

STATE OF NEW YORK

Public Service Commission

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PSC TAKES TALLY OF ITS ENERGY EFFICIENCY PROGRAMS — Utility Regulatory Agency Encourages Utility Customers to Apply for New Incentives —

Albany, NY—01/15/10—The New York State Public Service Commission (Commission) today announced that its recently finalized series of unprecedented energy efficient programs will directly lead to more than \$1.4 billion in energy-saving investments over the next five years. These funds will support the continued growth of New York’s clean energy economy and help New York meet Governor David Paterson’s goals of achieving 45 percent of our energy needs through renewable energy and improved energy efficiency by 2015.

“The sizeable investments we are making to improve the energy efficiency of our homes and businesses will play an integral role in developing a clean energy economy,” said Governor Paterson. “These are real, measurable steps that will create jobs and help control energy costs for New Yorkers. The targeted investments will enable New York to take control of its energy future.”

“The energy efficiency initiatives being undertaken as a result of our actions last year will provide significant financial assistance to homeowners and businesses to reduce energy use and lower energy bills,” said Commission Chairman Garry Brown. “Thousands upon thousands of families and businesses are now positioned to receive substantial financial support to improve energy efficiency.”

The programs are designed to entice homeowners, business owners, commercial building owners and manufacturers to make energy efficiency investments, such as purchasing energy efficient furnaces and energy efficient hot water heaters, and install energy efficient lighting systems.

More than \$950 million is being made available through 2011 and beyond to accomplish the goal.

Chairman Brown added: “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. This program establishes a framework for ensuring energy efficiency becomes an integral part of our everyday lives. It is part of broader State policies designed to develop a clean energy industry and an efficient and competitive economy.”

As a result of Commission actions, the New York State Energy Research and Development Authority (NYSERDA), as well as the major investor-owned utilities in New York, will provide direct incentives to homeowners and businesses to make energy efficiency improvements. Because most of the programs will require at least a partial customer financial contribution, it’s estimated that matching private sector investments over the life of the program will be more than \$475 million.

The overall goal of the program is to reduce New Yorkers' electricity usage by 2015, with comparable results in natural gas conservation. In addition to helping lower monthly energy bills, the ratepayer-funded initiative is expected to save enough energy to electrically power about 600,000 average-sized homes annually and enough natural gas to heat about 60,000 average-sized homes annually by 2015.

The funding being made available over a five-year period to electric and gas customers is substantial. NYSERDA will receive the largest share — \$441 million through 2011 — to fund customer incentives related to its commercial and residential electric and natural gas energy efficiency programs.

To ensure the greatest customer participation possible, major electric and gas utilities will also offer customer incentives. Utility funding is as follows: Consolidated Edison Company of New York, Inc., \$235.8 million; National Grid (upstate), \$147.7 million; National Grid (downstate), \$39.9 million; New York State Electric and Gas Corporation, \$31.7 million; Rochester Gas and

Electric Corporation, \$20.1 million; Central Hudson Gas & Electric Corporation, \$19.6 million; Orange and Rockland Utilities Inc., \$14.3 million; Corning Natural Gas Corporation, \$0.2 million; and St. Lawrence Gas Company, Inc., \$0.08 million. For more information about energy efficiency programs, please go to www.askpsc.com.

The program, officially known as the Energy Efficiency Portfolio Standard, has been under development since 2007. Its broad and comprehensive success is due to the concerted efforts of more than 200 organizations and individuals who participated in the proceeding as active parties. The initiative is designed to forestall an expected rise in energy consumption and the related need for additional infrastructure investment. This increase, combined with expected fuel price increases and supply uncertainty, and the need to reduce greenhouse gas emissions, made it necessary to create energy efficiency programs and quickly find ways to reduce energy use.

In addition to these efficiency programs, a review of the state's 14-year-old System Benefits Charge (SBC), which provides funding for energy programs targeting efficiency measures, research and development and the low-income sector, is also expected. The current SBC program, which expires June 30, 2011, is currently funded at about \$175 million a year. The SBC program has been primarily administered by NYSERDA.