformity statewide, all the participating utilities will offer identical energy efficiency measures, eligible equipment performance standards, and corresponding customer rebate amounts.

The purpose of the small business direct install program is to enable retrofits of existing energy consuming equipment in small businesses with monthly peak demands of 100 KW or less. Customers will be recruited to participate in the program through approved contractors and utility customer service representatives. Efficiency measures to be emphasized include: lighting, HVAC, refrigeration, etc. and the measures will be installed on a turn-key basis by independent contractors authorized by the utilities to deliver the program.

To ensure the outstanding program implementation planning issues identified above are being adequately covered, the companies are directed to file detailed implementation plans covering the pertinent issues 60 days from the date the order is issued in this proceeding. The filings will be reviewed by the Director of the Office of Energy Efficiency and the Environment. Review of the implementation plans will not impede the initiation of the new energy efficiency services being made available to customers.

The Commission's decision today, when issued, may be obtained from the Commission's www.dps.state.ny.us Web site by accessing the Commission's File Room section of the homepage and referencing Cases 08-E-1003, 08-E-1007, 08-E-1014, and 08-E-1019. Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).