STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held in the City of Albany on November 16, 2017

COMMISSIONERS PRESENT:

John B. Rhodes, Chair
Gregg C. Sayre
Diane X. Burman, dissenting
James S. Alesi

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

ORDER AUTHORIZING THE CONCLUSION OF THE ENERGY EFFICIENCY PORTFOLIO STANDARD

(Issued and Effective November 17, 2017)

BY THE COMMISSION:

INTRODUCTION

In this Order, the Commission awards the utility shareholder incentives associated with the Energy Efficiency Portfolio Standard (EEPS) for Central Hudson Gas & Electric Corporation (Central Hudson), Consolidated Edison Company of New York, Inc. (Con Edison), Corning Natural Gas Corporation (Corning), KeySpan Gas East Corporation (KEDLI), The Brooklyn Union Gas Company (KEDNY), National Fuel Gas Distribution Corporation (NFG), New York State Electric & Gas Corporation (NYSEG), Niagara Mohawk Power Corporation d/b/a National Grid (Niagara Mohawk), Orange and Rockland Utilities, Inc. (O&R), Rochester Gas and Electric Corporation (RG&E), and St. Lawrence Gas Company, Inc. (St. Lawrence) (collectively, the utilities) as well as provides remediation of program overspending for certain utility EEPS programs. The Commission also establishes deadlines and reporting requirements supporting final financial close-out of EEPS.

BACKGROUND

EEPS Shareholder Incentive Mechanisms

On June 24, 2008, the Commission established EEPS,[1] which involved the implementation and operation of energy efficiency programs by the New York State Research and Development Authority (NYSERDA) and eleven investor-owned gas and/or electric utilities. The Commission also approved programs, budgets, and performance targets for NYSERDA and the utilities. EEPS was ordered and implemented in two distinct phases or periods. The first, known as "EEPS 1," encompassed the period from program inception to December 31, 2011, while the second, known as "EEPS 2," ran from January 1, 2012, to December 31 2015. In the initial EEPS order, the Commission noted the potential value of promoting more effective efficiency programs by awarding incentives to the utilities, but determined the issue was not ripe for decision. Shortly thereafter, in an August 22, 2008 Order[2], the Commission instituted a system of financial incentives for EEPS 1 to motivate utilities to pursue efficiency programs as a resource option and to enable the Commission to hold utilities accountable for meeting energy savings targets. The EEPS 1 electric program shareholder incentive was set at $38.85 per incremental megawatt-hour (MWh) achieved. For EEPS 1 gas programs, the Commission established a

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[1] Case 07-M-0548, Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard, Order Approving Electric Energy Efficiency Programs with Modifications (issued June 24, 2009) (EEPS Order).

[2] Case 07-M-0548, supra, Order Concerning Utility Financial Incentives (issued August 22, 2008) (August 2008 Order).

similar mechanism in a later order,[3] but allowed utilities to opt out of the shareholder incentives regime. Three gas utilities (Central Hudson, Corning, and St. Lawrence) opted out. EEPS 1 gas incentives were set at $3.00 per incremental thousand cubic feet (Mcf).

In addition to the MWh-based incentive, which was applicable to all electric utilities implementing EEPS 1 electric programs, the August 2008 Order also established a megawatt (MW)-based incentive for demand reduction applicable only to Con Edison which was set at $100,000 per MW and capped at $5 million (or 50 MW) annually.

The Commission approved EEPS electric and gas programs with annual energy savings targets in MWh and dekatherms (Dth), respectively, and Staff, at the direction of the Commission, established monthly, quarterly, and annual reporting of program performance. The August 2008 Order adopted a model that awarded shareholder incentives based on performance measured against a company's aggregate, portfolio-level target (i.e., the sum of all utility-specific Commission-ordered program targets) and provided utilities with graduated shareholder incentive levels based on performance. In order to earn a positive incentive, utilities had to achieve between 80% and 100% of their respective portfolio targets. No incentive was earned if performance was between 70% and 80% of the target. A negative incentive was to be applied to performance between 50% and 70% of the target. The total potential shareholder incentive was a symmetrical design, with the maximum positive incentive being awarded for achievements at or above 100% of the target and the

[3] Case 07-M-0548, supra, Order Establishing Targets and Standards for Natural Gas Efficiency Programs (issued May 19, 2009).

maximum negative incentive awarded for achievement at or below 50% of the target.

The August 2008 Order also required that performance be measured and the incentives be applied on an annual, calendar-year basis. In response to petitions for rehearing, however, the Commission altered the model in a later order[4] to allow the annual targets for 2009 and 2010 to be considered as one cumulative target for the 2009-2010 period. This action was taken in recognition of the difficulties the program administrators were encountering in precisely managing year-to-year targets during the longer-than-expected start-up period. Again in response to concerns related to the continued slow start of the EEPS programs, the Commission issued an order[5] in December 2010 that further combined the 2009-2010 target with the 2011 target to create a single cumulative target for the 2009-2011 EEPS 1 program period.

Additionally, in January 2010 the Commission issued an order[6] that approved an added shareholder incentive to encourage utilities to refer eligible customers to the EmPower NY low-income electric and gas programs administered by NYSERDA. This incentive allowed the referring utility to claim 15% of the energy savings from any measures installed for the referred customer under NYSERDA's EmPower NY programs. In the December

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[4] Case 07-M-0548, supra, Order on Rehearing Denying in Part and Granting in Part Petition for Reconsideration (issued February 13, 2009).

[5] Case 07-M-0548, supra, Order Combining Incentive Targets, Clarifying Incentive Mechanism Details and Establishing Implementation Advisory Group (issued December 21, 2010) (December 2010 Order).

[6] Case 07-M-0548, supra, Order Approving Certain Commercial and Industrial; Residential; and Low-Income Residential Customer Energy Efficiency Programs with Modifications (issued January 4, 2010).

2010 Order, the Commission further clarified that "the utility 15% share of energy savings will be added to the energy savings achieved by the utility from its own approved EEPS programs for calculating the utility's portfolio performance against its energy savings target for the applicable incentive performance period." The EmPower NY 15% credit for each utility is reported by NYSERDA in the EmPower Energy Savings Credits Report, as described in the EEPS Reporting Requirements Guidance document issued by Staff at the direction of the Commission.

The Commission later established a new shareholder incentive mechanism for the 2012-2015 EEPS 2 program period by means of the March 2012 Order.[7] The EEPS 2 shareholder incentive mechanism maintained the graduated incentive levels based on performance. However, the Commission modified the shareholder incentive mechanism to be positive-only for performance between 80% and 100% of the applicable target and specified that incentives would be calculated only once, after the 2012-2015 period had concluded. The March 2012 Order further indicated that commitments obtained after January 1, 2012, and prior to December 31, 2015, would be counted towards achievement of the targets. The EEPS 2 shareholder incentive model included a two-tiered approach to further encourage cooperation between the utilities and NYSERDA. The first tier, Step 1, rewards a utility for meeting its own target, while the second tier, Step 2, rewards all utilities for achievement relative to the statewide goal of 11.2 million MWh for the electric portfolio and the sum of the authorized utility and NYSERDA Dth targets for the statewide gas portfolio. Similar to EEPS 1, the Commission adopted a scaled award mechanism for EEPS 2 that operates on a straight line basis beginning with zero

[7] Case 07-M-0548, supra, Order Establishing Utility Financial Incentives (issued March 22, 2012) (March 2012 Order).

awarded at 80% achievement and concluding with 100% awarded at 100% achievement and specified that this would be applied to both the Step 1 and Step 2 awards. The available incentive pool for EEPS 2 was capped at $36 million for electric performance and $14 million for gas performance with up to 90% of the available incentive pool to be awarded for Step 1 and up to 10% for Step 2. Further, the Commission specified that the available funds would be allocated among utility program administrators based on their relative contribution to the total utility targets. However, the Commission established a cap on the total award for any individual utility of 60 basis points over the four-year period. In addition, the March 2012 Order retained the EmPower 15% credit for each utility, as well as the MW shareholder incentive for Con Edison, which would allow Con Edison to earn $100,000 per MW, up to 50 MW per year, for the 2012-2015 period.

EEPS Program Overspending

The Commission authorized specific annual budgets for each of the approved EEPS programs and expected that program administrators would modulate program delivery to work within approved annual budgets. During EEPS 1, however, a number of programs overspent the authorized program budget. In the March 2015 Order,[8] the Commission addressed two of these program over-expenditures by authorizing Niagara Mohawk to retain unspent EEPS 1 funds from other programs to cover the overspending in its EEPS 1 electric and gas Residential Heating, Ventilation, and Air Conditioning (HVAC) programs.

There are three additional EEPS 1 electric programs and six additional EEPS 1 gas programs that also overspent the authorized budgets that the Commission has not yet addressed.

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[8] Case 07-M-0548, supra, Order Resolving Gas and Electric Energy Efficiency Matters (issued March 4, 2015) (March 2015 Order).

The program over-expenditures are associated with successful programs and delivered additional energy savings. In all cases, utilities stayed within their overall EEPS 1 portfolio budgets, with overspending in some programs balanced out by underspending in others. No overspending occurred in EEPS 2.

Staff Proposal

On June 16, 2017, Department of Public Service Staff issued the Staff Proposal regarding the Conclusion of the Energy Efficiency Portfolio Standard (Staff Proposal)[9] which provided recommendations regarding utility shareholder incentives, the remediation of program overspending for certain utility EEPS programs, and deadlines supporting the financial close-out of EEPS.

NOTICE OF PROPOSED RULE MAKING

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking was published in the State Register on July 5, 2017 [SAPA No. 07-M-0548SP83]. The time for submission of comments pursuant to the Notice expired on August 21, 2017. Moreover, in a June 20, 2017 Commission Notice Seeking Comments on Staff Proposal Regarding the Conclusion of the Energy Efficiency Portfolio Standard, comments were solicited with a due date of August 21, 2017. The comments received are summarized and addressed below.

SUMMARY OF STAFF PROPOSAL

EEPS Shareholder Incentive Considerations

The Staff Proposal outlined a number of open issues associated with the calculation of the EEPS shareholder

[9] Case 07-M-0548, supra, Staff Proposal Regarding the Conclusion of the Energy Efficiency Portfolio Standard (filed June 16, 2017).

incentives that have not yet been addressed by the Commission and provided recommended approaches for addressing these open issues.

Performance Measurement Period

In its proposal, Staff recommended that the EEPS 1 performance period, the period of time during which EEPS 1 energy saving commitments can progress to acquired energy savings, be defined as the period from January 1, 2009, the date of initial approval of the EEPS 1 programs, through June 30, 2016. The Staff Proposal recommended that all energy savings reported as acquired during this period be counted toward the shareholder incentive calculations, as long as the energy savings were identified as energy saving commitments associated with a specific project prior to December 31, 2011, the final day of the EEPS 1 program period.

Regarding the EEPS 2 period, the Staff Proposal noted that the March 2012 Order required the shareholder incentives be awarded on a commitment/accrual basis, such that the shareholder incentive is to be awarded based on acquired and committed savings as of the end of the EEPS 2 program period, which was December 31, 2015. Therefore, no further Commission decision is required regarding the performance period for EEPS 2.

Unit Basis for Gas Incentive Awards

For EEPS 1, the Staff Proposal highlighted an area for Commission action related to the conversion of Mcf to Dth for purposes of the shareholder incentive award. In the March 2009 Order establishing the EEPS 1 incentive mechanism, the Commission adopted a shareholder incentive rate of $3.00 per incremental Mcf. However, the Commission established EEPS 1 and 2 gas program targets in Dth, requiring a conversion from Mcf to

Dth for purposes of awarding shareholder incentives.[10] In its proposal, Staff recommended the Commission adopt a generic, rather than utility-specific, conversion rate of 1.025 which would result in a rate of $2.93 per incremental Dth. In developing its proposal, Staff acknowledged that the March 2009 order establishing the incentive rate relied on a report from a natural gas efficiency working group.[11] Appendix A of that report used the generic 1.025 Dth as the approximate heat content of natural gas.

MW Incentive for Consolidated Edison Company of New York, Inc.

Regarding the Con Edison MW incentive, Staff cited the Commission's direction that in order for the demand reductions created by a measure to qualify for this incentive, a measure had to produce at least four times as many MWh savings during the system peak hour as MWh savings during an average hour of the year. Further, Staff noted that the Commission adopted an additional restriction that such measures must be energy efficiency measures by nature, instead of those measures which solely shift peak loads or substitute generation sources, and capped the MW incentive by the level of achievement in the megawatt-hour incentive to "ensure that the megawatt objectives are met in a manner that does not operate to the detriment of the megawatt-hour objectives." The Staff Proposal recommended that the Con Edison MW incentive be calculated using the MW savings from three EEPS 1 programs and one EEPS 2 program. Con Edison reported that three programs, Appliance Bounty, Residential HVAC, and Residential Room Air Conditioning

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[10] The EEPS 2 incentive is based on Dth and, therefore, does not require the same conversion.

[11] Case 07-M-0548, supra, Report on Natural Gas Efficiency Goals Working Group V (filed October 17, 2008).

programs, met the criteria the Commission had established for the MW incentive, and that during EEPS 2 those three programs were combined into a single program, which Staff proposed to use to calculate the EEPS 2 MW incentive. At the time of Staff's proposal, Staff calculated the EEPS 1 MW incentive to be $584,000 (resulting from 5.84 MW acquired) and the EEPS 2 MW incentive to be $1,462,000 (resulting from 14.37 MW acquired and 0.25 MW committed for a total of 14.62 MW).

EEPS Savings Performance

Staff, in developing its proposal, relied on data reported by the utilities as of June 1, 2017. Staff recommended adjustments to the reported savings performance.

Performance Adjustment for Program Overspending

In its proposal, Staff recommended performance adjustments to exclude energy savings associated with program over-expenditures so as not to reward any utility for spending above the authorized program budgets. Staff proposed to determine the energy savings adjustments based on the actual program run rates of the programs in which the overspending occurred.

EEPS 1 and EEPS 2 Step 1 Savings Performance

In the Staff Proposal, Staff explained that it performed audits on the reported performance and required the utilities to make updates as necessary to the EEPS Reporting Application to reflect findings of the audits. Staff also calculated, including its recommended adjustments for overspending, the utilities' EEPS 1 and EEPS 2 electric and gas performance for purposes of the EEPS 1 and EEPS 2 Step 1 shareholder incentives.

EEPS 2 Step 2 Savings Performance

The Staff Proposal further reported performance against the EEPS 2 Step 2 target, which the Commission established in its March 2012 Order as the jurisdictional target of 11.2 million MWh for the electric portfolio and the total sum of the EEPS 1 and EEPS 2 utility and NYSERDA Dth targets for the gas portfolio. As such, in its proposal for the EEPS 2 Step 2 electric incentive, Staff included not only the EEPS 1 and EEPS 2 utility and NYSERDA performance but also NYSERDA's SBC III and SBC IV performance as well. Again, for both the electric and gas calculations, Staff relied on data in the EEPS Reporting Application as of June 1, 2017. As with the EEPS 2 Step 1 shareholder incentive, the EEPS 2 Step 2 incentive is based on acquired and committed savings as of the end of the EEPS 2 program period. Staff included the EEPS 2 NYSERDA performance through February 29, 2016, as opposed to December 31, 2015, as the Commission had extended the EEPS 2 program period for NYSERDA to February 29, 2016, in a December 2015 Confirming Order.[12] Using the reported values and the overspending adjustments, Staff determined that 97% of the electric target was achieved and 69% of the gas target was achieved. As a result, under Staff's proposal the electric utilities would be eligible for a portion of the EEPS 2 Step 2 incentive while gas utilities would not be eligible for a shareholder incentive.[13]

Proposed EEPS Incentives

In its proposal, Staff calculated the proposed EEPS 1 and EEPS 2 Step 1 and Step 2 shareholder incentives for each utility. Where applicable, Staff also noted unique

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[12] Case 07-M-0548, supra, Confirming Order (issued December 17, 2015). On December 11, 2015, Chair Zibelman had issued a one Commissioner Order extending the NYSERDA EEPS 2 programs through February 29, 2016.

[13] Subsequent to the issuance of the Staff Proposal, an error in the Staff's gas portfolio workpapers was discovered. The corrected percent of gas target achieved is currently 93% making the gas utilities eligible for the EEPS 2 Step 2 incentive.

circumstances of a utility's incentive calculation and with limited exception, Staff has relied on the acquired MWh and Dth savings as reflected in the EEPS Reporting Application and the overspending adjustments described in the proposal. Staff confirmed that the proposed EEPS 2 award for each utility falls below the 60 basis point cap.

Proposed Funding

The Staff Proposal included a recommendation that the Commission authorize the utilities to retain unspent, unencumbered EEPS 1 and 2 funds to cover any EEPS 1 overspending and to fund shareholder incentives, to the extent possible. Further, in instances where a company does not have enough unspent, unencumbered EEPS funds to cover the shareholder incentives, Staff recommended that the Commission authorize the use of unspent, unencumbered electric and gas funds held by NYSERDA to provide the necessary supplemental funding.

Unspent, Unencumbered Funds

The Staff Proposal summarized the unspent, unencumbered EEPS 1 and EEPS 2 funds at each utility as of December 31, 2016. Staff also provided the unspent, unencumbered funds held at NYSERDA as of March 31, 2017.

Program Overspending

Although no utility overspent its EEPS 1 portfolio budget, five utilities overspent the budgets of eleven EEPS 1 programs. The Commission, in response to a Niagara Mohawk petition, already addressed two of the programs' over-expenditures in a March 4, 2015 Order authorizing Niagara Mohawk to retain unspent EEPS 1 funds to cover the overspending in its EEPS 1 electric and gas Residential HVAC programs. In its Proposal, Staff recommended that the Commission provide the same treatment to the remaining nine programs for which there was overspending.

At the time of its proposal, Staff also noted that there were no utilities reporting EEPS 2 program over-expenditures, but that the majority of EEPS 2 utility programs were still in the process of completing projects. Staff recommended that the Commission preclude recovery of any program over-expenditure that may be reported in the future as utilities close out EEPS 2 programs. Staff noted that the utilities have had the flexibility throughout EEPS 2 to modulate program activity and reallocate funds across programs and, therefore, have had adequate tools necessary to prevent overspending in a particular program.

EEPS Shareholder Incentives Funding

Staff recommended that the Commission authorize those companies that would be receiving net positive shareholder incentives to recover the awards from unspent, unencumbered EEPS funds (as documented in the EEPS Reporting system). To the extent that a company's unspent, unencumbered funds do not cover the entire shareholder incentive award, Staff recommended the remaining award be paid from the available NYSERDA unspent, unencumbered electric and gas funds. Further, Staff recommended that the Commission adopt a process for concluding EEPS, which would require the utilities to file a report, no later than June 30, 2018, documenting the total EEPS expenditures and total unspent funds, capturing additional unencumbered funds resulting from project attrition and amounts of accrued interest as of that date. Staff proposed that funds remaining as of June 30, 2018 be deferred in an interest bearing account, at the individual utility's overall rate of return, for future ratepayer benefit and addressed in the next rate case. To ensure a timely conclusion to EEPS reporting and accounting, Staff also recommended that any utility spending reported in the June 30, 2018 report that exceeds the values included in Tables

16 and 17 of the Staff Proposal be disallowed. Further, Staff recommended that the Commission direct NYSERDA to complete all EEPS projects and programs by February 29, 2020, to disencumber any remaining EEPS encumbrances as of that date, and to provide an appropriate accounting of uncommitted EEPS funds in its March 31, 2021 uncommitted funds report. Finally, Staff recommended that unspent funds held in NYSERDA accounts be reserved for future ratepayer benefit as determined by future Commission action.

SUMMARY OF COMMENTS

Comments were submitted by Central Hudson, Con Edison, NFG, NYSEG, Niagara Mohawk, KEDNY, KEDLI, O&R, and RG&E, (collectively, the "NY Energy Utilities,") with Central Hudson, NFG, and O&R submitting individual supplemental comments. Multiple Intervenors also submitted comments.

The NY Energy Utilities largely support the Staff Proposal. They consider the proposal to net amounts overspent by individual programs against the unspent and unencumbered balances of the remaining programs a logical and efficient resolution of budget overspending matters that does not reward utilities for savings produced by over-expenditures.

The NY Energy Utilities find Staff's recommendations regarding the recovery of net positive incentives related to EEPS 1 and EEPS 2 performance results by employing unspent and unencumbered collections to fund such payments to be reasonable and efficient. In instances where unspent and unencumbered funds do not fully cover the incentive payments, the NY Energy Utilities agree with Staff's proposal that the remaining award be funded with available NYSERDA unspent, uncommitted electric and gas energy efficiency funds. Multiple Intervenors also supports these recommendations but, in the event that available unspent, unencumbered funds are determined to be inadequate, urges the Commission not to authorize incremental collections to fund utility incentives. Multiple Intervenors also states that the Commission should ensure that any incentives paid have truly been earned and reflect superior utility performance. The NY Energy Utilities assert that the Commission's adoption of Staff's proposed resolution of and closure of outstanding EEPS 1 and 2 program and incentive matters will send a message that the Commission is committed to rewarding utilities for meeting their goals.

With regard to the actual payment of the incentives, the NY Energy Utilities point to Generally Accepted Accounting Principles as requiring incentive payments be received within two years of booking the final incentive dollar amount and request that the Commission direct NYSERDA to make funding available in this time frame or, if such direction is not feasible, to identify an alternative payment approach. NFG, individually requests that the Commission direct utilities to physically make the shareholder incentive payments (using unspent, unencumbered funding) via a Commission order, and provide utilities with a reasonable timeframe (e.g., up to but no later than 180 days) to complete the necessary accounting work to properly record such shareholder incentive payments.

The NY Energy Utilities do not support Staff's proposal to accrue carrying costs on unspent funds at each respective utility's allowed rate of return ("ROR"), contending that Staff's recommendation would likely create an immediate earnings shortfall because the utilities cannot invest unspent funds over a relatively short-term period in a manner that produces an after-tax return equal to their respective RORs. The NY Energy Utilities further state that Staff's proposal is inconsistent with the Commission's past practice, concerning the treatment of unspent energy efficiency funds, of requiring utilities to accrue interest on unspent funds at the Other Customer Provided Capital Rate (OCCR) prescribed annually by the Commission, as these funds were collected on behalf of and for the benefit of customers for energy efficiency efforts. The NY Energy Utilities note that the OCCR has ranged from 2.1 percent to 3.4 percent over the last six years, while the RORs currently allowed by the Commission have recently approached 6.5 percent on an after-tax basis and 9.5 percent on a pre-tax basis. Lastly, the NY Energy Utilities assert that Staff’s proposal implies that each utility is free to make investments in plant, property, and equipment that could earn the ROR, an authority that the Commission has not extended to the utilities. The NY Energy Utilities recommend that the Commission follow a policy of accruing interest on unspent funds at the OCCR. In the event the Commission does not find OCCR to be the appropriate rate, it should authorize the NY Energy Utilities to dispose of the unspent funds as appropriate given each utility’s facts and circumstances.

Multiple Intervenors also disagrees with Staff's proposal that any unspent or unencumbered utility EEPS funds, after accounting for shareholder incentives and overspending on programs, be deferred in an interest-bearing account for future customer benefit. Multiple Intervenors recommends that surplus EEPS collections from customers be returned to customers as expeditiously as possible with all surplus collections returned or credited back to customers in the same manner that they were collected, on a volumetric (i.e., per kWh) basis and not deferred in any manner. Multiple Intervenors contends that this will minimize the potential for generational equity concerns.

With regard to the Staff’s proposed December 31, 2017 end date after which no additional utility EEPS expenditures could be made, the NY Energy Utilities request that the Commission provide additional flexibility. The NY Utilities indicate that O&R's Commercial and Industrial Rebate Program and KEDNY's Commercial and Industrial Gas Program involve activities requiring payments in 2018 and they would prefer to avoid having to allocate 2018 Energy Efficiency Transition Implementation Plan (ETIP) funds to complete these EEPS activities.

Regarding Staff's recommendation that the Commission require the utilities to file a report no later than June 30, 2018 documenting the total EEPS expenditures, total unspent, unencumbered funds, and amounts of accrued interest as of that date, NFG individually finds this reporting requirement to be unnecessary since the information contained in the report, and specifically that regarding accumulated interest, would become immediately stale once filed. Additionally, NFG believes the filing requirement may be unnecessary, depending upon the Commission's determination regarding unspent funds, and that utilities could include such information in their annual Energy Efficiency Trackers or Clean Energy Fund surcharge rate filings when ready to make use of such funds (i.e., when EEPS expenditures are fully completed). NFG also requests that the Commission direct Staff to develop a proposal for public comment to begin to conclude NYSERDA-related EEPS funding (i.e., statewide System Benefits Charge funding) to wind down remaining unspent, unencumbered funding currently held in NYSERDA accounts.

The NY Energy Utilities recognize the collective months of effort on the part of Staff and the NY Utilities to review and finalize reported data and calculations so the Staff Proposal could be as accurate as possible. Nonetheless, Central Hudson, Con Edison, NFG, and O&R provide updated savings and expenditure data leading to a recalculation of their respective savings performance and incentives as described in the discussion below.

DISCUSSION AND CONCLUSION

Generally, the Commission adopts the Staff Proposal recommendations with the limited modifications and corrections described below. The shareholder incentives authorized for payment in this Order, as well as the available unspent, unencumbered funds with which to fund the shareholder incentives, are based upon the information available and included in the EEPS Reporting Application as of October 17, 2017, inclusive of the corrections noted by commenters or otherwise discovered by Staff, as described in detail below. To allow for the conclusion of EEPS and timely payment of the EEPS shareholder incentives subsequent to this Order, additional corrections or adjustments to the EEPS energy savings performance beyond the October 17, 2017 date will not be considered. The Commission believes Staff has provided more than ample time for any and all such adjustments or corrections. As described in greater detail below, there is a need for a final EEPS financial reconciliation to allow any unaccounted-for interest accruals on unspent EEPS 1 and 2 funds to be transparently reported and held for future rateypayer benefit.

Resolution of Open Issues Pertaining to Incentive Calculations

With regard to the three issues associated with the calculation of the utilities'' EEPS shareholder incentives that were identified as unresolved in the Staff Proposal, the Commission adopts Staff's recommended resolutions, as each recommendation provides a practical and efficient mechanism and no comments to the contrary were received. First, the Commission adopts the definition of the EEPS 1 performance period as the period from initial approval of the EEPS 1 programs through June 30, 2016. All energy savings acquired during the EEPS 1 performance period are counted toward the EEPS 1 shareholder incentive, as long as the energy savings were identified as energy savings commitments associated with a specific project prior to December 31, 2011, the final day of the EEPS 1 program period. Second, the Commission adopts $2.93 per Dth as the per-Dth equivalent to the $3.00 per Mcf EEPS 1 shareholder incentive rate which is based on an assumed heat content of 1.025 Mcf per Dth. EEPS 1 gas shareholder incentives and penalties are calculated using the $2.93 per Dth rate. Third, with regard to the Con Edison demand reduction incentive, the Commission accepts Staff's determination that the demand reductions associated with the EEPS 1 Appliance Bounty, Residential HVAC and Residential Room Air Conditioning programs and the EEPS 2 Residential Electric Program meet the Commission established criteria for producing four times as many MWh savings during the system peak hour than MWh savings during an average hour of the year and are energy efficiency measures by nature and thus qualify for the MW incentive. Con Edison's MW incentive is calculated based on the MW reductions reported from these programs.

Corrections/Updates Subsequent to the Staff Proposal

In reviewing the Staff Proposal, Central Hudson, NYSEG, RG&E, Con Edison, O&R, and NFG determined there were certain discrepancies between the numbers reflected in the proposal and internal utility records, and noted such instances either in their respective comments to the Staff Proposal or during concurrent or subsequent discussions with Staff. Staff reviewed each identified discrepancy with the utilities and, where necessary and appropriate, worked with the utilities to ensure reported savings and expenditures were updated in the EEPS Reporting Application.

Specifically, Central Hudson noted in its comments that Staff incorrectly calculated the incremental targets for the EEPS 1 Small Business Direct Installation and Mid-Size Commercial Business Programs. While Staff correctly described the calculation of the incremental program targets, it did not correctly apply the target calculation and, therefore, overstated the Central Hudson target for purposes of calculating the shareholder incentive award.[14] Central Hudson also correctly pointed out that Staff's calculations did not reflect a reallocation letter, filed on May 5, 2017, which transferred funds and targets, with a resulting net increase in the Central Hudson EEPS 2 target.

Con Edison indicated in comments that the Staff Proposal shows an EEPS 1 proposed gas shareholder negative incentive of $766,314 for Con Edison due to EEPS 1 gas programs' underachievement without reflecting the fact that Con Edison had already returned $654,000 to gas customers between 2014 and 2016, as established in its 2013 Rate Case Order.[15] Correcting

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[14] In the Order Authorizing Incremental Commercial Electric Energy Efficiency Funds for 2011 issued in Case 07-M-0548 on August 22, 2011, the Commission authorized incremental funding for Central Hudson's EEPS 1 Small Business Direct Installation (Small Business) and Mid-Size Commercial Business (Mid-Size Commercial) electric programs. However, rather than specifying an incremental MWh target for those programs, the Commission established targets linked to the level of additional spending in those programs, specifically, for the Small Business program, a target of 1/217 MWh for each additional dollar spent and, for the Mid-Size Business program, a target of 1/311 MWh for each additional dollar spent.

[15] Case 13-E-0030 et al., Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service, Order Approving Electric, Gas and Stream Rate Plans in Accord with Joint Proposal at Appendix 4 (issued February 21, 2014).

this omission decreases the balance of the negative incentive to be netted from the EEPS 2 gas incentive.

In addition, NYSEG and RG&E correctly noted the fact that the Energy Saver Programs have a default net to gross ratio of 1.0, and that the EEPS Reporting Application incorrectly applied a 0.9 ratio to the reported savings. The companies are correct that the Commission had previously established that the default net to gross ratio for these and other behavioral modification programs should be 1.0 instead of 0.9. Correcting this error increases the reported savings of these programs.

In the EEPS Reporting Application, O&R and Central Hudson updated and corrected previously reported savings and/or expenditures for multiple months related to their respective EEPS 2 programs and NFG updated and corrected encumbrances and savings commitments that were previously unreported or erroneously captured by the EEPS Reporting Application.

Subsequent to Staff's review of comments received by the NY Energy Utilities and Multiple Intervenors, it was determined that the utilities' EEPS 2 gas savings performance was incorrect in Staff's workpapers and incorrectly reported in Table 8 of the Staff Proposal. This error led to an erroneous calculation of the percentage of the gas jurisdictional target acquired. Correcting the error results in a calculation of 93% acquisition of the jurisdictional gas target, resulting in Step 2 award eligibility.

The Commission has determined that it is appropriate to reflect the above-mentioned corrections in its calculation of shareholder incentives.

<u>EEPS Savings Performance</u>

<u>Performance Adjustment for Program Overspending</u>

The Commission adopts Staff's recommended performance adjustments to exclude energy savings associated with program over-expenditures so as not to reward any utility for spending above the authorized program budgets,[16] including the use of the actual program run rate[17] of the programs in which the overspending occurred as the basis for the energy savings adjustments. The proposed energy savings adjustments for the EEPS 1 electric and gas program over-expenditures are identified in Tables 1 and 2, respectively, in Appendix 1.

EEPS 1 and EEPS 2 Step 1 Savings Performance

For purposes of awarding the EEPS 1 and EEPS 2 Step 1 shareholder incentives, the Commission adopts the proposed savings performance with the updates, corrections, and program over-expenditure adjustments noted above and reflected in the EEPS Reporting Application as of October 17, 2017. In accordance with previous Commission orders, EEPS 1 savings performance is based on acquired savings while the EEPS 2 savings performance includes both acquired and committed savings. Specifically, the Commission will award shareholder incentives based on the utility-specific savings performance summarized in Tables 3-6 in Appendix 1. Detailed program level savings performance is presented in Tables 20–23 in Appendix 1.

EEPS 2 Step 2 Savings Performance

As described in the Staff Proposal, the statewide jurisdictional target for the EEPS electric portfolio was set at 11.2 million MWh. From the outset, this statewide jurisdictional target included anticipated energy saving contributions from NYSERDA’s SBC, as well as its EEPS portfolios. The Commission, therefore, supports Staff’s

[16] As used in this Order, program expenditures and program budgets exclude Evaluation, Measurement & Verification (EM&V) funds.

[17] As used in this Order, program run rate equals program expenditures divided by acquired savings.

inclusion of EEPS 1, EEPS 2, SBC III, and SBC IV MWh energy savings performance for purposes of the calculation of the EEPS 2 electric Step 2 shareholder incentive award. The EEPS 2 Step 2 electric savings performance is detailed in Table 7 in Appendix 1.

The statewide jurisdictional target for the EEPS gas portfolio was defined as the sum of the authorized EEPS 1 and EEPS 2 utility and NYSERDA Dth targets. The Commission concurs with Staff's corrected calculation of the EEPS 2 gas Step 2 shareholder incentive award based on NYSERDA's and the utilities' EEPS 1 and 2 gas savings performance updated as of October 17, 2017. The EEPS 2 Step 2 gas performance is detailed in Table 8 in Appendix 1.

EEPS Shareholder Incentives

As a result of the savings performance and adjustments referenced above, as well as resolution of the open issues pertaining to the EEPS 1 performance period, per-Dth incentive rate for the gas incentive award, and clarification of eligibility of programs for the Con Edison demand reduction incentive, the Commission hereby authorizes $56,516,098 in total EEPS electric shareholder incentives and $12,422,011 in total EEPS gas shareholder incentives, with utility-specific electric and gas awards detailed in Tables 9 and 10, respectively, in Appendix 1.

EEPS Financial Closeout

EEPS Unspent, Uncommitted Funds

Available unspent, unencumbered electric and gas EEPS funds held by each utility, as of October 17, 2017, are summarized in

Tables 11 and 12, respectively, in Appendix 1.[18] Available unspent, unencumbered SBC and EEPS electric and gas funds available at NYSERDA as of March 31, 2017 are summarized in Table 13 in Appendix 1.[19] As described below, the Commission adopts the Staff's Proposal to use these available EEPS funds to address outstanding EEPS financial issues, including EEPS 1 program over-expenditures and EEPS shareholder incentives, and establishes additional financial reporting and reconciliation activities to facilitate the close-out of EEPS accounts.

EEPS Funds to Address EEPS 1 Program Overspending

The Commission adopts the Staff Proposal's recommendation to allow five utilities to retain unspent funds to cover EEPS 1 overspending. The Commission does not condone the overspending of authorized EEPS 1 program budgets but recognizes that the expenditures were used to provide additional energy efficiency savings to an increased number of customers. In addition, the recommendation aligns with the Commission's determination in its March 4, 2015 Order, which allowed Niagara Mohawk to allocate unspent funds to cover program overspending. Therefore, the Commission authorizes $640,788 in unspent EEPS electric funds and $1,301,610 in unspent EEPS gas funds to address EEPS 1 program overexpenditures with utility-specific allocation details provided in Tables 16 and 17 in Appendix 1.

At this point in time, several EEPS 2 utility programs are still in the process of completing projects. While no EEPS

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[18] Expended and encumbered EEPS funds are reported in the EEPS Reporting Application. Neither the reporting application nor the tables included in this Order include accrued interest. Corning and St. Lawrence do not have unspent, unencumbered funds as they were previously dispositioned in their rate cases.

[19] Case 07-M-0548 et al., supra, NYSERDA Uncommitted Funds Summary Report (filed March 31, 2017).

2 program over-expenditures are currently anticipated, the potential for additional overages does exist. Therefore, the Commission hereby directs the utilities to use the previously provided EEPS 2 flexibility to modulate program activity and to reallocate funds between programs to avoid any additional EEPS 2 program over-expenditures. The Commission will not authorize any additional recovery for EEPS 1 or 2 program over-expenditures.

Funds for EEPS Shareholder Incentives

The Commission authorizes the use of utility unspent, unencumbered EEPS funds, as reported in the EEPS Reporting Application through October 17, 2017, to pay the EEPS 1 and EEPS 2 shareholder incentives. To the extent that a utility does not have enough unspent, unencumbered funds to cover the entirety of its awarded shareholder incentives, NYSERDA is directed to provide the remaining balance using available unspent, unencumbered electric and gas funds as reported in its March 31, 2017 uncommitted funds report. Specifically, the Commission directs each utility to fund its shareholder incentives as approved in this Order in the amounts specified in the "Utility EEPS Funds to be Used" column in Tables 18 and 19 from their EEPS accounts, within 60 days of this Order. Similarly, NYSERDA is directed to transfer funds in the amounts specified in the "Funds to be provided by NYSERDA" column in Tables 18 and 19 to the respective utilities from NYSERDA's uncommitted EEPS electric and gas funds within 60 days this Order.

Financial Reconciliation and EEPS Conclusion

The unspent, unencumbered dollars reported in the EEPS Reporting Application as of October 17, 2017 specified in column 5 of Tables 11 and 12 in Appendix 1 are nominal values, not inclusive of accrued interest. To provide up-to-date accounting of EEPS financial information for the purpose of establishing a clear point-in-time baseline for future Commission action with regard to remaining unspent EEPS funds and future accrued interest, each utility is directed to file an EEPS Financial Reconciliation Report in the Case 07-M-0548 no later than June 30, 2018. At a minimum, the EEPS Financial Reconciliation Report shall include the following information: total EEPS expenditures and total unspent funds, capturing additional unencumbered funds resulting from project attrition; and amounts of accrued interest, using the rate specified in rate plans or other orders or, if no such rate was specified, the Other Customer Provided Capital Rate, on unspent collections from the beginning of the program through the date of the filing. Staff is directed to work with the utilities to develop a common template for this report.

With regard to remaining unspent EEPS funds and accrued interest, the Staff Proposal recommended that the unspent EEPS funds remaining as of June 30, 2018, be deferred in an interest-bearing account, at the individual utility's overall rate of return, for future ratepayer benefit and addressed in the next rate case. Multiple Intervenors recommends that that unspent funds be expeditiously credited back to ratepayers, as opposed to being held in a deferral account. Utility commenters focused on the recommended interest rate arguing that applying a utility's overall rate of return is inappropriate and inconsistent with the Commission's historical treatment of unspent energy efficiency funds. Instead the commenters recommend that carrying charges should be applied to these funds using the Other Customer Provided Capital Rate. The Commission is persuaded that such funds should be deferred in an interest bearing account, at the utility's Other Customer Provided Capital Rate. This rate will apply to the remaining balances as of June 30, 2018 identified in the EEPS Financial Reconciliation

Report, including amounts of previously accrued interest, until the funds are used for customer benefit.

The Commission does not, however, consent to the NY Energy Utilities' request for flexibility to expend EEPS funds in or beyond 2018 to complete EEPS activities commenced on or before December 31, 2017. Rather, the Commission continues to concur with the guidance of EE-12: EEPS 2 Audit Plan,[20] prepared by Staff in consultation with the utilities and NYSERDA, which states that utilities "will complete any EEPS 2 projects committed as of December 31, 2015 within two years" and that the "two year deadline is applicable to all expenditures." It would be unfair to now allow some utilities to continue EEPS expenditures while others aligned their program conclusion with the date that was previously agreed upon. Similarly, the EE-12 guidance established a four-year deadline for NYSERDA to complete all of its EEPS projects. To support a clear and reasonable conclusion to EEPS, the Commission directs the utilities to complete all EEPS expenditures by December 31, 2017 and NYSERDA to complete all EEPS expenditures by February 29, 2020. Within 180 days of NYSERDA's conclusion of its EEPS programs, NYSERDA is directed to file an EEPS Financial Reconciliation report with content equivalent to the reports filed by the utilities.

The Commission orders:

1. Energy Efficiency Portfolio Standard (EEPS) 1 and EEPS 2 Step 1 shareholder incentives will be awarded based on savings performance, after the application of the overspending adjustments detailed in Tables 1 and 2 in Appendix 1, as indicated in Tables 3-6 in Appendix 1.

[20] Case 07-M-0548, supra, Palmero Letter Regarding EEPS 2 Audit Plan (filed July 19, 2016).

2. NYSERDA and utility performance in EEPS 1, EEPS 2, SBC III, and SBC IV will be included for purposes of the calculation of the EEPS 2 Step 2 electric shareholder incentive award as indicated in Table 7 in Appendix 1.

3. NYSERDA and utility performance in EEPS 1 and EEPS 2 will be included for purposes of the calculation of the EEPS 2 Step 2 gas shareholder incentive award as indicated in Table 8 in Appendix 1.

4. EEPS shareholder incentives will be awarded in the amounts indicated in Tables 9 and 10 in Appendix 1.

5. The utilities' unspent, unencumbered EEPS funds will be used to cover the EEPS 1 and EEPS 2 shareholder incentives, and to the extent that a utility does not have enough unspent, unencumbered funds to cover the entirety of its shareholder incentives, NYSERDA will provide the remaining balance using its own unspent, unencumbered funds, as detailed in Tables 11-13 in Appendix 1. Each utility and NYSERDA will complete payment of their respective amount of the authorized incentive within 60 days.

6. The utilities may retain unspent funds to cover the cost of EEPS 1 program overspending in the amounts indicated in Tables 16-17 in Appendix 1.

7. Utility expenditure of EEPS funds, including Evaluation, Measurement & Verification (EM&V) funds, shall conclude on or before December 31, 2017.

8. NYSERDA expenditure of EEPS funds, including EM&V funds, shall conclude on or before December 31, 2020.

9. The utilities shall file a EEPS Financial Reconciliation report no later than June 30, 2018, documenting the total EEPS expenditures, total unspent funds, capturing additional unencumbered funds resulting from project attrition, and amounts of accrued interest as of that date using a template

developed in coordination with Staff. The accrued interest shall be calculated using the rate specified in rate plans or other orders or, if no such rate was specified, the Other Customer Provided Capital Rate in effect for each time period.

10. NYSERDA shall file a EEPS Financial Reconciliation report with equivalent content to the utility EEPS Financial Reconciliation Reports within 180 days of concluding its EEPS programs.

11. Utility unspent EEPS funds remaining as of June 30, 2018, shall be credited to electric and gas customers in interest bearing regulatory liability accounts until the Commission determines the disposition of such credits. Interest shall accrue at the Other Customer Provided Capital Rate.

12. In the Secretary’s sole discretion, the deadlines set forth in this order may be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least one day prior to the affected deadline.

13. This proceeding is continued, pending compliance with Ordering Clauses 9 and 10, following which it shall be closed.

By the Commission,

(SIGNED)

KATHLEEN H. BURGESS
Secretary

Table 1: EEPS 1 Electric Portfolio Overspending Adjustments

Company	Program	Program Budget	Program Expenditures	Program Overspending	Program Run Rate ($/MWh)	Savings Adjustment (MWh)
Central Hudson	Home Energy Reporting	$ 592,088	$ 882,029	$ 289,941	$ 112.30	(2,582)
Con Edison	Residential Room Air Conditioning Program	$ 2,493,000	$ 2,722,624	$ 229,624	$ 1,262.02	(182)
Niagara Mohawk	Res. Building Practices and Demonstration	$ 514,882	$ 636,106	$ 121,224	$ 50.64	(2,394)
Niagara Mohawk[21]	Residential HVAC	$ 730,170	$ 2,276,838	$ 1,546,668	$ 1,692.50	(914)

Table 2: EEPS 1 Gas Portfolio Overspending Adjustments

Company	Program	Program Budget	Program Expenditures	Program Overspending	Program Run Rate ($/Dth)	Savings Adjustment (Dth)
Central Hudson	Home Energy Reporting	$ 197,363	$ 263,050	$ 65,688	$ 31.45	(2,089)
KEDLI	Commercial Energy Efficiency Program	$ 2,644,280	$ 3,268,236	$ 623,956	$ 37.46	(16,657)
KEDLI	Residential Energy Star Products Program	$ 131,338	$ 253,407	$ 122,070	$ 135.02	(904)
KEDLI	Residential HVAC	$ 4,995,492	$ 5,166,566	$ 171,074	$ 64.48	(2,653)
KEDNY	Residential HVAC	$ 5,417,719	$ 5,594,434	$ 176,715	$ 103.91	(1,701)
Niagara Mohawk	Res. Building Practices and Demonstration	$ 487,870	$ 629,979	$ 142,109	$ 8.16	(17,419)
Niagara Mohawk	Residential HVAC - Initial	$ 1,993,440	$ 5,139,297	$ 3,145,857	$ 22.25	(141,393)

[21] The Commission has already authorized Niagara Mohawk to retain unspent, unencumbered funds to provide recovery of the overspending of this program, as well as Niagara Mohawk's Residential HVAC – Initial EEPs 1 Gas program.

Table 3: EEPS 1 Electric Savings Performance

Company	MWh Target	Total MWh Acquired through 6/30/2016[22]	Adjusted MWh Acquired[23]	% of Target Acquired (Adjusted)
Central Hudson[24,25,26]	72,319	75,523	72,942	101%
Con Edison	378,693	315,859	315,677	83%
Niagara Mohawk	495,246	450,046	446,738	90%
NYSEG	89,552	78,951	78,951	88%
O&R[27]	35,540	30,707	30,707	86%
RG&E	50,604	51,825	51,825	102%
Total	**1,121,954**	**1,002,911**	**996,840**	**89%**

[22] MWh Acquired includes the EmPower Credit utilities receive for providing EmPower referrals to NYSERDA as shown in Table 20.

[23] Adjusted MWh Acquired for Central Hudson, Con Edison, and Niagara Mohawk to account for program overspending as shown in Table 1.

[24] In the Order Approving Central Hudson Gas & Electric Corporation’s Motion to Discontinue the Expanded Residential Electric HVAC Energy Efficiency Program issued in Cases 07-M-0548 and 08-E-1135 on May 24, 2011, the Commission discontinued Central Hudson’s Expanded Residential HVAC program and relieved Central Hudson of its obligation to meet the program target (1,488 MWh) for shareholder incentive purposes.

[25] In the Order Authorizing Incremental Commercial Electric Energy Efficiency Funds for 2011 issued in Case 07-M-0548 on August 22, 2011, the Commission authorized incremental funding for Central Hudson’s EEPS 1 Small Business Direct Installation and Mid-Size Commercial Business electric programs. The Commission established targets linked to the level of additional spending in those programs: for the Small Business program, a target of 1/217 MWh for each additional dollar spent; and for the Mid-Size Business program, a target of 1/311 MWh for each additional dollar spent.

[26] See computational adjustments detailed at the programmatic level in Table 20.

[27] In the Order Rejecting Orange and Rockland Utilities, Inc.’s Proposed Residential High Efficiency Central Air Conditioning Program for 2010 and 2011 issued on January 20, 2010 in Case 08-E-1003, the Commission discontinued O&R’s electric Residential HVAC Program and relieved O&R of its obligation to meet the program target (229 MWh) for shareholder incentive purposes.

Table 4: EEPS 2 Electric Savings Performance

Company	MWh Target	Total MWh Acquired through 12/31/2015[28]	Total MWh Committed	% of Target Acquired & Committed
Central Hudson[29]	141,158	153,453	48	109%
Con Edison	733,866	629,292	225,224	116%
Niagara Mohawk	945,553	937,391	65,195	106%
NYSEG[29]	230,279	230,802	19,416	109%
O&R[29]	77,208	49,892	30,037	104%
RG&E[29]	141,053	130,679	14,599	103%
Total	**2,269,117**	**2,131,508**	**354,520**	**110%**

Table 5: EEPS 1 Gas Savings Performance

Company	Dth Target	Total Dth Acquired through 6/30/2016[30]	Adjusted Dth Acquired[31]	% of Target Acquired (Adjusted)
Central Hudson	38,675	25,789	23,700	61%
Con Edison	542,035	327,060	327,060	60%
Corning	26,533	10,737	10,737	40%
KEDLI	299,716	242,310	222,096	74%
KEDNY	514,845	293,604	291,903	57%
Niagara Mohawk	664,267	737,415	578,603	87%
NYSEG	213,608	182,605	182,605	85%
O&R	26,828	30,402	30,402	113%
RG&E	430,258	393,576	393,576	91%
St. Lawrence	21,957	8,064	8,064	37%
Total	**2,778,722**	**2,251,561**	**2,068,756**	**74%**

[28] MWh Acquired includes the EmPower Credit utilities receive for providing EmPower referrals to NYSERDA as shown on Table 22.

[29] See computational adjustments detailed at the programmatic level in Table 22.

[30] Dth Acquired includes the EmPower Credit utilities receive for providing EmPower referrals to NYSERDA as shown in Table 21.

[31] Adjusted Dth Acquired for Central Hudson, KEDLI, KEDNY, and Niagara Mohawk to account for program overspending as shown in Table 2.

Table 6: EEPS 2 Gas Savings Performance

Company	Dth Target	Total Dth Acquired through 12/31/2015[32]	Total Dth Committed on 12/31/2015	% of Target Acquired
Central Hudson[33]	154,027	146,481	-	95%
Con Edison	1,111,363	979,267	253,759	111%
Corning	66,452	15,868	1,192	26%
KEDLI	618,184	666,333	15,279	110%
KEDNY	1,017,864	758,993	310,156	105%
NFG[34]	1,381,356	1,282,646	20,560	94%
Niagara Mohawk	1,801,608	2,312,683	86,833	133%
NYSEG[33]	347,153	408,303	2,061	118%
O&R[33]	58,764	61,382	1,478	107%
RG&E[33]	541,479	553,021	3,486	103%
St. Lawrence	53,460	20,236	-	38%
Total	**7,151,710**	**7,205,212**	**694,804**	**110%**

[32] Dth Acquired includes the EmPower Credit utilities receive for providing EmPower referrals to NYSERDA as shown in Table 23.

[33] See computational adjustments detailed at the programmatic level on Table 23.

Table 7: EEPS 2 Electric Step 2 Performance

Portfolio	Total Jurisdictional MWh Target	Utilities MWh Performance	NYSERDA MWh Performance	Total MWh Performance	MWh Performance as Percent of Target
EEPS 1 [34]		996,163	2,280,836	3,276,999	
EEPS 2 [35]		2,483,177	2,354,712	4,837,889	
SBC III[36]		-	2,256,698	2,256,698	
SBC IV/T&MD[37]		-	544,540	544,540	
Total	**11,200,000**	**3,479,340**	**7,436,785**	**10,916,126**	**97%**

Table 8: EEPS 2 Gas Step 2 Performance

Portfolio	Jurisdictional Dth Target[38]	Utilities Dth Performance	NYSERDA Dth Performance[39]	Total Dth Performance	Dth Performance as Percent of Target
EEPS 1 [40]	6,852,819	2,064,886	2,664,249	4,729,145	69%
EEPS 2 [41]	14,816,001	7,847,532	7,524,850	15,372,383	104%
Total	**21,668,820**	**9,912,419**	**10,189,099**	**20,101,518**	**93%**

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34 Utilities' MWh Performance reflects adjustments shown in Table 3 and excludes 677 total EmPower MWh Credit. The figure for EEPS 1 Utilities MWh Performance was erroneously reported in Table 7 of the Staff Proposal which did not reflect adjustments detailed in Tables 1 and 3 of the proposal.

35 Utilities' MWh Performance excludes 2,851 total EmPower MWh Credit.

36 Figures are per SBC III Post-Program Annual Report for Year End 2014 and NYSERDA records of compact fluorescent lamps (CFLs) installed in 2007.

37 Figures are per NYSERDA Technology and Market Development Program Semiannual Report through December 31, 2016.

38 Per EEPS Reporting Application, NYSERDA's share of the EEPS 1 and EEPS 2 jurisdictional targets were 4,074,097 Dth and 7,664,291 Dth, respectively.

39 Figures are per EEPS Reporting Application.

40 Utilities' MWh Performance reflects adjustments shown in Table 5 and excludes 3,860 total EmPower MWh Credit. The figure for EEPS 1 Utilities MWh Performance was erroneously reported in Table 8 of the Staff Proposal as not reflecting adjustments detailed in Tables 2 and 5 of the proposal.

41 Utilities' MWh Performance excludes 52,484 total EmPower MWh Credit and was incorrectly reported in Table 8 of the Staff Proposal as 2,431,052 due to an error in Staff's workpapers.

Table 9: Electric Shareholder Incentives[42]

Company	EEPS 1 MWh	EEPS 1 MW	EEPS 2 Step 1	EEPS 2 Step 2	EEPS 2 MW	Total
Central Hudson	$ 2,809,587		$ 2,015,551	$ 195,569		$ 5,020,707
Con Edison	$ 2,471,373	$ 584,000	$10,478,634	$ 1,016,742	$1,462,000	$ 16,012,749
Niagara Mohawk	$ 9,817,638		$13,501,254	$ 1,310,027		$ 24,628,919
NYSEG	$ 1,419,808		$ 3,288,081	$ 319,043		$ 5,026,932
O&R	$ 441,954		$ 1,102,429	$ 106,969		$ 1,651,351
RG&E	$ 1,965,965		$ 2,014,051	$ 195,423		$ 4,175,440
Total	**$18,926,325**	**$ 584,000**	**$32,400,000**	**$ 3,143,773**	**$1,462,000**	**$ 56,516,098**

Table 10: Gas Shareholder Incentives[43]

Company	EEPS 1 Dth	EEPS 2 Step 1	EEPS 2 Step 2	Total
Central Hudson	$ -	$ 204,889	$ 19,248	$ 224,137
Con Edison	$ (766,314)	$ 1,958,018	$ 138,878	$ 1,330,582
Corning	$ -	$ -	$ 8,304	$ 8,304
KEDLI	$ -	$ 1,089,127	$ 77,249	$ 1,166,376
KEDNY	$ (1,002,266)	$ 1,793,289	$ 127,194	$ 918,218
NFG	$ -	$ 1,745,264	$ 172,617	$ 1,917,881
Niagara Mohawk	$ 690,574	$ 3,174,103	$ 225,132	$ 4,089,809
NYSEG	$ 171,488	$ 611,620	$ 43,381	$ 826,489
O&R	$ 78,521	$ 103,531	$ 7,343	$ 189,396
RG&E	$ 722,489	$ 953,987	$ 67,664	$ 1,744,140
St. Lawrence	$ -	$ -	$ 6,680	$ 6,680
Total	**$ (105,508)**	**$11,633,827**	**$ 893,691**	**$ 12,422,011**

[42] Greyed out cells reflect the fact that these companies were not eligible for a MW incentive.

[43] Central Hudson, Corning, and St. Lawrence opted out of EEPS 1 shareholder incentives. NFG did not run EEPS 1 programs.

Table 11: Utility Electric Portfolio Unspent & Unencumbered[44]

Company	Utility EEPS Collections	Expended through 10/17/2017	Encumbered as of 10/17/2017	Unspent / Unencumbered
Central Hudson	$ 56,081,631	$ 53,563,204	$ -	$ 2,518,427
Con Edison	$ 507,577,892	$ 383,619,746	$ 11,867,855	$ 112,090,292
Niagara Mohawk	$ 329,488,576	$ 294,480,029	$ 6,844,975	$ 28,163,573
NYSEG	$ 90,395,497	$ 84,782,532	$ -	$ 5,612,965
O&R	$ 36,021,808	$ 26,190,923	$ 3,522,185	$ 6,308,700
RG&E	$ 55,135,646	$ 51,938,163	$ -	$ 3,197,483
Total	**$ 1,074,701,050**	**$ 894,574,597**	**$ 22,235,014**	**$ 157,891,439**

Table 12: Utility Gas Portfolio Unspent & Unencumbered[44]

Company	Utility EEPS Collections	Expended through 10/17/2017	Encumbered as of 10/17/2017	Unspent / Unencumbered
Central Hudson	$ 4,264,647	$ 4,131,672	$ -	$ 132,976
Con Edison[45]	$ 80,153,947	$ 65,120,134	$ 993,334	$ 14,040,479
KEDLI	$ 42,131,458	$ 35,036,351	$ 1,188,955	$ 5,906,152
KEDNY	$ 69,548,119	$ 45,761,192	$ 4,480,588	$ 19,306,339
NFG	$ 40,160,000	$ 32,428,708	$ -	$ 7,731,292
Niagara Mohawk	$ 59,352,503	$ 48,876,609	$ 1,334,495	$ 9,141,399
NYSEG	$ 12,100,178	$ 10,751,176	$ -	$ 1,349,002
O&R	$ 3,069,501	$ 2,945,768	$ -	$ 123,733
RG&E	$ 28,972,102	$ 16,778,955	$ -	$ 12,193,147
Total	**$ 339,752,455**	**$ 261,830,565**	**$ 7,997,372**	**$ 69,924,518**

Table 13: NYSERDA Available Funds[46]

Funding Source	Uncommitted Program Funds	Previously Reserved	Total Available
Electric	$ 47,425,985	$ 40,306,571	**$ 87,732,556**
Gas	$ 9,020,346	$ -	**$ 9,020,346**

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[44] Figures reflect EEPS scorecard filings as of 10/17/2017.

[45] Expenditures shown include $654,000 that was returned to gas customers between 2014 through 2016, as established the Order Approving Electric, Gas and Stream Rate Plans in Accord with Joint Proposal issued in Case 13-E-0030 et al. on February 21, 2014 and erroneously omitted from Staff's proposal.

[46] Case 14-M-0094, Proceeding on Motion of the Commission to Consider a Clean Energy Fund, NYSERDA Uncommitted Funds Report (filed March 31, 2017).

Table 14: Remaining EEPS 1 Electric Overspending

Company	Portfolio Program Budget	Program Overspending	Overspending as a Percent of Portfolio Program Budget
Central Hudson	$ 22,085,514	$ 289,941	1.31%
Con Edison	$ 171,729,923	$ 229,624	0.13%
Niagara Mohawk	$ 125,114,992	$ 121,224	0.10%

Table 15: Remaining EEPS 1 Gas Overspending

Company	Portfolio Program Budget	Program Overspending	Overspending as a Percent of Portfolio Program Budget
Central Hudson	$ 1,050,251	$ 65,688	6.25%
KEDLI	$ 15,446,781	$ 917,099	5.94%
KEDNY	$ 25,272,574	$ 176,715	0.70%
Niagara Mohawk	$ 17,495,243	$ 142,109	0.81%

Table 16: Utility Electric Portfolio Unspent & Unencumbered after Overspending

Company	Unspent / Unencumbered	Proposed for Overspending	Unspent / Unencumbered after Overspending
Central Hudson	$ 2,518,427	$ 289,941	$ 2,228,486
Con Edison	$ 112,090,292	$ 229,624	$ 111,860,668
Niagara Mohawk	$ 28,163,573	$ 121,224	$ 28,042,349
NYSEG	$ 5,612,965	$ -	$ 5,612,965
O&R	$ 6,308,700	$ -	$ 6,308,700
RG&E	$ 3,197,483	$ -	$ 3,197,483
Total	**$ 157,891,439**	**$ 640,788**	**$ 157,250,651**

Table 17: Utility Gas Portfolio Unspent & Unencumbered

Company	Unspent / Unencumbered	Proposed for Overspending	Unspent / Unencumbered after Overspending
Central Hudson	$ 132,976	$ 65,688	$ 67,288
Con Edison	$ 14,040,479	$ -	$ 14,040,479
KEDLI	$ 5,906,152	$ 917,099	$ 4,989,053
KEDNY	$ 19,306,339	$ 176,715	$ 19,129,625
NFG	$ 7,731,292	$ -	$ 7,731,292
Niagara Mohawk	$ 9,141,399	$ 142,109	$ 8,999,289
NYSEG	$ 1,349,002	$ -	$ 1,349,002
O&R	$ 123,733	$ -	$ 123,733
RG&E	$ 12,193,147	$ -	$ 12,193,147
Total	**$ 69,924,518**	**$ 1,301,610**	**$ 68,622,908**

Table 18: Funding Sources for Utility Electric Shareholder Incentives

Company	Utility Unspent / Unencumbered after Overspending	Shareholder Incentive	Utility EEPS Funds to be Used	Balance	Funds to be provided by NYSERDA
Central Hudson	$ 2,228,486	$ 5,020,707	$ 2,228,486	$ (2,792,221)	$ 2,792,221
Con Edison	$ 111,860,668	$ 16,012,749	$ 16,012,749	$ 95,847,919	$ -
Niagara Mohawk	$ 28,042,349	$ 24,628,918	$ 24,628,918	$ 3,413,431	$ -
NYSEG	$ 5,612,965	$ 5,026,932	$ 5,026,932	$ 586,033	$ -
O&R	$ 6,308,700	$ 1,651,351	$ 1,651,351	$ 4,657,348	$ -
RG&E	$ 3,197,483	$ 4,175,440	$ 3,197,483	$ (977,957)	$ 977,957
Total	**$ 157,250,651**	**$ 56,516,098**	**$ 52,745,920**	**$100,734,553**	**$ 3,770,178**

Table 19: Funding Sources for Utility Electric Shareholder Incentives

Company	Utility Unspent / Unencumbered after Overspending	Shareholder Incentive	Utility EEPS Funds to be Used	Balance	Funds to be provided by NYSERDA
Central Hudson	$ 67,288	$ 224,137	$ 67,288	$ (156,849)	$ 156,849
Con Edison	$ 14,040,479	$ 1,330,582	$ 1,330,582	$ 12,709,898	$ -
Corning	$ -	$ 8,304	$ -	$ (8,304)	$ 8,304
KEDLI	$ 4,989,053	$ 1,166,376	$ 1,166,376	$ 3,822,677	$ -
KEDNY	$ 19,129,625	$ 918,218	$ 918,218	$ 18,211,407	$ -
NFG	$ 7,731,292	$ 1,917,881	$ 1,917,881	$ 5,813,412	$ -
Niagara Mohawk	$ 8,999,289	$ 4,089,809	$ 4,089,809	$ 4,909,480	$ -
NYSEG	$ 1,349,002	$ 826,489	$ 826,489	$ 522,514	$ -
O&R	$ 123,733	$ 189,396	$ 123,733	$ (65,663)	$ 65,663
RG&E	$ 12,193,147	$ 1,744,140	$ 1,744,140	$ 10,449,007	$ -
St. Lawrence	$ -	$ 6,680	$ -	$ (6,680)	$ 6,680
Total	**$ 68,622,908**	**$ 12,422,010**	**$ 12,184,514**	**$ 56,200,898**	**$ 237,496**

Table 20: EEPS 1 Electric Performance (by Program through 6/30/2016 as of 10/17/2017)

Program Name	Program Budget	Program Expenditures	MWh Target	Total MWh Acquired	Proposed MWh Adjustment	Total Adjusted MWh Acquired
Central Hudson						
Expanded Residential HVAC	$ 23,800	$ 23,800	-	-	-	-
Home Energy Reporting	$ 592,088	$ 882,029	6,000	7,854	2,582	5,272
Mid-Size Commercial Business[47]	$ 5,070,628	$ 5,029,118	14,953	17,956	-	17,956
Residential Appliance Recycling	$ 1,521,045	$ 1,476,605	3,507	8,880	-	8,880
Residential HVAC	$ 2,382,985	$ 2,352,720	2,391	2,635	-	2,635
Small Business Direct Install[47]	$ 12,494,968	$ 11,450,654	45,468	38,140	-	38,140
EmPower Referral Credit				*58*	-	*58*
Central Hudson Total	***$ 22,085,514***	***$ 21,214,926***	***72,319***	***75,523***	***2,582***	***72,942***
Con Edison						
Appliance Bounty	$ 5,376,864	$ 2,070,393	15,685	7,905	-	7,905
C&I Custom Efficiency	$ 10,127,000	$ 7,520,185	15,980	32,185	-	32,185
C&I Equipment Rebate	$ 51,475,989	$ 23,180,100	96,619	82,070	-	82,070
Multifamily Energy Efficiency	$ 15,760,437	$ 7,506,243	15,881	11,178	-	11,178
Residential Direct Installation	$ 3,640,671	$ 2,699,692	6,425	1,295	-	1,295
Residential HVAC	$ 9,988,407	$ 5,425,999	4,436	2,541	-	2,541
Residential Room Air Conditioning	$ 2,493,000	$ 2,722,624	2,442	2,157	182	1,975
Small Business Direct Install	$ 72,867,555	$ 67,691,535	221,225	176,504	-	176,504
EmPower Referral Credit				*24*	-	*24*
Con Edison Total	***$171,729,923***	***$118,816,771***	***378,693***	***315,859***	***182***	***315,677***
Con Edison MW Incentive				*6*	-	*6*
Niagara Mohawk						
Energy Initiative - Lg. Industrial	$ 12,498,793	$ 8,383,631	43,865	43,778	-	43,778
Energy Initiative - Mid-Size C&I	$ 21,212,900	$ 19,454,477	113,707	108,660	-	108,660
Energy Wise	$ 2,170,303	$ 1,981,169	2,923	8,566	-	8,566
Enhanced Home Sealing Incentives	$ 4,215,150	$ 638,756	7,458	108	-	108
Res. Building Practices & Demo	$ 514,882	$ 636,106	9,720	12,561	2,394	10,167
Res. Energy Star Products/Recycling	$ 9,027,375	$ 2,850,032	22,767	21,097	-	21,097
Residential HVAC	$ 730,170	$ 2,276,838	197	1,345	914	431
Small Business Direct Install	$ 74,745,420	$ 68,230,281	294,609	253,754	-	253,754
EmPower Referral Credit				*176*	-	*176*
Niagara Mohawk Total	**$ 125,114,992**	**$ 104,451,289**	**495,246**	**450,046**	**3,308**	**446,738**

[47] Targets for Mid-Size Commercial Business Program and Small Business Direct Install Program have been updated from the 15,017 and 50,174 indicated in 6/16/2017 proposal to reflect incremental targets recalculated from increased budgetary spending rather than simply from the increased budget.

Table 20 (continued): EEPS 1 Electric Performance (by Program through 6/30/2016 as of 10/17/2017)

Program Name	Program Budget	Program Expenditures	MWh Target	Total MWh Acquired	Proposed MWh Adjustment	Total Adjusted MWh Acquired
NYSEG						
Block Bidding	$ 3,189,131	$ 2,353,627	9,584	6,958	-	6,958
C&I Custom Rebate	$ 4,387,517	$ 3,071,211	11,281	8,003	-	8,003
C&I Prescriptive Rebate	$ 2,328,891	$ 1,115,762	4,995	2,953	-	2,953
Multifamily Program[48]	$ 1,663,001	$ 920,799	2,744	2,592	-	2,592
Refrigerator and Freezer Recycling	$ 1,376,000	$ 1,025,808	4,361	9,243	-	9,243
Small Business Direct Install	$ 14,467,788	$ 12,963,958	56,587	48,883	-	48,883
EmPower Referral Credit				*319*	-	*319*
NYSEG Total	**$ 27,412,327**	**$ 21,451,165**	**89,552**	**78,951**	**-**	**78,951**
O&R						
Commercial Existing Buildings	$ 3,623,107	$ 1,532,557	10,459	6,906	-	6,906
Residential Efficient Products	$ 665,210	$ 326,373	1,627	1,736	-	1,736
Residential HVAC[49]	$ 341,589	$ 138,923	229	51	(51)	-
Small Business Direct Install	$ 8,633,430	$ 7,781,832	23,454	22,043	-	22,043
EmPower Referral Credit				*22*	-	*22*
O&R Total	**$13,263,336**	**$ 9,779,684**	**35,769**	**30,758**	**(51)**	**30,707**
RG&E						
Block Bidding	$ 3,196,487	$ 2,795,046	9,285	11,595	-	11,595
C&I Custom Rebate	$ 2,011,947	$ 1,275,721	3,965	2,459	-	2,459
C&I Prescriptive Rebate	$ 1,466,185	$ 628,899	2,929	872	-	872
Multifamily	$ 1,936,726	$ 1,600,341	4,226	8,018	-	8,018
Refrigerator/Freezer Recycling	$ 1,376,000	$ 817,512	4,361	5,732	-	5,732
Small Business Direct Install	$ 6,591,813	$ 6,358,288	25,838	23,071	-	23,071
EmPower Referral Credit				*79*	-	*79*
RG&E Total	**$ 16,579,158**	**$ 13,475,806**	**50,604**	**51,825**	**-**	**51,825**

[48] Savings of 2,880 were reported with a 1.0 net-to-gross ratio. Ratio should have been 0.9. Savings shown reflect the application of 0.9 net-to-gross ratio.

[49] In the Order Rejecting Orange and Rockland Utilities, Inc.'s Proposed Residential High Efficiency Central Air Conditioning Program for 2010 and 2011 issued on January 20, 2010 in Case 08-E-1003, the Commission discontinued O&R's electric Residential HVAC Program and relieved O&R of its obligation to meet the program target (229 MWh) for shareholder incentive purposes.

Table 21: EEPS 1 Gas Performance (by Program through 6/30/2016 as of 10/17/2017)

Program Name	Program Budget	Program Expenditures	Dth Target	Total Dth Acquired	Proposed Dth Adjustment	Total Adjusted Dth Acquired
Central Hudson						
Home Energy Reporting	$ 197,363	$ 263,050	10,000	8,364	2,089	6,275
Residential HVAC	$ 629,306	$ 454,258	25,377	14,892	-	14,892
Small/Midsize Commercial Bldgs	$ 223,583	$ 105,856	3,298	2,044	-	2,044
EmPower Referral Credit				*489*	-	*489*
Central Hudson Total	**$ 1,050,251**	**$ 823,164**	**38,675**	**25,789**	**2,089**	**23,700**
Con Edison						
C&I Custom Gas Efficiency	$ 2,894,259	$ 1,044,046	64,468	34,230	-	34,230
C&I Gas Efficient Equipt Rebate	$ 5,315,843	$ 2,217,859	96,916	66,716	-	66,716
Multifamily Energy Efficiency	$ 12,795,843	$ 6,976,733	250,421	123,347	-	123,347
Multifamily Low-Income	$ 2,537,640	$ 1,260,286	31,349	23,648	-	23,648
Residential HVAC	$ 6,655,714	$ 4,259,639	98,881	78,954	-	78,954
EmPower Referral Credit				*166*	-	*166*
Con Edison Total	**$ 30,199,298**	**$ 15,758,562**	**542,035**	**327,060**	**-**	**327,060**
Corning						
Residential HVAC	$ 317,476	$ 274,314	20,207	10,737	-	10,737
Small Commercial HVAC	$ 137,531	$ -	6,326	-	-	-
EmPower Referral Credit				-	-	-
Corning Total	**$ 455,006**	**$ 274,314**	**26,533**	**10,737**	**-**	**10,737**
KEDLI						
Commercial Energy Efficiency	$ 2,644,280	$ 3,268,236	73,109	87,250	16,657	70,593
Enhanced Home Sealing Incentives	$ 3,009,610	$ 1,295,638	34,534	3,498	-	3,498
Large Industrial Energy Efficiency	$ 3,734,407	$ 1,586,453	81,000	68,110	-	68,110
Multifamily Energy Efficiency	$ 931,653	$ 346,998	22,770	1,452	-	1,452
Residential Energy Star Products	$ 131,338	$ 253,407	4,186	1,877	904	973
Residential HVAC	$ 4,995,492	$ 5,166,566	84,117	80,123	2,653	77,470
EmPower Referral Credit				-	-	-
KEDLI Total	**$ 15,446,781**	**$ 11,917,298**	**299,716**	**242,310**	**20,214**	**222,095**
KEDNY						
Commercial Energy Efficiency	$ 3,789,472	$ 3,305,468	94,652	74,885	-	74,885
Enhanced Home Sealing Incentives	$ 3,635,369	$ 1,790,361	45,899	3,995	-	3,995
Large Industrial Energy Efficiency	$ 6,790,167	$ 3,152,194	156,600	157,319	-	157,319
Multifamily Energy Efficiency	$ 5,508,509	$ 657,113	121,013	2,176	-	2,176
Residential Energy Star Products	$ 131,338	$ 108,433	4,186	1,389	-	1,389
Residential HVAC	$ 5,417,719	$ 5,594,434	92,495	53,840	1,701	52,139
EmPower Referral Credit				-	-	-
KEDNY Total	**$ 25,272,574**	**$ 14,608,002**	**514,845**	**293,604**	**1,701**	**291,903**

Table 21 (continued): EEPS 1 Gas Performance (by Program through 6/30/2016 as of 10/17/2017)

Program Name	Program Budget	Program Expenditures	Dth Target	Total Dth Acquired	Proposed Dth Adjustment	Total Adjusted Dth Acquired
Niagara Mohawk						
Commercial High Efficiency Heating & Water Heating	$ 1,935,325	$ 1,323,092	52,476	34,992	-	34,992
Energy Initiative - Large Industrial	$ 1,490,993	$ 1,259,219	35,236	60,556	-	60,556
Energy Initiative - Mid-Size C&I	$ 2,395,345	$ 1,848,442	74,966	59,348	-	59,348
Energy Wise	$ 2,312,613	$ 1,069,877	39,470	38,192	-	38,192
Enhanced Home Sealing Incentives	$ 1,658,116	$ 1,126,999	27,939	7,994	-	7,994
Res. Building Practices & Demo	$ 487,870	$ 629,979	77,652	77,219	17,419	59,800
Residential Energy Star Products	$ 205,045	$ 161,347	8,259	5,062	-	5,062
Residential HVAC - Initial	$ 1,993,440	$ 5,139,297	75,793	230,990	141,393	89,597
Residential HVAC - Supplemental	$ 5,016,497	$ 3,433,453	272,476	222,310	-	222,310
EmPower Referral Credit				*752*	-	*752*
Niagara Mohawk Total	**$ 17,495,243**	**$ 15,991,704**	**664,267**	**737,415**	**158,812**	**578,603**
NYSEG						
C&I Custom Rebate	$ 247,935	$ 199,371	5,828	2,842	-	2,842
C&I Prescriptive Rebate	$ 860,031	$ 614,944	19,562	15,624	-	15,624
Residential HVAC	$ 3,702,200	$ 3,536,537	188,218	163,036	-	163,036
EmPower Referral Credit				*1,102*	-	*1,102*
NYSEG Total	**$ 4,810,166**	**$ 4,350,852**	**213,608**	**182,605**	**-**	**182,605**
O&R						
Residential HVAC	$ 973,695	$ 850,427	26,828	30,272	-	30,272
EmPower Referral Credit				*130*	-	*130*
O&R Total	**$ 973,695**	**$ 850,427**	**26,828**	**30,402**	**-**	**30,402**
RG&E						
C&I Custom Rebate	$ 137,293	$ 118,271	3,148	496	-	496
C&I Prescriptive Rebate	$ 963,865	$ 676,043	22,372	23,859	-	23,859
Residential HVAC	$ 7,322,695	$ 6,747,326	404,738	368,002	-	368,002
EmPower Referral Credit				*1,219*	-	*1,219*
RG&E Total	**$ 8,423,853**	**$ 7,541,640**	**430,258**	**393,576**	**-**	**393,576**
St. Lawrence						
Residential Gas HVAC	$ 177,808	$ 152,891	9,304	7,916	-	7,916
Small Commercial HVAC	$ 275,061	$ 17,247	12,653	148	-	148
EmPower Referral Credit				-	-	-
St. Lawrence Total	**$ 452,869**	**$ 170,138**	**21,957**	**8,064**	**-**	**8,064**

Table 22: EEPS 2 Electric Performance (by Program through 12/31/2015 as of 10/17/2017)

Program Name	Program Budget	Program Expenditures	Program Encumbrances	MWh Target	MWh Acquired	MWh Committed
Central Hudson						
Home Energy	$ 3,658,752	$ 3,634,158	$ -	51,397	66,982	-
Mid-Size Commercial Business[50]	$ 6,275,762	$ 6,183,327	$ -	19,999	17,755	-
Residential Appliance Recycling[51],[52]	$ 2,620,506	$ 1,808,371	$ -	5,950	10,634	48
Residential HVAC	$ 4,220,981	$ 4,015,643	$ -	5,317	5,449	-
Small Business Direct Install[46]	$ 15,719,167	$ 15,719,006	$ -	58,495	52,438	-
EmPower Credit					*195*	
TOTAL	**$ 32,495,168**	**$ 31,360,505**	**$ -**	**141,158**	**153,453**	**48**
Con Edison						
C&I Custom Efficiency	$ 42,176,106	$ 24,136,558	$ 29,960,045	80,304	96,607	155,753
C&I Equipment Rebate	$ 120,535,302	$ 42,664,323	$ 9,154,580	218,634	108,665	56,387
Multifamily Energy Efficiency	$ 30,868,555	$ 25,214,290	$ 1,333,854	39,626	48,757	4,286
Residential Direct Installation	$ 4,293,321	$ 2,424,434	$ -	8,276	1,368	-
Combined Residential Electric	$ 30,355,922	$ 28,393,859	$ 991,118	64,756	52,142	955
Small Business Direct Install	$ 108,689,171	$ 102,064,092	$ 2,645,347	322,270	321,697	7,844
EmPower Credit					*56*	
SUBTOTAL	***$ 336,918,378***	***$ 224,897,557***	***$ 44,084,945***	***733,866***	***629,292***	***225,224***
Con Edison MW Incentive					*14.37*	*0.25*
TOTAL						

50 Revised target figures reflect 5/5/2017 correspondence (reallocating targets) that was not considered in the initial preparation of the Staff Proposal.

51 Revised expenditures figure reflects revised scorecard filed subsequent to preparation of Staff Proposal to include previously unreported expenditures.

52 Revised commitments reflect refiling of scorecard to address improperly captured commitments.

Table 22 (continued): EEPS 2 Electric Performance (by Program through 12/31/2015 as of 10/17/2017)

Program Name	Program Budget	Program Expenditures	Program Encumbrances	MWh Target	MWh Acquired	MWh Committed
Niagara Mohawk						
Energy Initiative - C&I Electric	$ 83,596,242	$ 71,076,160	$ 12,520,081	449,278	349,887	65,195
Energy Wise	$ 6,075,660	$ 6,053,258	$ 22,401	16,210	24,935	-
Enhanced Home Sealing Incentives	$ -	$ -	$ -	-	-	-
Res. Building Practices & Demo	$ 3,621,684	$ 3,619,157	$ -	70,460	168,530	-
Res. Energy Star Products/Recycling	$ 6,678,093	$ 5,184,290	$ 367,042	16,723	36,821	-
Small Business Direct Install	$ 98,247,761	$ 88,137,096	$ 1,379,271	392,882	355,964	-
EmPower Credit					*1,254*	
TOTAL	**$ 198,219,440**	**$ 174,069,962**	**$ 14,288,795**	**945,553**	**937,391**	**65,195**
NYSEG						
C&I Electric	$ 27,463,278	$ 23,120,012	$ 4,293,661	78,479	73,315	18,484
Energy Saver[53]	$ 749,816	$ 585,347	$ -	16,051	4,910	-
Multifamily	$ 2,802,211	$ 2,801,261	$ -	3,553	12,286	-
Refrigerator and Freezer Recycling	$ 5,105,000	$ 4,732,576	$ 59,974	17,379	52,416	338
Small Business Direct Install	$ 29,364,230	$ 26,989,750	$ 204,350	114,817	87,044	593
EmPower Credit					*831*	
TOTAL	**$ 65,484,536**	**$ 58,228,946**	**$ 4,557,985**	**230,279**	**230,802**	**19,416**

[53] The Staff Proposal appears to have applied 0.9 net-to-gross ratio to savings reported by NYSG using a 1.0 ratio. Per DMM, this is a behavioral program with a net-to-gross ratio of 1.0, so no adjustment should have been made.

Table 22 (continued): EEPS 2 Electric Performance (by Program through 12/31/2015 as of 10/17/2017)

Program Name	Program Budget	Program Expenditures	Program Encumbrances	MWh Target	MWh Acquired	MWh Committed
O&R						
Commercial Existing Buildings	$ 11,420,818	$ 4,549,384	$ 6,871,631	35,443	24,986	26,587
Residential Efficient Products[54]	$ 3,109,118	$ 1,969,800	$ 308,774	8,972	10,403	198
Small Business Direct Install [54]	$ 9,418,287	$ 6,406,634	$ 1,559,149	32,793	14,389	3,253
EmPower Credit					*113*	
TOTAL	**$ 23,948,223**	**$ 12,925,818**	**$ 8,739,554**	**77,208**	**49,892**	**30,037**
RG&E						
C&I Electric Program	$ 17,177,092	$ 14,087,137	$ 3,039,656	47,396	46,377	12,511
Energy Saver Program[55]	$ 664,000	$ 437,157	$ -	13,949	(1,158)	-
Multifamily Program	$ 2,463,806	$ 2,458,226	$ -	3,220	9,823	-
Refrigerator and Freezer Recycling	$ 5,124,000	$ 3,196,852	$ 44,326	17,444	36,112	246
Small Business Direct Install	$ 15,067,000	$ 14,139,932	$ 676,042	59,044	39,122	1,842
EmPower Credit					*402*	
TOTAL	**$ 40,495,898**	**$ 34,319,305**	**$ 3,760,024**	**141,053**	**130,679**	**14,599**

[54] EEPS2 revised scorecards were submitted subsequent to the Staff Proposal. Savings shown reflect those scorecard revisions.

[55] The Staff Proposal appears to have applied 0.9 net-to-gross ratio to savings reported by RG&E using a 1.0 ratio. Per DMM, this is a behavioral program with a net-to-gross ratio of 1.0, so no adjustment should have been made.

Table 23: EEPS 2 Gas Performance (by Program through 12/31/2015 as of 10/17/2017)

Program Name	Program Budget	Program Expenditures	Program Encumbrances	Dth Target	Dth Acquired	Dth Committed
Central Hudson						
Home Energy Reporting[56]	$ 1,162,473	$ 1,162,475	$ -	81,634	88,687	-
Residential HVAC [56]	$ 1,526,844	$ 1,526,845	$ -	63,725	46,476	-
Small/Mid-Size Comm. Bldgs	$ 587,283	$ 587,283	$ -	8,668	9,688	-
EmPower Credit					*1,630*	
TOTAL	**$ 3,276,601**	**$ 3,276,603**	**$ -**	**154,027**	**146,481**	**-**
Con Edison						
C&I Custom Gas Efficiency	$ 6,615,447	$ 3,595,320	$ 1,105,115	147,356	51,000	70,587
C&I Gas Efficient Equipt Rebate	$ 12,150,500	$ 7,406,423	$ 2,201,077	221,524	216,603	116,116
Multifamily Energy Efficiency	$ 24,648,168	$ 22,416,155	$ 648,577	573,010	547,294	29,560
Multifamily Low-Income	$ 4,511,360	$ 2,251,881	$ 1,737,813	62,808	76,364	24,572
Residential HVAC	$ 7,663,561	$ 5,798,237	$ 476,170	106,665	87,771	12,926
EmPower Credit					*235*	
TOTAL	**$ 55,589,036**	**$ 41,468,016**	**$ 6,168,753**	**1,111,363**	**979,267**	**253,759**
Corning						
Residential HVAC	$ 661,926	$ 277,152	$ -	44,048	14,470	1,087
Small Commercial HVAC	$ 440,097	$ 13,400	$ -	22,404	1,398	104
EmPower Credit					-	
TOTAL	**$ 1,102,023**	**$ 290,552**	**$ -**	**66,452**	**15,868**	**1,192**
KEDLI						
C&I Gas Energy Efficiency	$ 11,088,232	$ 10,779,672	$ 308,560	369,208	343,138	-
Multifamily Energy Efficiency	$ 1,395,288	$ 904,403	$ 166,234	31,680	15,082	4,483
Combined Residential	$ 14,740,383	$ 11,141,799	$ 707,602	217,296	306,453	10,796
EmPower Credit					*1,660*	
TOTAL	**$ 27,223,903**	**$ 22,825,873**	**$ 1,182,397**	**618,184**	**666,333**	**15,279**

56 Revised acquisition figures reflect revised scorecard filed subsequent to preparation of Staff Proposal to include previously uncaptured acquisitions.

Table 23 (continued): EEPS 2 Gas Performance (by Program through 12/31/2015 as of 10/17/2017)

Program Name	Program Budget	Program Expenditures	Program Encumbrances	Dth Target	Dth Acquired	Dth Committed
KEDNY						
C&I Gas Energy Efficiency	$ 23,262,213	$ 13,233,966	$ 4,038,995	565,344	405,689	274,073
Multifamily Energy Efficiency	$ 9,146,437	$ 8,220,445	$ 925,991	186,160	217,389	28,979
Combined Residential	$ 16,121,584	$ 6,910,979	$ 526,386	266,360	128,596	7,105
EmPower Credit					*7,320*	
TOTAL	**$ 48,530,233**	**$ 28,365,390**	**$ 5,491,373**	**1,017,864**	**758,993**	**310,156**
NFG[57]						
Low-Income Usage Reduction	$ 19,679,163	$ 19,522,138	$ 100,000	170,320	141,908	2,045
Residential Rebate	$ 11,204,805	$ 9,469,902	$ 466,104	654,840	1,031,146	-
Small Non-Res. Rebate	$ 7,268,032	$ 2,395,160	$ 350,151	556,196	101,510	18,515
EmPower Credit					*8,082*	
TOTAL	**$ 38,152,000**	**$ 31,387,199**	**$ 1,020,718**	**1,381,356**	**1,282,646**	**20,560**
Niagara Mohawk						
C&I Gas Energy Efficiency	$ 13,356,632	$ 12,267,835	$ 1,088,798	393,356	478,984	69,105
Energy Wise	$ 4,111,311	$ 2,827,102	$ 141,355	63,504	107,844	-
Res.Building Practices & Demo	$ 2,865,223	$ 2,211,501	$ 110,575	465,912	935,028	-
Combined Residential	$ 19,754,031	$ 13,376,942	$ 534,732	878,836	778,254	17,729
EmPower Credit					*12,571*	
TOTAL	**$ 40,087,197**	**$ 30,683,380**	**$ 1,875,460**	**1,801,608**	**2,312,683**	**86,833**
NYSEG						
C&I Gas Program	$ 2,365,780	$ 1,385,445	$ 76,809	54,304	44,299	2,061
Energy Saver Program[58]	$ 21,183	$ 18,002	$ -	7,005	12,845	-
Residential HVAC Program	$ 5,379,440	$ 4,755,080	$ -	285,844	342,436	-
EmPower Credit					*8,722*	
TOTAL	**$ 7,766,403**	**$ 6,158,527**	**$ 76,809**	**347,153**	**408,303**	**2,061**

57 NFG's total encumbrances includes $104,463 of EM&V funds. Commitments were not reported until 9/1/2017 revised 4Q2015 scorecard.

58 The Staff Proposal appears to have applied 0.9 net-to-gross ratio to savings reported by NYSG using a 1.0 ratio. Per DMM, this is a behavioral program with a net-to-gross ratio of 1.0, so no adjustment should have been made.

Table 23 (continued): EEPS 2 Gas Performance (by Program through 12/31/2015 as of 10/17/2017)

Program Name	Program Budget	Program Expenditures	Program Encumbrances	Dth Target	Dth Acquired	Dth Committed
O&R						
Residential HVAC Program[59]	$ 2,040,395	$ 1,966,770	$ 67,350	58,764	59,448	1,478
EmPower Credit					*1,934*	
TOTAL	**$ 2,040,395**	**$ 1,966,770**	**$ 67,350**	**58,764**	**61,382**	**1,478**
RG&E						
C&I Gas Program	$ 2,352,448	$ 1,742,899	$ 64,658	54,484	61,084	3,486
Energy Saver Program[60]	$ 106,999	$ 70,600	$ -	32,995	10,132	-
Residential HVAC Program	$ 7,986,403	$ 7,085,008	$ -	454,000	471,475	-
EmPower Credit					*10,330*	
TOTAL	**$ 10,445,850**	**$ 8,898,507**	**$ 64,658**	**541,479**	**553,021**	**3,486**
St. Lawrence						
Residential Gas HVAC	$ 272,357	$ 239,635	$ -	12,972	15,583	-
Small Commercial HVAC	$ 880,198	$ 85,101	$ -	40,488	4,654	-
EmPower Credit					-	
TOTAL	**$ 1,152,555**	**$ 324,737**	**$ -**	**53,460**	**20,236**	**-**

[59] EEPS2 revised scorecards were submitted subsequent to the Staff Proposal. Savings shown reflect those scorecard revisions.

[60] The Staff Proposal appears to have applied 0.9 net-to-gross ratio to savings reported by RG&E using a 1.0 ratio. Per DMM, this is a behavioral program with a net-to-gross ratio of 1.0, so no adjustment should have been made.