

STATE OF NEW YORK

Public Service Commission

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ENERGY EFFICIENCY EFFORTS SCORE MAJOR SUCCESS — 1st Quarter Efficiency Efforts Saved Enough Energy to Power 30,250 Homes —

Albany, NY—05/13/10—The New York State Public Service Commission (Commission) today received a report from staff of the Department of Public Service regarding the first quarter performance of the Commission’s landmark Energy Efficiency Portfolio Standard (EEPS), one of the most comprehensive and aggressive energy efficiency initiatives in the nation.

“Undertaking an effort as large and ambitious as the Commission’s EEPS initiative is an arduous task that requires the effort of numerous parties working cooperatively,” said Commission Chairman Garry Brown. “In reviewing energy savings achieved through the first quarter, it is important to realize that many of the programs are just beginning to offer services to customers, and many more programs will begin offering these services in the next few months. We expect to see steady increases in the reported energy savings.”

The fundamental objective of EEPS is to put in place new energy efficiency programs that will help reduce New York's electricity usage by 15 percent of forecast levels by 2015, with comparable results in natural gas efficiency, and to provide a variety of other environmental and economic benefits to New Yorkers. Programs under EEPS are available from State’s electric and gas utilities as well as the New York State Energy Research and Development Authority (NYSERDA).

To date the Commission has, after careful consideration, approved 90 individual programs supported by about \$922 million of ratepayer funding to be collected through the end of 2011. Future steps will include the evaluation of existing programs and the extension of successful

programs through 2015. Over 60 of the approved programs are reporting implementation-related activity, and 23 programs are reporting energy savings; the bulk of the remaining programs will become operational by the summer.

Through March, EEPS program administrators report that approximately \$53.4 million has been expended for EEPS program implementation and another \$17.1 million has been committed, mostly through contracts or agreements with vendors. Electric energy efficiency measures installed to date will reduce average annual consumption by 158,591 MWhs, enough to meet the electricity needs of approximately 24,400 homes. Gas energy efficiency measures installed so far will reduce average annual natural gas usage by 489,990 dekatherms, which would meet the energy annual gas usage of approximately 5,850 homes each year. It is expected that expenditures and MWh savings will continue to ramp up during 2010.

To put the EEPS initiative into perspective, it is important to recognize that New York State has for over a decade funded energy efficiency programs administered by NYSERDA. The EEPS portfolio with its 11 program administrators complements these efforts and represents a significant increase in the size, scope and monetary commitment to energy efficiency.

Overall, significant progress is being made in lining up all of the elements required to implement the EEPS portfolio. Energy efficiency services are now being offered to customers and measures are being installed. Most program administrators anticipate the program will meet their overall 2011 energy savings targets which would reduce annual electricity consumption for utilities regulated by the Commission by approximately 3,569,000 MWhs.

The greatest market response thus far has been with the upstate gas companies' residential HVAC programs offering assistance with furnace and boiler replacements. Meanwhile, the successes in the electricity efficiency programs are expected to rise in the near future. The top 10 largest electric programs in terms of funding comprise about 70 percent of the total funding for EEPS electric efficiency programs. All of the highest-funded electric efficiency programs should be engaging the market by mid-year 2010 and many already are accepting applications and installing measures.

Despite the initiatives overall success, the current economic climate is having an impact on program implementation. The degree to which the economy has had, and will continue to have, an impact on EEPS implementation is unknown. Meanwhile, coordinating the deployment of Commission-approved efficiency programs with efficiency programs being initiated at federal, state, and local levels is an increasing challenge.

Staff's report, 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 Number 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).