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**Advancement of Energy Partnerships Forming New Business Models
to Lower Costs and Increase Access to Clean Energy**
— Robust culture of innovation enables clean energy companies,
communities, and utilities to modernize the industry and improve customer
value —

ALBANY — The New York State Department of Public Service (Department) today announced the first seven demonstration projects. These projects are part of Governor Andrew M. Cuomo’s Reforming the Energy Vision (REV) strategy for embracing the historic potential of clean energy to empower customers and build a stronger economy and a healthier environment.

The REV demonstration projects moving forward today provide insight on how businesses and innovators can work with utilities to unlock private investment in clean energy and deliver new products and services to customers. These projects, a direct response to the State’s REV regulatory initiative, show how new energy business models are advancing New York’s leadership in building a cleaner, more resilient and affordable energy system for all New Yorkers.

“Some like to pit the environment against the economy as if it’s one or the other,” said Richard Kauffman, Chairman of Energy and Finance for the State of New York. “These demonstration projects provide another illustration of how New York is proving that premise wrong through innovative new business models that reduce carbon emissions by animating private investment in clean energy. New York is directly taking on the challenge of finding solutions to fix a costly and inefficient energy system in order to benefit consumers and protect the environment.”

“These demonstration projects represent, collectively, important first steps in how utilities will develop new business models to improve the customer experience in New York,” said Department CEO Audrey Zibelman. “They further Governor Cuomo’s REV strategy by supporting clean-energy innovation and investment, and they will provide

customers, including low-income customers, with opportunities to gain greater control over their energy use and reduce power bills. As a result of these projects, utilities will be positioned to operate more efficiently through better integration of distributed resources, working with third parties in new kinds of business relationships.”

While the traditional utility business model is based on spending electric consumer dollars and earning a regulated rate of return, these projects include private investment from third-party partners and are intended to demonstrate how new revenue streams can be created from the market, rather than from the traditional rate base. These innovative business arrangements and new, market-based revenue streams can provide a return on investment that motivates utilities and third parties to work together.

The first REV demonstration projects engage a wide variety of customers from across the state, from homeowners, to renters, to commercial business, to low-to-moderate income New Yorkers. These projects also involve a diverse array of third party partners, including growing startup companies based in New York.

The projects test how new business models and partnerships with third parties can harness the utility platform, expertise, and brand to reduce clean-energy costs and barriers related to marketing, financing, and operations and maintenance. They also demonstrate how the utility platform can open access to new value streams based on the benefits local energy resources provide to the system, which improves project economics for clean-energy developers and customers.

The projects include:

- **Retroficiency and Con Edison – Building Efficiency Marketplace:** Retroficiency and Con Edison will build a clean energy project origination, bidding, and technical support platform for small commercial customers. The platform will analyze customer data to identify opportunities for high potential projects and enable customers to put projects out to bid. Con Ed will offer a technical support service to help customers evaluate and implement project proposals from third party providers, and will also facilitate access to low-cost financing.
- **Simple Energy and Orange and Rockland – Customer Engagement and Marketplace Platform:** Simple Energy and Orange and Rockland will provide an online engagement platform that leverages customer data and analytics to help customers find energy products and services that meet their needs.
- **Smarter Grid Solutions and Iberdrola – Flexible Interconnect Solution:** Smarter Grid Solutions, which has its US headquarters in New York City, and Iberdrola will offer a new, less costly, and faster way for customers and third parties to connect large distributed generation projects to the grid. Traditional interconnection can require expensive and time-consuming infrastructure build out that makes many projects uneconomic. Under the Flexible Interconnect

Solution, Smarter Grid Solutions and Iberdrola will provide an “infrastructure as a service” alternative, managing the resource on an ongoing basis to avoid the need for new hard infrastructure.

- **SunPower, Sunverge, and Con Edison – Clean Virtual Power Plant:** SunPower, SunVerge and Con Edison will offer residential customers a resiliency service, bundling solar with energy storage. The project will test customer demand for this premium service that can keep the lights on during an outage, and will aggregate and manage the projects in a “virtual power plant” that can provide grid services during blue sky days. A future phase of this project may also test time of use pricing.
- **Central Hudson – Central-E:** Central Hudson and a partner to be chosen will build an online portal for energy products and services. It will provide customers with personalized information and recommendations and offer an enhanced data analytics package for customers who want greater insight into their energy use.
- **Iberdrola – Community Energy Coordination:** Iberdrola and a partner to be chosen will offer a new service that empowers communities to achieve their energy goals. By aggregating local demand for clean energy technologies, targeting outreach to areas where clean energy solutions can provide the greatest system benefits, and orchestrating a bulk purchase from third party providers on behalf of customers, this service will lower costs and facilitate community action. A next phase of this project could expand the offering to include financing services that further reduce costs and barriers for communities.
- **National Grid – Neighborhood Solar:** National Grid will help low-to moderate-income (LMI) customers’ access clean energy while reducing arrears through a neighborhood solar project in an economically distressed area. In addition to using reduced uncollectible debts to help recoup the initial cost of the project, it will test how solar can be paired with communications technologies to deliver benefits to the overall electricity system.

These projects provide benefits for all involved, where participating customers get improved access to clean energy products and services at a lower cost, third parties expand their market, utilities tap into a new type of revenue stream, and all ratepayers benefit from reduced emissions and a stronger energy system, funded by the market and avoided costs, rather than the rate base. By identifying ways to align the incentives for each of these parties, the projects demonstrate how clean energy can transition from being a utility compliance activity, to a true business opportunity with momentum to scale on its own.

In the coming weeks, the Department will release documents detailing how these projects met the REV demonstration project criteria, and will begin to work with the utilities and their partners to develop implementation plans. The utilities will then file

quarterly reports to evaluate success and provide actionable results to inform the REV regulatory proceeding.

These projects are the beginning of a process to explore new ways for the utilities to engage with third parties and customers. There have been an additional five projects that have been filed with the Department which will continue to be refined. Meanwhile, the utilities will be proposing additional demonstration projects on an ongoing basis. To promote a transactive environment and enable greater engagement between utilities, third parties, and communities, New York State is also hosting a REV4NY Exchange from September 24-25th in New York City. Here's how to register:

<https://goo.gl/O9U7Va>

Specific details on the REV demonstration projects may be obtained on the Department's website by going to the Documents section at www.dps.ny.gov and entering Case Number 14-M-0101 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.

About Reforming the Energy Vision

Under Governor Cuomo's Reforming the Energy Vision (REV), New York State is spurring clean energy innovation and attracting new investment to build a cleaner, more resilient and affordable energy system for all New Yorkers. REV encompasses groundbreaking regulatory reform to integrate clean energy into the core of our power grid, redesigned programs and strategies to unlock private capital, and active leadership in deploying innovative energy solutions across the State's own public facilities and operations. REV will enable a dynamic, clean energy economy operating at a scale that will stimulate opportunities for communities across the state to create jobs and drive local economic growth, while protecting our environment by reducing greenhouse gas emissions and other pollutants.

Successful initiatives already launched as part of REV include NY Sun, NY Green Bank, NY Prize, K-Solar, and a commitment to improve energy affordability for low-income communities.

To learn more about REV, please visit www.ny.gov/REV4NY