

STATE OF NEW YORK

Public Service Commission

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ENERGY EFFICIENCY SUCCESSES HIGHLIGHTED

— 3rd Quarter Results Show Solid Gains Being Made to Reduce Energy Consumption —

Albany, NY—12/16/10—The New York State Public Service Commission (Commission) today received a report from Department of Public Service staff detailing the latest successes of the Commission’s landmark Energy Efficiency Portfolio Standard (EEPS) proceeding.

“Substantial progress was made in EEPS implementation during the third quarter, with steady month-over-month gains in the annualized energy savings resulting from the installation of new electric and gas efficiency measures,” said Commission Chairman Garry Brown. “The gains we are making move us that much closer to realizing our overall goal of reducing New York’s electricity consumption by 2015. However, despite the gains, the pace of the program ramp-up has been slower than anticipated, largely due to the weak economic climate that is affecting residential and business customers’ ability to make the necessary energy-saving investments.”

The fundamental objective of EEPS is to put in place new energy efficiency programs that will help reduce New York's electricity usage by 15 percent from forecast levels by 2015, with comparable results in natural gas efficiency, and to provide a variety of other environmental and economic benefits to New Yorkers. Programs under EEPS are available from the State’s electric and gas utilities as well as the New York State Energy Research and Development Authority (NYSERDA).

Through September, approximately \$122 million has been expended for EEPS program implementation and another \$46 million has been committed. A large share of the Commission’s

electric and gas energy efficiency programs are already reporting monthly energy savings from installed measures with more programs expected to be reporting savings in the coming months.

The annualized energy savings for electric efficiency measure installations through September was about 662,000 MWh, up 66 percent from about 397,000 MWh at the end of June, enough to meet the electricity needs of approximately 102,000 homes. The annualized gas energy savings for efficiency measures installed through September was about 865,154 Dekatherms, up 15 percent from about 749,000 Dekatherms at the end of June, enough to meet the natural gas usage of approximately 10,500 homes each year.

For utility-administered electric energy efficiency programs established as part of EEPS, the Commission mandated a system of financial incentives to promote better program performance, to motivate utilities to pursue efficiency programs as a resource option, and to enable the Commission to hold utilities accountable for meeting targets.

As part of its ongoing review, the Commission determined that EEPS utility incentive mechanism should be continued essentially unchanged, except that the already combined 2008-2010 energy savings targets should be further combined with the 2011 energy savings targets to create a single 2008-2011 target. Calendar year targets should thereafter be in effect for 2012 and beyond.