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Honorable Jaclyn A. Brillling, Secretary
New York Public Service Commission
Three Empire State Plaza
Albany, NY 12223

July 24, 2007

Dear Secretary Brillling,

Please accept the enclosed answers of Liberty Power to the questions of the Hon. Eleanor Stein, Administrative Law Judge, in NY PSC Case 07-M-0548 – Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard.

Liberty Power is submitting one original of these comments, as well as five copies. Additionally, copies have been served on all active parties to this case.

Please do not hesitate to contact me with any additional question regarding this filing. I can be reached directly at 954-654-1335 or pring@libertypowercorp.com.

Sincerely,

Paul Ring
Manager, Regulatory Affairs
Liberty Power

w/ enclosures

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

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

ANSWERS OF LIBERTY POWER TO ADMINISTRATIVE LAW JUDGE STEIN'S
QUESTIONS

Liberty Power (Liberty), an Energy Service Company (ESCO) serving over 20,000 business and residential customers in New York, is pleased to offer these responses to the questions posed by the Hon. Eleanor Stein, Administrative Law Judge, in this proceeding. Liberty joined the comments of the Retail Energy Supply Association filed previously in this proceeding in response to Staff's questions.

Administrative Law Judge Stein's Questions:

For All Parties:

6. What entities would be most appropriate and effective in delivering:

- (a) market transformation type programs
- (b) peak shaving/demand response type programs
- (c) end-user rebate type programs
- (d) energy audit type programs
- (e) weatherization type programs
- (f) programs for participants lacking capital
- (g) programs targeted to new construction
- (h) programs targeted to existing building stock, appliances and fixtures

ESCOs and other competitive entities are the most appropriate and effective entities to deliver:

- market transformation type programs
- peak shaving/demand response type programs
- energy audit type programs
- weatherization type programs

As the Staff noted in its preliminary report, achieving the Commission's goal of a 15% reduction in energy usage by 2015 could cost as much as \$5 billion.¹ Ratepayers, whom efficiency programs are designed to benefit, should not have to guarantee a rate of return on these expenditures. By letting competitive entities such as ESCOs vie to meet consumers' efficiency goals, customers will achieve efficiency targets at the lowest-possible cost. Pursuing non-competitive methods to achieve efficiency targets could expose customers to paying for measures that do not produce the promised results, or paying for added "incentives" for other parties to offer -- and undermine -- what the competitive market is offering now.

Market transformation programs and peak shaving/demand response programs are clearly value-added products that are best delivered by ESCOs competing to most economically meet consumers' tastes and preferences. ESCOs in New York have a history of creating customized solutions to meet customers' unique needs and energy usage, and are best positioned to offer market transformation and peak shaving/demand response programs which are heavily dependent on tailoring products to take advantage of individual customer load profiles. Creating,

¹ Case 07-M-0548 -- Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard, Department of Public Service Staff's Preliminary Analysis of Benefits and Costs and Bill Impacts of Energy Efficiency Program for 15 Percent Reduction in Electricity Usage by 2015, (issued June 1, 2007) at p. 4.

financing and implementing these programs will vary substantially based on customer usage -- both the amount and time of use. Accordingly, they are not best implemented in a broad, one-size-fits-all approach, but rather through individual relationships between ESCOs and customers.

ESCOs can also best offer weatherization and energy audits as part of comprehensive service packages designed to lower the energy bills of a customers' home or business. By offering these services bundled with other value-added products and services, ESCOs can make them available to more consumers, and can lower investment barriers and up-front costs that prevent customers from pursuing these services.

8. Is your entity or organization interested in being a provider of energy efficiency programs? If so, what types?

Liberty Power is most interested in providing customers with market transformation type programs, peak shaving/demand response type programs, energy audit type programs and weatherization type programs.

9. Is your entity or organization opposed to being a provider of energy efficiency programs? If so, what types?

Liberty is not opposed to providing programs to meet the Commission's energy efficiency goals. Liberty, however, cautions the Commission against imposing a mandate for one type

of program on all ESCOs. ESCOs need to offer the products that best serve customers' needs and preferences, and should be afforded flexibility to offer the best solutions for end users. While at this time Liberty is not opposed to providing any of the programs listed in Judge Stein's questions, experience with consumers may show that particular approaches are much more cost effective and successful at achieving efficiency goals than others. Liberty would oppose mandates for specific program offerings when other efficiency products or services are more valued by customers and would achieve the Commission's goals more quickly and economically.

Respectfully submitted,

Liberty Power

By: 
Paul Ring
Manager, Regulatory Affairs

Dated: Fort Lauderdale, Florida
July 24, 2007