

STATE OF NEW YORK

Public Service Commission

Garry A. Brown, Chairman

Three Empire State Plaza, Albany, NY 12223

Further Details: James Denn (518) 474-7080

<http://www.dps.state.ny.us>

FOR RELEASE: IMMEDIATELY

09029/08-E-1463;08-E-0176

CON EDISON'S DEMAND RESPONSE PROGRAM OK'd — PSC Acts to Reduce NYC Electricity Demand —

Albany, NY—04/07/09—The New York State Public Service Commission (Commission) today authorized Consolidated Edison Company of New York, Inc. (Con Edison) to implement changes to its very successful electricity demand reduction program to hopefully spur greater success in reducing electricity consumption.

Con Edison's demand reduction program, known as the Rider U-Distribution Load Relief Program (U-DLRP), is designed to reduce peak load demand for electricity on individual networks on an as-needed-basis, with an emphasis on higher priority networks. Participants in the Rider U program are primarily commercial and industrial customers using significant amounts of electricity on a regular basis.

“Con Edison's Rider U customers are to be congratulated for enrolling 188 MWs of mandatory participation and 53 MWs of voluntary participation for the 2008 summer capability period,” said Commission Chairman Garry Brown. “Program participation is essential in supporting Con Edison's system reliability during times of high electricity demand and helping to control price spikes during high electric-demand periods. This program is one significant tool in the company's tool kit to promote demand response activities that help reduce customer load. Further changes to the tariffs being adopted today should help the company improve its ability to measure and count on load reductions when needed.”

Rider U-DLRP participants provide demand response through load reductions or operation of on-site generation when Con Edison determines that load relief is needed on a

network level basis in return for financial incentives. Two enrollment options are offered — mandatory and voluntary program participation.

The current Rider U mandatory option payment structure is two tiered. Tier 1 payments apply to participants in the majority of Con Edison's electrical networks and Tier 2 payment applies to load reductions in networks that are identified as higher priority and in need of additional demand response resources.

The Tier 1 base payment rate for mandatory participation is \$3/kW-month. Payments for designated Tier 2 critical networks are currently two times the Tier 1 payments. The energy payment applicable to both the mandatory and voluntary option is the higher of the applicable market supply charge or 50 cents/kWh.

Enhancements for the 2009 Rider U-DLRP include the requirement that DLRP participants have Con Edison billing grade interval meters with the exception of customers that participated in 2008, who will be permitted a waiver of this provision for 2009. Installation of billing interval meters beginning with the 2010 program will help assure the quality of the meter data and facilitate the company's evaluation of the participants' performance during tests and events.

The Rider U-DLRP tariff amendments will be effective April 15, 2009. The Commission also directed Con Edison to file an evaluation of the 2009 Rider U program participation on or before December 1, 2009.

It is important to note that customers and/or aggregators have the opportunity to apply for up to \$1,500 in financial assistance from the New York State Energy Research and Development Authority for the purchase of meters and related software that would allow for participation in demand response programs, such as Rider U.

Other enhancements include the measurement of participant performance in the mandatory option of the program using the Customer Baseline Load (CBL) method. However,

the current payment structure would remain without any differential for different performance evaluations methodologies. The CBL methodology is intended to consistently provide more accurate customer load relief measurement during the summer capability period, including during shoulder months and off-peak hours and will better align the Rider-U program's measurement accuracy with its emergency purpose.

Similar to the metering requirement waiver, the CBL performance evaluation requirement for mandatory participation is waived for 2008 participants who continue to participate in 2009 program, but do not have a Con Edison billing interval meter.

A copy of the Commission's written decision in Cases 08-E-1463 and 08-E-0176, when issued, will be available on the Commission's www.dps.state.ny.us Web site by accessing the Documents section of the homepage. Many libraries offer free Internet access. Commission orders can also be obtained from the Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).