

STATE OF NEW YORK

# Public Service Commission

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FOR RELEASE: IMMEDIATELY

07078/07-G-0733

## PSC VOTES TO APPROVE NATURAL GAS EFFICIENCY PROGRAM FOR NATIONAL GRID'S LOW-INCOME CUSTOMERS

Albany, NY—8/22/07—The New York State Public Service Commission today voted to approve an extension of a low-income gas customer energy efficiency program for eligible gas heating customers of National Grid plc. The \$5 million program will be administered by the New York State Energy Research and Development Authority (NYSERDA) through two existing low-income programs, which utilize one-time energy efficiency investments that reduce consumption and provide cost effective long-term savings.

"The continued high-cost of natural gas strains low-income customers' ability to pay for natural gas service," said Commission Chairwoman Patricia L. Acampora. "I congratulate National Grid for wanting to renew this cost-effective program with its long-lasting impacts to assist low-income gas heating customers. These benefits will complement the bill payment assistance program that is already available to eligible National Grid customers through the Home Energy Assistance Program (HEAP) and other programs. In addition, the concept of providing long-lasting bill reductions through energy efficiency improvements fits well with the goals being discussed in the Commission's recently announced energy efficiency proceeding."

"As energy costs continue to soar, it is increasingly important to provide energy cost assistance to low-income utility customers," said Paul D. Tonko, President and CEO of NYSERDA. "NYSERDA is pleased with the extension of the low-income gas customer energy efficiency program for eligible National Grid customers. Through this extension, the Assisted Home Performance with ENERGY STAR and EmPower New York programs will continue to

offer energy efficiency improvements and services that help save energy and significantly reduce the energy bills of those who need the assistance most, low-income customers."

Under the program, NYSERDA will continue to deliver expanded energy efficiency services to low-income residential gas heating customers in National Grid's service territory through the previously established Assisted Home Performance with ENERGY STAR and EmPower New York programs. The program is designed to serve low-income natural gas heating customers who either cannot be served under the current NYSERDA programs or who may receive a more narrow range of energy efficiency benefits from NYSERDA that do not focus on gas efficiency as a primary goal.

Over the next year, National Grid will use a total of \$5 million from its Contingency Reserve Account (CRA) to fund the low-income program. The CRA primarily consists of interstate pipeline refunds ordered by the Federal Energy Regulatory Commission that are to be used for ratepayer benefit. In 2005, the Commission approved National Grid's petition to establish a two-year, \$5 million natural gas program. The Commission is extending the existing program.

The Assisted Home Performance with ENERGY STAR Program is available to utility customers having a total household income less than 80 percent of the state's median income. This program is designed to reduce the energy burden on households through a "building performance" approach to home improvements such as insulation, space and water heating system measures, replacement window and other energy efficiency improvements. Incentives are available to eligible customers for up to 60 percent of the cost of an energy efficiency project with a maximum subsidy of \$6,000 per single-family home, or, based on additional income-eligible households, \$12,000 per building with three to four family dwellings.

According to National Grid, only cost-effective projects with a savings-to-investment ratio of 1.1 or greater are eligible for funding. The company estimates that an additional 375 households at an average cost of \$6,200 per customer will be able to receive benefits under the

expanded assisted home performance with ENERGY STAR Program. NYSERDA estimates an average of 543 therms in annual gas cost savings for each customer served.

The second program to be included, EmPower New York, provides energy efficiency measures and energy-use management education to homeowners and renters with incomes that fall below 60 percent of the state's median income. EmPower New York will provide, on average, about \$2,380 of gas efficiency services such as wall and ceiling insulation, heating system repairs, and pipe insulation.

The EmPower New York program will serve approximately 965 additional eligible households in National Grid's service territory, and NYSERDA estimates that each participant will realize approximately 250 therms in annual gas bill savings. Participants will be identified through either direct referrals by National Grid, or eligible referrals from area Offices for the Aging and community-based organizations.

For more information on NYSERDA's Assisted Home Performance with ENERGY STAR, EmPower New York, and other programs, consumers can visit [www.getenergysmart.org](http://www.getenergysmart.org) or call 1-877-NY-SMART.

A copy of the Commission's order in Case 07-G-0733, when issued, will be available on the Commission's Web site at [www.dps.state.ny.us](http://www.dps.state.ny.us) by accessing the Commission's File Room section of the homepage. Many libraries offer free Internet access. Commission orders can also be obtained from the Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).