

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on January 15, 2009

COMMISSIONERS PRESENT:

Garry A. Brown, Chairman
Maureen F. Harris
Robert E. Curry, Jr.
James L. Larocca

- CASE 08-E-1003 - Petition of Orange and Rockland Utilities, Inc. for Approval of an Energy Efficiency Portfolio Standard (EEPS) "Fast Track" Utility-Administered Electric Energy Efficiency Program.
- CASE 08-E-1007 - Petition of Consolidated Edison Company of New York, Inc. for Approval of an Energy Efficiency Portfolio Standard (EEPS) "Fast Track" Utility-Administered Electric Energy Efficiency Program.
- CASE 08-E-1014 - Petition of Niagara Mohawk Power Corporation for Approval of an Energy Efficiency Portfolio Standard (EEPS) "Fast Track" Utility-Administered Electric Energy Efficiency Program.
- CASE 08-E-1019 - Petition of Central Hudson Gas & Electric Corporation for Approval of an Energy Efficiency Portfolio Standard (EEPS) "Fast Track" Utility-Administered Electric Energy Efficiency Program.

ORDER APPROVING "FAST TRACK" UTILITY-ADMINISTERED
ELECTRIC ENERGY EFFICIENCY PROGRAMS WITH MODIFICATIONS

(Issued and Effective January 16, 2009)

BY THE COMMISSION:

INTRODUCTION

In this order, the Commission approves, with modifications, Energy Efficiency Portfolio Standard (EEPS) "Fast Track" utility-administered electric energy efficiency programs for Central Hudson Gas & Electric Corporation (Central Hudson), Consolidated Edison Company of New York, Inc. (Con Edison), Orange and Rockland Utilities, Inc. (O&R) and Niagara Mohawk Power Corporation (Niagara Mohawk). The "Fast Track" utility-administered electric energy efficiency programs consist of a Small Business Direct Installation Program (Small Business Program) and a Residential Energy Star electric heating, ventilation and air conditioning program (Residential HVAC Program). O&R is given only a one-year authorization for its Residential HVAC Program as modified and Niagara Mohawk is directed to proceed with its Residential HVAC Program but to file revisions.

BACKGROUND AND SUMMARY

On June 23, 2008,¹ the Commission adopted a goal of reducing electricity usage (as forecast in 2007) by 15% statewide by 2015. An Energy Efficiency Portfolio Standard (EEPS) program was created for New York State to develop and encourage cost-effective energy efficiency over the long term, and immediately to commence or augment near-term efficiency measures. The six large investor-owned electric utilities were invited to submit for approval proposals for certain "Fast Track" utility-administered electric energy efficiency programs. The program plans were to include detailed benefit/cost estimates using the Total Resource Cost methodology and were to

¹ Case 07-M-0548, Energy Efficiency Portfolio Standard (EEPS), Order Establishing Energy Efficiency Portfolio Standard and Approving Programs (issued June 23, 2008).

demonstrate that collaborative discussions had been held including participating utilities, the New York State Energy Research and Development Authority (NYSERDA), and other interested parties to establish uniformity, particularly with respect to eligible equipment and rebate levels, to the extent compatible with the needs of utilities to design programs that meet the needs of their service territories. The program plans were also to include a detailed plan for evaluation of each individual program, including details on the scope and method of measurement and verification activities. The Commission stated program cost and megawatt-hour efficiency savings targets for the desired program proposals (for details, see attached Appendix 1, Table 1).

Central Hudson, Con Edison, O&R and Niagara Mohawk filed petitions seeking approval of Energy Efficiency Portfolio Standard (EEPS) "Fast Track" utility-administered electric energy efficiency programs (collectively, the "Electric Petitions"). New York State Electric & Gas Corporation (NYSEG) and Rochester Gas & Electric Corporation (RG&E) did not file proposals.² The following tables summarize the filings in relation to the key metrics in the original Commission targets:

<u>Central Hudson</u>				
	<u>EEPS Order</u>	<u>As Filed</u>	<u>Difference</u>	
<u>Residential HVAC Program</u>				
<u>MWh Savings</u>	1,976	2,922	47.9%	
<u>Total Budget</u>	\$1,782,518	\$2,330,505	30.7%	
<u>B/C Ratio</u>	3.9	2.0	-48.5%	
<u>\$\$/MWh</u>	\$902	\$798	-11.6%	

² NYSEG and RG&E later filed program proposals for similar programs, but not on the expedited basis established in the June 23, 2008 Order.

Central Hudson

	<u>EEPS Order</u>	<u>As Filed</u>	<u>Difference</u>
<u>Small Business Program</u>			
MWh Savings	45,803	45,360	-1.0%
Total Budget	\$12,286,910	\$12,370,030	0.7%
B/C Ratio	2.7	3.6	34.4%
\$\$/MWh	\$268	\$273	1.7%

Con Edison

	<u>EEPS Order</u>	<u>As Filed</u>	<u>Difference</u>
<u>Residential HVAC Program</u>			
MWh Savings	12,461	12,569	0.9%
Total Budget	\$11,243,211	\$11,128,323	-1.0%
B/C Ratio	3.9	3.2	-18.7%
\$\$/MWh	\$902	\$885	-1.9%

Small Business Program

MWh Savings	288,902	289,875	0.3%
Total Budget	\$77,499,523	\$76,702,688	-1.0%
B/C Ratio	2.7	2.4	-10.7%
\$\$/MWh	\$268	\$265	-1.4%

O&R

	<u>EEPS Order</u>	<u>As Filed</u>	<u>Difference</u>
<u>Residential HVAC Program</u>			
MWh Savings	1,461	949	-35.0%
Total Budget	\$1,318,412	\$1,917,383	45.4%
B/C Ratio	3.9	2.2	-43.6%
\$\$/MWh	\$902	\$2,020	123.9%

Small Business Program

MWh Savings	33,877	35,912	6.0%
Total Budget	\$9,087,821	\$16,800,667	84.9%
B/C Ratio	2.7	2.3	-14.8%
\$\$/MWh	\$268	\$468	74.4%

Note: For O&R, "As Filed" includes O&R's so-called "90 Day" revisions.