

July 6, 2009

VIA E-MAIL AND U.S. MAIL

Hon. Jaclyn Brillling
Secretary
State of New York Public
Service Commission
Three Empire State Plaza, 14th Floor
Albany, New York 12223-1350

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Re: Case 09-M-0074 - In the Matter of Advanced Metering
Infrastructure

Dear Secretary Brillling:

The City of New York ("City") hereby submits its Comments regarding the advanced metering infrastructure ("AMI") pilot project proposals ("AMI Pilot Plan") filed by Consolidated Edison Company of New York, Inc. ("Con Edison") with the New York State Public Service Commission ("Commission") on April 14, 2009.¹ Comments on the AMI Pilot Plan were solicited via notice published in the May 20, 2009, issue of the New York State Register (I.D. No. PSC-20-09-000016-P). As described more fully below, the City generally is supportive of Con Edison's proposed AMI pilot projects, but recommends that the projects be modified as follows: (a) the 34-month implementation schedule should be shortened to the maximum extent practicable and, if warranted by data collected during the first summer test period, the energy efficiency and demand response programs immediately

¹ Case 09-M-0074, In the Matter of Advanced Metering Infrastructure, Supplemental Plan of Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc. for AMI Pilot Projects (dated April 14, 2009).

should be expanded after that test period; and (b) the City owns a diverse array of buildings and facilities that should be included in Con Edison's AMI pilot programs as representative of the municipal customer segment.

**THE AMI PILOT PROGRAMS CAN AND SHOULD
BE COMPLETED IN A SHORTER PERIOD OF TIME**

The City generally supports the deployment of new technologies that will support its energy efficiency initiatives. Accordingly, the City is encouraged by Con Edison's proposal to study the efficacy of AMI meters and rate designs in a variety of settings throughout its service territory. The City is concerned, however, that the extended length of the study period may needlessly delay the implementation of new AMI technologies, and suggests that the pilot programs could and should be completed successfully in a much shorter period of time.

Con Edison proposes to conduct and analyze the proposed AMI pilot programs over a period of approximately 34 months, at which point the Company will prepare a final report on the pilot programs.² The AMI Pilot Plan does not indicate when Con Edison anticipates issuing its final report. It therefore is possible – and perhaps likely – that at least three more years will pass before the results of the pilot projects are available. The City respectfully urges the Commission to direct Con Edison to devise a more aggressive schedule.

² Id. at 10.

Although the City fully recognizes the value of adequate evaluation before new technologies are deployed, particularly given the significant expense projected for large-scale AMI installations, there is an imperative need for technological advancement of the metering infrastructure in support of long-term energy policy initiatives. Con Edison has not justified the extended duration of the pilot programs, and the City questions whether the additional information gleaned from an unnecessarily long evaluation period would justify an undue delay in achieving the expected benefits of these technological advancements. Accordingly, the City recommends that the Commission require that the implementation schedule be accelerated to the maximum extent practicable.

Also, the proposed AMI energy efficiency, demand response, and energy efficiency/demand response programs (“AMI/EE,” “AMI/DR,” and “AMI/EE-DR,” respectively) should be modified to provide for their expansion prior to the end of the study period under certain circumstances. Con Edison proposes to continue its AMI pilot programs “for a period of at least two summer periods.”³ If, however, the data collected during the first summer test period clearly indicate that the energy efficiency and demand response programs enable lower operating costs and yield societal benefits, as predicted,⁴ then such programs should be utilized to capture those benefits. In that event, Con Edison immediately should request Commission approval to expand the programs.

³ Id. at 26.

⁴ See, e.g., id. at 2.

**THE AMI PILOT PROGRAMS SHOULD INCLUDE
EVALUATION OF METER PERFORMANCE IN
MUNICIPAL BUILDINGS**

The AMI pilot projects are designed to include customers in diverse rate classes and demographics representing a range of energy usage patterns in assorted building stock.⁵ The City's ownership of a broad real estate portfolio represents an opportunity for Con Edison to evaluate its AMI programs and rate designs for a very large energy consumer in a diversity of building settings. Moreover, it is particularly important that the efficacy of AMI technologies in City-owned buildings is confirmed, given that the City government represents a substantial portion of Con Edison's New York City load and would be a willing and able customer for AMI meters.

The City owns and manages over 6,000 buildings with a broad diversity of loads and end-uses, including, for example, hospitals, educational institutions, correctional facilities, office buildings and sewage treatment facilities. City-owned buildings and facilities have a combined load of approximately 1,000 MW, and the City government annually spends approximately \$140 million in electricity delivery charges, as well as \$65 million per year on natural gas. Given that City-owned buildings and facilities represent a significant load on the Con Edison system, it is reasonable to expect that Con Edison would want to ensure the ability of the proposed AMI technologies and rate designs to perform in City-owned buildings and facilities.

⁵ Id. at 4-6.

Moreover, the AMI pilot programs would dovetail with the City's extensive, ongoing energy efficiency measures implemented pursuant to Executive Order 109 and PlaNYC. Indeed, aside from shared efficiency goals, the City may be in better position to participate in the AMI pilot programs than many, or most, Con Edison customers, given the fact that City agencies can be effectively compelled to participate in such programs and in demand response measures by the use of Mayoral or City Hall directives.

In short, municipal buildings represent an important component of the Con Edison load in which the efficacy of the proposed AMI technologies and rate designs should be evaluated.

Finally, it should be noted that Con Edison proposes to recover expenditures related to the AMI pilot programs from "all gas and electric customers on a monthly basis until such time as base rates are adjusted to include recovery of AMI costs."⁶ Accordingly, the City will be responsible for a portion of the pilot program costs notwithstanding that the City is a commodity customer of the New York Power Authority. This cost contribution, together with the value of examining AMI technologies in the municipal sector as well as the commercial and residential sectors, support the inclusion of City-owned buildings in the pilot programs.

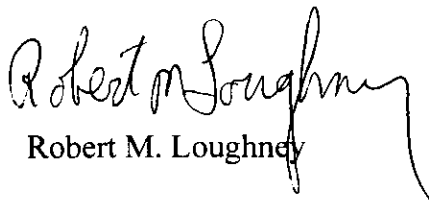
⁶ Id. at 42.

CONCLUSION

For the foregoing reasons, the Commission should approve the AMI Pilot Plan consistently with the modifications described herein. Specifically, the City respectfully requests that the Commission direct Con Edison to: (a) devise an accelerated implementation schedule; (b) provide for the early expansion of its AMI/EE, AMI/DR, and AMI/EE-DR programs, if warranted by data collected during the first summer test period; and (c) include City-owned buildings in the AMI pilot programs.

Respectfully submitted,

COUCH WHITE, LLP



Robert M. Loughney

RML/dp

cc: All Active Parties (via e-mail)

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