

STATE OF NEW YORK

Public Service Commission

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09101/08-E-1127,08-E-1128,08-E-1129,08-E-1130,
08-E-1133,08-E-1135,09-G-0363,&07-M-0548

MAJOR ENERGY EFFICIENCY PROGRAMS APPROVED

— \$166 Million Earmarked for Commercial & Industrial Energy Efficiency Efforts —

Albany, NY—10/15/09—The New York State Public Service Commission (Commission) today approved more than \$166 million in funding for 15 natural gas and electric energy efficiency programs for the commercial and industrial customer market segment, the largest funding amount announced so far this year for energy efficiency efforts.

“Finding ways to improving energy efficiency is critically important to both large and small companies as they compete globally for customers,” said Commission Chairman Garry Brown. “The energy efficiency programs we are approving today will enable participating companies to help reduce energy costs and improve business operations, and it will help these companies continue to provide local employment opportunities. These new initiatives will add to the wide range of energy efficiency programs that have been approved this year by the Commission.”

Most of the major electric and gas utilities in the state, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., New York State Electric and Gas Corporation, Rochester Gas and Electric Corporation, National Grid, KeySpan Long Island, KeySpan New York, Central Hudson Gas & Electric Corporation, along with the New York State Energy Research and Development Authority (NYSERDA), had funding approved for energy efficiency programs.

“These programs, combined with the Commission’s earlier efficiency program approvals, will take us to near 75 percent of the overall targeted EEPS funding levels for gas and electric

efficiency programs,” said Chairman Brown. “The funding stream provided NYSERDA for its programs represent a reasonable pacing of ratepayer collections and program outlays.”

The money being provided to commercial and industrial companies will be used to help offset the companies’ costs of purchasing and installing high-efficiency electric and gas equipment, including HVAC equipment, lighting, boilers, furnaces, energy management systems, and motors, among many other types of eligible projects.

As a result of the Commission’s decision, \$145.79 million is set aside for electric energy efficiency programs to save an estimated 511,242 MWh of electricity, which is the equivalent usage of approximately 63,000 average-sized homes for an entire year.

The approved electric programs include: Central Hudson’s mid-size commercial business program, \$2.43 million (5,582 MWh savings target); Con Edison’s commercial and industrial equipment rebate program, \$74.96 million (133,148 MWh savings target); National Grid’s energy initiative program, \$33.33 million (202,166 MWh savings target); NYSEG’s commercial and industrial prescriptive rebate program, \$2.61 million (5,550 MWh savings target); RG&E’s commercial and industrial prescriptive rebate program, \$1.71 million (4,036 MWh savings target); O&R’s commercial existing buildings program, \$4.36 million (14,458 MWh savings target); NYSERDA’s existing facilities program, \$26.39 million (146,302 MWh savings target).

In addition, the Commission set aside \$20.74 million for gas energy efficiency programs, designed to save an estimated 713,480 dekatherms, or enough natural gas to heat 71,800 average-sized homes annually.

The approved gas programs include: Con Edison’s commercial gas efficiency equipment rebate program, \$6.39 million (110,762 dekatherms savings target); KeySpan NY’s commercial and industrial and multifamily energy efficiency program, \$3.36 million (70,200 dekatherms savings target); KeySpan Long Island’s commercial and industrial and multifamily energy efficiency program, \$1.8 million (40,950 dekatherms saving target); National Grid’s energy initiative program, \$2.79 million (81,752 dekatherms saving target); NYSEG’s commercial and industrial

prescriptive rebate program, \$614,218 (13,062 dekatherms saving target); RG&E's commercial and industrial prescriptive rebate program, \$606,014 (13,472 dekatherms saving target); NYSERDA's existing facilities and Flex Tech program, \$5.18 million (383,282 dekatherms saving target). The energy savings numbers represent annual reductions in electric and gas usage that will carry forward through 2015.

On June 23, 2008, the Commission created the Energy Efficiency Portfolio Standard (EEPS) program to develop and encourage cost-effective energy efficiency programs. Since then, numerous proposals have been submitted in response to the initial order, some of which are combined electric and gas programs. To provide for an orderly review of the proposals, they are being considered in phases, by customer market segment. The order approved today focuses on program proposals designed for the commercial and industrial customer market segment through 2011.

The Commission's decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.state.ny.us and entering Case Numbers 08-E-1127, 08-E-1128, 08-E-1129, 08-E-1130, 08-E-1133, 08-E-1135, 09-G-0363, and 07-M-0548 in the input box labeled "Search for Case/Matter Number." 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).