

STATE OF NEW YORK

Public Service Commission

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12020/07-M-0548

ENERGY EFFICIENCY INCENTIVES IMPROVED

— Utilities Can Earn More Money Depending on Amount of Energy Saved —

Albany, NY—03/15/12—The New York State Public Service Commission (Commission) today set new financial incentives that utilities would be able to receive as a way to encourage electric and natural gas utilities to continue to make investments in energy efficiency programs.

“The mechanism approved today establishes an incentive pool over a four-year period, and creates a framework that can accommodate a wide range of changes to the underlying programs,” said Commission Chairman Garry Brown. “These incentives send the signal to the utilities to further encourage ongoing programs.”

To encourage utilities to remain focused on pressing ahead with New York’s aggressive energy efficiency goal to reduce New Yorkers’ electricity usage 15 percent of forecast levels by 2015, with comparable results in natural gas conservation, the Commission set up incentive pools totaling \$36 million for electric utilities and \$14 million for gas utilities, totaled over a four-year incentive period.

Utilities will be eligible for incentives not only for achievement of their own targets, but also for the achievement of statewide goals. This will encourage utilities to act in cooperation with the New York State Energy Research and Development Authority to enhance achievement of its targets as well. The amount for which each utility is eligible will be based on its proportional share of the utilities’ aggregate targets by the end of 2015. Awards will range from 80 percent to 100 percent achievement, depending on achievement of statewide goals.

The goal of the incentive pool is to save 7.5 million megawatt hours of electricity over the next four years— enough to meet the annual electricity needs of more than 1.1 million homes — and 15,312,586 dekatherms of natural gas — enough to meet the natural gas usage of approximately 1.8 million homes annually.

Since efficiency achievements will fluctuate considerably from year to year, depending on implementation factors such as rollouts, contracts, and outreach, and economic factors affecting consumer behavior, calculating once over a four-year period will minimize the impact of these fluctuations.

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 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).