

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.state.ny.us | 518.474.7080
<http://www.dps.state.ny.us>
<http://twitter.com/NYS DPS>

11082/11-E-0279

NATIONAL GRID GETS GREEN LIGHT TO GO GREENER

— **Greater Opportunities for Customers to Install State-of-the-Art Energy Technologies** —

Albany, NY—9/15/11— The New York State Public Service Commission (Commission) today directed National Grid to continue offering commercial customers who install environmentally friendly on-site generation technologies, such as small wind turbines and photovoltaic panels, lower rates for the delivery of electricity. In addition, Grid was directed to make combined heat and power technologies that can meet efficiency standards eligible for rate exemptions.

“This action helps expand the use of certain environmentally advantageous technologies, and it will better help New Yorkers meet their long-term energy needs,” said Commission Chairman Garry Brown.

Interest in clean, customer-sited generation continues to grow. The benefits accrue both to the owners of the onsite resources, through cost savings from avoided purchases of grid-supplied power, improved reliability, reduced thermal energy consumption, and lower overall energy costs, and to the electric system as a whole, through reduced demands for power, avoided investments in generation and delivery capacity, improved operational efficiencies, increased system reliability, and lower total system energy consumption, costs, and emissions.

Combined heat and power, or 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.

Customers with on-site generation typically require a different set of 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.

In its decision, the Commission extended Grid's exemption for environmentally advantageous technologies to May 31, 2015 and expanded that exemption to include efficient combined heat and power projects of 1 MW or less.

Under the rate exemptions now extended to owners of efficient CHP, customers with on-site generation can select either the generally applicable rate charged for delivery, or a rate, called a standby rate, generally imposed on customers that generate electricity for their own use or sale to others, whichever enables them to realize the most savings. Determining the exact amount of savings a customer will receive is dependent upon the customer's electricity usage and the technology employed.

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.state.ny.us and entering Case Number 11-E-0279 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).