

STATE OF NEW YORK

Public Service Commission

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SMART GRID PROJECTS TO VIE FOR FEDERAL FUNDS

— Step Taken Toward Creation of Smart Grid in New York —

Albany, NY—07/16/09—The New York State Public Service Commission (Commission) today received an oral report from Staff of the Department of Public Service (Staff) regarding Staff's review of smart grid projects proposed by several electric utilities which may qualify for stimulus funding from the U.S. Department of Energy (DOE).

The term smart grid refers to the application of various digital technologies to, among other things, modernize and automate transmission and distribution assets to anticipate and respond to system disturbances, enable greater use of variable energy sources, including renewable energy, and provide the capability for customers to control their energy consumption effectively.

Since the federal stimulus funds available from the DOE will only cover up to 50 percent of the total costs of the proposed smart grid projects, the utilities have filed requests with the Commission for ratepayer recovery for the portion of the costs not covered by the DOE grant. Staff will be presenting numerous smart grid proposals for the Commission's consideration at its July 24, 2009 meeting. These projects represent a total cost of approximately \$1 billion or a ratepayer 50 percent matching cost of approximately \$500 million.

The utilities seeking ratepayer recovery of the remaining costs of smart grid investments include: Consolidated Edison Company of New York, Inc.; Orange and Rockland Utilities, Inc.;

New York State Electric and Gas Corporation; Rochester Gas and Electric Corporation; Central Hudson Gas and Electric Corporation; and National Grid.

The utilities' proposals are available by visiting the Commission Documents section of the Commission's Web site at www.dps.state.ny.us and entering Case 09-E-0310 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Filings with the Commission may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223.

Background

The American Recovery and Reinvestment Act of 2009 (ARRA) includes a DOE administered program for Electricity Delivery and Energy Reliability (EDER). The sum of \$4.5 billion is appropriated by ARRA for the EDER program, to be dispersed by DOE through competitive grant opportunities for the EDER program—a Smart Grid Investment Grant Program (Investment Program) and a Smart Grid Demonstrations Program (Demonstration Program). Applications to the Investment Program are due on August 6, 2009 and on August 26, 2009 for the Demonstrations Program.