For Immediate Release: 12/13/18

John B. Rhodes, Chair

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PSC Approves Con Edison’s Innovative Electric Pricing Pilot Program
— Pilot Project Designed to Help Customers Make Informed Energy Usage Decisions —

ALBANY — The New York State Public Service Commission (Commission) today approved an innovative pricing pilot program for Consolidated Edison Company of New York’s (Con Edison) to provide residential and small commercial customers the opportunity to better manage their energy costs. The program will help customers align their energy use to price signals which will help reduce their energy costs. Empowering customers by providing them more choice in how they manage and consume electric energy is a central element of the state’s Reforming the Energy Vision (REV) strategy to build a clean, resilient and affordable energy system.

“Con Edison’s pricing pilot program is a careful and innovative approach to allow New Yorkers to use accurate price signals to lower their energy costs,” said Commission Chair John B. Rhodes. “Improving consumer choice and affordability is a guiding principle of our clean energy policies.”

On March 17, 2016, the Commission issued an order approving advanced meters (AMI) for Con Edison customers. As part of that order, the Commission directed Con Edison to develop a pilot program to test new and innovative rate structures made possible through its investment in AMI, or smart meters. Per that order, Con Edison implemented customer data privacy protections that will apply to the Pilot.

Smart meters have the potential to provide substantial financial and environmental benefits by reducing overall energy demand and decreasing greenhouse gas emissions. In addition to providing new consumer choices and potential customer savings, smart meters can make electric distribution systems more responsive and reliable by using data and two-way communications to manage outages and service connections during storms.

The program approved today will test innovative rate structures designed to allow AMI-enabled customers to optimize their electricity usage. These rates were designed to more closely align delivery charges with the cost of providing delivery service and are primarily demand-based, whereas current rates for these customer groups are based on energy consumption. In addition, the program will provide insights about customer acceptance, satisfaction, and preferences, as well as bill and peak demand impacts of these innovative rate structures. Significantly, the program will provide information as to whether customers will reduce peak demand and therefore infrastructure costs, which will help to reduce costs for all customers.
To implement the program, Con Edison will recruit about 67,000 customers with AMI meters from Staten Island, Westchester County, and Brooklyn areas using both opt-in and opt-out enrollment strategies. All customers recruited by the company will be provided a one-year price guarantee. Customers may discontinue service under the program at any time but will be ineligible to re-enroll for 18 months. The program is expected to conclude in March 2022, and the results will be used to inform the company and regulators whether the program should be expanded.

Today's decision 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 18-E-0397 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.