

STATE OF NEW YORK

Public Service Commission

Garry A. Brown, Chairman

Three Empire State Plaza, Albany, NY 12223

Further Details: James Denn

James.Denn@dps.ny.gov | 518.474.7080

<http://www.dps.ny.gov>

<http://twitter.com/NYSDPS>

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PSC APPROVES STEAM DEMAND RESPONSE AND SUPPLY PILOTS

— Energy Efficiency Effort Underway to Lower Demand for Steam in NYC —

Albany, NY—12/15/11—The New York State Public Service Commission (Commission) today approved, with modifications, Consolidated Edison Company of New York, Inc.’s (Con Edison) Steam Demand Response Pilot Program that includes winter and summer programs to reduce load during peak periods, and a Customer Sited Supply (CSS) Pilot Program, wherein the company will purchase steam from customers with combined heat and power (CHP) facilities on their premises.

“The development of demand response pilot programs is an important, cost-effective tool to help reduce the demand for energy,” said Commission Chairman Garry Brown. “These pilot programs will help the company test the viability, and potentially enable the future implementation, of a large-scale demand response and customer-sited supply programs as a cost-effective option for contributing to steam peak demand reductions which ultimately will benefit all of the company’s steam customers.”

Con Edison will compensate eligible customers enrolled in the Steam Demand Response Pilot Program with a one-time advance payment and performance payments commensurate with the actual load reduction during designated peak demand periods. Eligible customers will need to have three years of valid winter and/or summer hourly demand data for their premises for program participation.

Under Con Edison's CSS Pilot Program, the company will purchase steam from customers that have a CHP facility on their premises that is connected to the company's steam system and is used primarily to serve the customer's heating, lighting and power needs at their premises. The steam system currently serves approximately 1,800 mostly high-usage customers with steam for space heating, hot water and for cooling equipment.

To participate in the CSS Pilot Program, the customer's CHP facility must be a natural gas-fueled cogeneration facility that is supplied by Con Edison's firm gas service for the delivery of gas supply to the CHP facility and that captures waste heat as a byproduct of electric production. The company will pay CSS participants for the thermal energy provided based on current market gas prices. Program participants will be required to comply with the company's dispatch requirements and pay a customer charge and contract demand charge to recover the costs associated with the delivery of the customer's steam to Con Edison's system.

Additional details related to Con Edison's Steam Demand Pilot Program and the CSS Pilot Program will be posted on the company's Web site.

The Commission's decision, when issued, may be obtained by going to the Commission's Documents section of the www.dps.ny.gov Web site and entering Cases 09-S-0794 and 09-S-0029 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).