

STATE OF NEW YORK

Public Service Commission

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PSC UPDATED ON GROUNDBREAKING ENERGY EFFICIENCY PLAN — Details of “15 by 15” Revealed for Review and Consideration —

Albany, NY — 5/21/08 — Staff of the New York State Department of Public Service (Staff) today presented an update to the Public Service Commission (Commission) on the status of the Energy Efficiency Portfolio Standard (EEPS) proceeding, along with the issuance of a notice to help form the basis of determining what incentives might be offered to utilities.

“Improving our State’s energy efficiency is likely the most effective, and immediate, way to reduce the ever increasing burden of rising energy and environmental costs related to our need for greater amounts of electricity and natural gas,” said Commission Chairman Garry Brown. I am very pleased that we have made progress to layout the foundation of this critically important initiative designed to dramatically lower energy consumption by 2015.”

Chairman Brown added: “We are not making any determinations today, but we need to decide in the not-too-distant future how we intend to evaluate the actions that we will be taking. We are making a major investment in energy efficiency. This investment needs to be carefully reviewed and monitored throughout the process.”

In its formal presentation today, the presiding administrative law judges and senior Staff provided an overview of the EEPS proceeding to date, and introduced a number of threshold policy recommendations for future consideration. In addition, Staff defined the portion of the statewide program that is under PSC jurisdiction, and discussed the adoption of electric energy efficiency targets for the first three years, with associated benefit, cost and bill impact estimates

in general terms. Finally, Staff provided recommendations as to defining opportunities for utilities, the New York State Energy Research and Development Authority, and third parties to propose and administer programs.

As part of the proceeding, the Secretary to the Commission is issuing for comment a senior staff recommendation of principles for the introduction of monetary performance incentives to utility-run energy efficiency programs. A recent round of EEPS briefs focused on the jurisdictional responsibilities of the Commission in the proceeding, the resolution of fast-track related issues, and the general role of utilities.

The adoption of a policy on incentives will provide important guidance to the utilities in preparation of subsequent energy efficiency program proposals; therefore, the Commission is interested in receiving comment from parties on certain concepts that will form the basis for providing necessary incentives.

On May 16, 2007, the Commission issued its order instituting the EEPS proceeding, which also established goals. On June 1, 2007, Staff submitted a preliminary analysis regarding the benefits and costs and bill impacts of energy efficiency program for 15 percent reduction in electricity usage by 2015. In the months that followed, numerous meetings and working groups sessions were held. Today's update by Staff reflected the evolution and discussion of the work product during the past year.

The written notice, when available, may be obtained from the Commission's www.dps.state.ny.us Web site by accessing the Commission's File Room section of the homepage and referencing Case 07-M-0548. 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).