

STATE OF NEW YORK

Public Service Commission

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MORE FLEXIBILITY FOR NYC COMBINED HEAT AND POWER

— Changes to Standby Delivery Service OK'd —

Albany, NY—10/18/12—The New York State Public Service Commission (Commission) today made it easier for Consolidated Edison Company of New York, Inc. customers to install combined heat and power (CHP) generating facilities on their premises and be allowed to offset the output of that generation against the customers' building usage in a multiple building or campus-style setting.

“Interest in clean, customer-sited generation continues to grow,” said Commission Chairman Garry Brown. “Benefits to the owners of the onsite generation include lower overall energy costs and more energy efficient systems.”

Today's decision will help reduce the economic burden on customers of CHP interconnections thereby improving the overall economics of such projects. At the same time, the Commission's decision ensures that Con Edison's standby delivery rates remain cost based and do not provide an unwarranted incentive to such customers under the new provisions.

Under the old rules, Con Edison only allowed a customer with a single building to connect a private combined heat and power generating facility to the company's high-tension distribution system and use the generator's output as an offset against its building usage.

The Commission's decision today will allow customers that have multiple buildings or campus-style settings to connect to Con Edison's grid. Customers benefit from connection of their on-site generation directly to the high-tension side of the company's electric distribution facilities because it enables them to reduce the electrical infrastructure investment needed within their buildings. Eligible campus-style generating facilities will be between 2 megawatts and 20 megawatts.

Customers with on-site generation typically require a different set of utility services than customers who receive all of their electricity from the utility, including continuing electricity service for the portion of usage that is not provided by the on-site generator, as well as service for periods of scheduled or unscheduled outages.

CHP is an efficient, clean, and reliable approach to generating power and thermal energy from a single fuel source. By installing a CHP system designed to meet the thermal and electrical base loads of a facility, CHP can greatly increase the facility's operational efficiency and decrease energy costs. CHP is a fast-growing technology that is becoming more widely accepted in commercial and industrial operations.

The Commission's decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 11-E-0299 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).