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Audrey Zibelman, Chair

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Central Hudson Moves Ahead with REV Project

— Customers and Shareholders to Reap Financial Benefits As a Result of Strategic Investments to Lower Demand In Lieu of Traditional Capital Infrastructure Projects —

ALBANY — The New York State Public Service Commission (Commission) today approved new incentives by which Central Hudson Gas & Electric Corp. will be encouraged to make new strategic investments that will enable the utility to reduce overall demand, and potentially save its residential customers approximately \$5 million while enhancing the company's earnings.

"With this decision, Central Hudson's customers and shareholders will reap the financial benefits of the investments being made by the utility," said Commission Chair Audrey Zibelman. "Enabling consumers and shareholders to share in the benefits of innovative, non-traditional projects that are being developed is a critical component in building the momentum necessary to make these types of investments a pillar of the new utility business model."

Projects such as Central Hudson's load-reduction efforts are an important part of REV, or Reforming the Energy Vision. REV is Governor Andrew M. Cuomo's comprehensive strategy to build an energy system that is cleaner, more resilient and affordable to fight climate change and grow New York's economy by investing in clean energy technology and generating 50 percent of the state's electricity needs from renewable energy by 2030.

Central Hudson is pursuing customer demand reduction projects that will delay or eliminate traditional capital infrastructure investment that would otherwise be needed to accommodate the growth in expected area peak demand in three locations in the company's service territory. Instead of making capital investments beginning in 2019 and 2020, the utility will be able to postpone those ratepayer-funded investments until at least 2025 through 2029, if not indefinitely.

Central Hudson's anticipated load reduction of 16 megawatts, enough power to satisfy the peak load requirements of about 2,500 typical residential customers, would come from reducing the amount of electricity used by residential and small commercial customers, as well as by large commercial and industrial customers.

The cost savings associated with delaying the traditional investment as well as the potential for a reduction in wholesale generation capacity requirements, will be shared 70 percent with customers and 30 percent with shareholders. The sharing adopted by the Commission represents a financially meaningful incentive opportunity that should encourage Central Hudson to pursue the innovative projects while producing significant net benefits to customers.

Residential and small commercial load control would primarily be direct control of thermostats, and load-control switches to automate cycling of air conditioning units, hot water heaters and various residential and commercial pumps such as swimming pool pumps. Large commercial and industrial load reduction would result from traditional demand response, either automated or manual, where the demand response participant responds to the call to reduce load.

Today's decision, 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 14-E-0318 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.

About Reforming the Energy Vision

Reforming the Energy Vision is Governor Andrew M. Cuomo's strategy to lead on climate change and grow New York's economy. REV is building a cleaner, more resilient and affordable energy system for all New Yorkers by stimulating investment in clean technologies like solar, wind, and energy efficiency and generating 50 percent of the state's electricity needs from renewable energy by 2030. Already, REV has driven 600 percent growth in the statewide solar market, enabled over 105,000 low-income households to permanently cut their energy bills with energy efficiency, and created thousands of jobs in manufacturing, engineering, and other clean tech sectors. REV is ensuring New York State reduces statewide greenhouse gas emissions 40 percent by 2030 and achieves the internationally-recognized target of reducing emissions 80 percent by 2050. To learn more about REV, including the Governor's \$5 billion investment in clean energy technology and innovation, please visit www.ny.gov/REV4NY and follow us at @Rev4NY.