

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on June 18, 2009

COMMISSIONERS PRESENT:

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

CASE 07-M-0548 - Proceeding on Motion of the Commission
Regarding an Energy Efficiency Portfolio
Standard.

CASE 05-M-0090 - In the Matter of the System Benefits Charge
III.

ORDER MODIFYING SOURCE OF FUNDS FOR
COSTS OF INDEPENDENT EVALUATION CONSULTANT

(Issued and Effective June 24, 2009)

BY THE COMMISSION:

INTRODUCTION

In this order, the Commission approves modifications to the Energy Efficiency Portfolio Standard (EEPS) and System Benefits Charge (SBC) programs by authorizing the New York State Energy Research and Development Authority (NYSERDA) to use general SBC interest earnings to pay the costs of an independent evaluation consultant to assist Department of Public Service Staff (Staff), instead of using specific SBC monies previously budgeted to NYSERDA for the actual evaluation of energy efficiency programs.

BACKGROUND AND SUMMARY

All energy efficiency program administrators, including NYSERDA and the utility company administrators, have been provided with evaluation budgets of 5% of their overall energy efficiency program budgets.¹ One of the roles of Staff is to oversee the evaluation activities of such energy efficiency program administrators. To facilitate Staff's role regarding evaluation activities, the Commission previously directed NYSERDA to use a portion of the funding allocated to NYSERDA for enhanced measurement and verification activities to fund an independent consultant to advise Staff on the scope and methods of evaluations and to assist Staff in its independent critique of the evaluation activities of program administrators.²

By a petition dated October 17, 2008, NYSERDA seeks authorization to use available monies from interest earned on general SBC program funds, rather than monies from NYSERDA's evaluation budget, to fund the services of the independent consultant. NYSERDA argues that if the costs of the consultant are to be paid from NYSERDA's evaluation budget, NYSERDA will be underfunded by that amount, relative to all other program administrators, in its efforts to meet the Commission's evaluation standards. NYSERDA believes that it would be appropriate to fund the consultant with general SBC funds as the consultant will assist in the evaluation of the programs administered by all program administrators, rather than just those administered by NYSERDA. NYSERDA projects that there will be sufficient interest earnings to cover the costs based on NYSERDA's estimate that such costs will not exceed \$500,000 through 2011. Finally, NYSERDA points out using interest

¹ Case 07-M-0548, Energy Efficiency Portfolio Standard, Order Establishing Energy Efficiency Portfolio Standard and Approving Programs (issued June 23, 2008), Appendix 1, Table 15.

² Ibid., p. 74.

earnings will not result in any decrease from the contemplated amount of funding available for the implementation of approved programs.

NOTICE OF PROPOSED RULEMAKING

A Notice of Proposed Rulemaking concerning this matter was published in the State Register on April 8, 2009. The minimum period for the receipt of public comments pursuant to the State Administrative Procedure Act (SAPA) regarding that notice expired on May 26, 2009. No comments were received.

DISCUSSION AND CONCLUSION

We agree with NYSERDA that it would be appropriate to fund the costs of the independent consultant on a general basis rather than from NYSERDA's evaluation budget. When it comes to evaluation performance, we have the same expectation of NYSERDA as we do of the utility program administrators. Accordingly, NYSERDA's evaluation budget should not be encumbered with the general obligation to fund the costs of the independent consultant. The modifications sought in the petition will be granted.

The Commission orders:

1. The Energy Efficiency Portfolio Standard (EEPS) and System Benefits Charge (SBC) programs are hereby modified such that the New York State Energy Research and Development Authority (NYSERDA) is no longer obligated to use a portion of the funding allocated to NYSERDA for enhanced measurement and verification activities to pay the costs of an independent consultant to advise Department of Public Service Staff regarding energy efficiency program evaluations. Instead, NYSERDA is authorized to pay the costs from excess and

unallocated interest earnings accrued from funds held by NYSERDA for the SBC program.

2. These proceedings are continued.

By the Commission,

(SIGNED)

JACLYN A. BRILLING
Secretary