STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held in the City of Albany on June 17, 2010

COMMISSIONERS PRESENT:

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

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

CASE 08-E-1127 - Petition of Consolidated Edison Company of New York, Inc. for Approval of an Energy Efficiency Portfolio Standard (EEPS) Utility-Administered Electric Energy Efficiency Program.

CASE 08-E-1132 – Petition of New York State Energy Research and Development Authority (NYSERDA) for Approval of an Energy Efficiency Portfolio Standard (EEPS) NYSERDA-Administered Electric Energy Efficiency Program.

CASE 08-E-1135 – Petition of Central Hudson Gas & Electric Corporation for Approval of an Energy Efficiency Portfolio Standard (EEPS) Utility-Administered Electric Energy Efficiency Program.

CASE 09-G-0363 – Petitions for Approval of Energy Efficiency Portfolio Standard (EEPS) Gas Energy Efficiency Programs.

ORDER APPROVING THREE NEW ENERGY EFFICIENCY PORTFOLIO STANDARD (EEPS) PROGRAMS AND ENHANCING FUNDING AND MAKING OTHER MODIFICATIONS FOR OTHER EEPS PROGRAMS

(Issued and Effective June 24, 2010)

BY THE COMMISSION:

INTRODUCTION

In this order, the Commission approves, with modifications, three new Energy Efficiency Portfolio Standard (EEPS) electric and natural gas energy efficiency programs, and provides enhanced funding for fifteen existing EEPS programs. Three additional programs that were proposed are not approved. Appendix 1 provides descriptions of the programs that were proposed for funding that are the subject of this order. Enhanced funding is also provided for increased independent evaluation consultant services. Additionally, the 50 or fewer dwelling unit eligibility threshold for two EEPS multifamily programs is raised to 75 or fewer dwelling units. Administrators are given some flexibility to transfer funds between programs so long as the energy reduction targets are maintained. Finally, some administrative changes are made to streamline the process for qualifying measures generally and before project installation.

The three new programs that are approved are the Home Energy Reporting Program (electric and gas) and Small and Mid-size Commercial Business Program (gas) to be administered by Central Hudson Gas & Electric Corporation (Central Hudson), and the Agriculture Energy Efficiency component of the Existing Facilities Program (electric and gas) to be administered by the New York State Energy Research and Development Authority (NYSERDA).

The three proposed programs that are not approved are the Steam Cooling Program (electric) and the Targeted Demand Side Management Program (electric) proposed by Consolidated Edison Company of New York, Inc., and the allocation for multifamily buildings within the Benchmarking and Operations

Efficiency Program (electric) proposed by NYSERDA. In addition, NYSERDA has withdrawn its proposed Statewide Combined Heat and Power Program, and The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid (KEDNY/KEDLI) have withdrawn their request for a separate Commercial High-Efficiency Heating and Water Heating Program.[1]

BACKGROUND

On June 23, 2008, the Commission created the EEPS program for New York State to develop and encourage cost-effective energy efficiency programs.[2] On May 19, 2009, the Commission further established targets and standards for natural gas efficiency programs.[3] Through January 2010, the Commission has approved 45 electric and 45 natural gas energy efficiency programs to implement the EEPS policy.

The Commission has previously approved electric energy efficiency programs with estimated total cumulative annual energy savings of approximately 3.9 million MWh in 2011 and about $295.2 million in annualized program funding. The gas programs approved thus far would achieve cumulative annual reductions in natural gas usage of approximately 7.4 million Dth in 2011.

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[1] In its place, KEDLI and KEDNY request additional funds to incorporate high efficiency heating and hot water heating equipment into the existing EEPS Commercial Energy Efficiency Program, Industrial Energy Efficiency Program, and the Multifamily Energy Efficiency Program (gas).

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

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

This order increases the annualized funding for electric efficiency programs by $5.2 million. If all of the electric measures that have been approved are implemented by year-end 2011, the estimated result would exceed the cumulative annual energy savings expectation in the Commission's June 23, 2008 EEPS order by about 9% (or 30% on an annualized basis). The overall annual funding would be below the original expectation of $330 million by approximately $29.4 million.

The situation is different for the gas energy efficiency programs. The May 19, 2009 Gas Targets Order placed a cap on the annualized spending level for gas energy efficiency programs at $130 million per year and set an expectation for annualized reductions in natural gas usage as a result of installation of efficiency measures of 4.4 million Dth and a cumulative reduction in natural gas usage of approximately 13.2 million Dth through year-end 2011. The gas reduction estimates were based on assumptions of how much gas efficiency could be achieved for the anticipated spending level, but the estimates were made before the program proposals were examined in detail and, in some cases, before programs had been filed. The efficiency programs proposed by the program administrators that were ultimately approved demonstrate higher costs of conserved energy on average than the comparable assumptions underpinning the expectations in the May 19, 2009 Order. Including the additions made in this order, the total reduction in cumulative annual energy savings expected in 2011 will be 9.2 million Dth, which is 31% below the original expectation (or 10% below the expected energy savings on an annualized basis). The total annual approved spending for EEPS gas energy efficiency programs (and remaining utility interim gas programs) will equal the original cap of $130 million.

NOTICE OF PROPOSED RULEMAKING

Notices of Proposed Rulemaking concerning the energy efficiency program proposals under consideration here were published in the State Register on April 8, 2009 [SAPA08-E-1127SP2], November 25, 2009 [SAPA09-G-0363SP3], February 10, 2010 [SAPA08-E-1135SP1, SAPA07-M-0548SP17 and SAPA 07-M-0548SP18], February 17, 2010 [SAPA09-G-0363SP4], and March 3, 2010 [SAPA08-E-1132SP2]. The minimum periods for the receipt of public comments pursuant to the State Administrative Procedure Act (SAPA) regarding those notices expired on May 26, 2009; January 11, 2010; March 29, 2010; April 5, 2010; and April 19, 2010, respectively. The comments received are addressed as set forth below.

SUMMARY OF COMMENTS

No comments were received in response to the SAPA notices issued on April 8, 2009; November 25, 2009; and February 17, 2010; or regarding the SAPA notice on Central Hudson's proposed Home Energy Reporting Program issued on February 10, 2010. Six sets of comments were submitted in response to the SAPA notices issued on February 10, 2010, relating to balancing the electric and gas energy efficiency portfolio. In response to the SAPA notice issued on March 3, 2010, about NYSERDA's proposed Agriculture Energy Efficiency component of the Existing Facilities Program, 129 parties submitted comments. The comments are summarized below.

Balancing the Portfolio

Niagara Mohawk Power Corporation (Niagara Mohawk) and KEDLI/KEDNY say that it is important to be able to assure their commercial & industrial customers that energy efficiency programs will remain in place with stable policies during the

time that it takes customers to plan and complete energy efficiency programs.

Niagara Mohawk and KEDNY/KEDLI state that the dekatherm (Dth) usage thresholds for industrial programs (both upstate and downstate) are overly restrictive and should be lowered to increase the number of eligible participants. Niagara Mohawk and KEDNY/KEDLI also say that the Commission decision to limit utilities to serving only the 5 to 50 unit multifamily market created an energy savings target deficit downstate of about 10,000 dekatherms. Consequently, KEDLI and KEDNY suggest that 10,000 dekatherms of energy savings targets should be shifted from the multifamily programs to the commercial programs. KEDNY further requests that, since the majority of the multifamily housing stock in New York City is greater than 50 units, it should be allowed to serve the greater than 50-unit market that does not wish to participate in NYSERDA's Multifamily Performance Program because, according to KEDNY, there would be a sufficient number of projects available to meet the energy savings targets ordered by the Commission if it were allowed to serve the greater than 50-unit multifamily market.

KEDLI and KEDNY want to drop their proposed Commercial High-Efficiency Heating and Water Heating Program. In its place, they propose to incorporate high efficiency heating and hot water heating equipment into the existing EEPS Industrial Energy Efficiency Program, the Commercial Energy Efficiency Program, and the Multifamily Energy Efficiency Program, with suggested reallocations of the respective program budgets and energy savings targets. In addition, KEDLI and KEDNY request a series of further reallocations of gas program budgets and energy efficiency targets, including a proposal to shift 15,000

dekatherms of energy savings targets from KEDNY to KEDLI (with corresponding changes to program budgets and collections).

KEDNY states that the savings goals for the Residential High-efficiency Heating and Water Heating and Controls Program may be unattainable because approximately 85% of the downstate New York heating market is comprised of hydronic systems. The hydronic systems have higher installation costs than high-efficiency furnaces due to increased labor requirements for installation and venting restrictions. KEDNY suggests a $200 increase to current rebate levels for certain boilers. KEDNY also recommends reallocating a portion of its funding and energy savings targets to other KENDY residential programs with the premise that rebates for windows and thermostats would achieve higher energy savings than rebates for high-efficiency heating equipment.

KEDNY/KEDLI would like to expand program offerings for the Residential High Efficiency Heating and Water Heating and Controls Program to include: Energy Star water heaters, power-vented water heaters, and/or tankless/on-demand water heaters. KEDNY and KEDLI also recommend including a maximum of $100 for pipe insulation as one of the residential measures to be allowed downstate.

Niagara Mohawk and KEDNY/KEDLI request additional flexibility to manage their energy efficiency programs. They ask the Commission to grant program administrators authority to make program refinements aimed at increasing customer participation without advance review by Staff of the Department of Public Service (Staff). KEDLI and KEDNY also suggest that the incentive levels and annual project spending caps be changed for the custom component of its commercial, industrial, and

multifamily programs, and that the prescriptive measures in the same programs should be a function of market conditions.

Niagara Mohawk and KEDNY/KEDLI state that they could maximize potential energy savings if they are not limited to implementation and reporting by discrete calendar years for savings targets and program budgets. They also want to be able to shift money from one program to another within the same customer sector based on demand for services.

Multiple Intervenors is concerned that utility rates in New York State are high and, consequently, it wants to ensure that the cost of EEPS programs is moderated. It believes that expanding EEPS programs at this time is premature and inappropriate.

The Northeast Energy Efficiency Council (NEEC) supports the NYSERDA programs. NEEC supports a whole-house, comprehensive approach rather than the approach that the Commission approved for the Multifamily Performance Program in July, which is based on per-measure cost-effectiveness. NEEC also objects to the Commission's rejection of a fuel blind approach because the rejection excludes oil efficiency measures.

New York State Electric and Gas Corporation (NYSEG) and Rochester Gas and Electric Corporation (RG&E) state that the rebalancing notices function as a "catch all" or "clean-up" process to effectuate the continued smooth functioning of EEPS. Therefore, NYSEG and RG&E request that the Commission address recovery of general administrative and planning expenses they have incurred, which have been identified as "portfolio costs" in NYSEG and RG&E's filings.

NYSERDA would like to have an additional $27.9 million allocated to the energy efficiency programs it administers. It states that the Low-Income Multifamily Performance Program

should receive $10 million more in gas funding and $4.43 million more in electric funding to serve households in the low-to-moderate income category (60-80% of the State median income level), which is a customer segment that New York's Weatherization Assistance Program does not address. NYSERDA requests another $5 million in gas funding for EmPower NY in order to serve more eligible households. For the Benchmarking and Operations Efficiency Program, NYSERDA requests $3.5 million in electric funding to address multifamily buildings, which are not currently served under this program. NYSERDA also requests $4.5 million in electric funding and $500,000 in gas funding for an energy efficiency program for agricultural customers.

The E Cubed Company, LLC supports New York's energy efficiency programs. It would like to see more money allocated to combined heat and power/micro-combined heat and power, measures that it believes are highly effective.

Agriculture Energy Efficiency

A total of 129 parties submitted comments in favor of NYSERDA's proposed Agriculture Energy Efficiency component of the Existing Facilities Program. Many of the comments use a consistent message. All of those providing comments support creation of a specific program for agricultural energy efficiency. Many commenting parties also support the ability of a participant to choose which NYSERDA-approved contractor to work with, and hope that individual utilities will also find ways to better include agriculture within their programs. Some parties also encourage the Commission to consider providing more funding if the initial amount is used before the end of two years. State Senator Catherine Young submitted comments stating her support for an energy efficiency program for agriculture customers. Patrick Hooker, Commissioner at the New York

Department of Agriculture & Markets, submitted comments in support of NYSERDA's proposal, especially given current economic conditions. Commissioner Hooker urged the Commission to encourage NYSERDA and the utilities to allow flexibility in the design of the final version of the program and offered the assistance of the Department of Agriculture & Markets in delivering the program. The New York Farm Bureau supports an agriculture energy efficiency effort with flexibility to match on-farm efficiency needs with existing technology. It recommended that all farms in eligible service areas, regardless of their grid connection status, have the opportunity to participate in the program, provided they are able to demonstrate that participation will result in a net benefit to rate payers. EnSave, Inc., a company that provides energy efficiency services to the agricultural sector, submitted a letter in support of the NYSERDA agriculture proposal. Finally, the Innovation Center for U.S. Dairy supports NYSERDA's proposal to develop a statewide energy efficiency program for agriculture. It also supports EnSave's role in the NYSERDA proposal.

DISPOSITION OF NEW PROGRAM PROPOSALS

Central Hudson – Home Energy Reporting (Electric and Gas)

The Home Energy Reporting Program is a proposed behavioral modification/marketing approach to promote energy efficiency by influencing consumer behavior. Participating residential customers would receive approximately six home energy reports per year that would provide information about their energy usage compared with the average use of neighbors with similar household characteristics. The purpose is to motivate customers to reduce their energy use. The report would

also contain energy efficiency tips that can assist in lowering energy usage as well as information on energy efficiency programs available in Central Hudson's territory.

Central Hudson's proposed overall program budget for the Home Energy Report behavioral modification/marketing program is $1,385,000 through 2011. Central Hudson's projected participation level for the program is 25,000 combined electric and gas customers and 75,000 electric-only customers during 2010 and 2011. Proposed annual electric and gas savings goals are 12,000 MWh (gross) and 200,000 therms (gross), respectively, achieved through the end of 2011.

Discussion

The Home Energy Reporting Program is similar to the Behavioral Modification/Marketing Program we previously approved for Niagara Mohawk, and is also similar to programs that are being deployed in other states. Central Hudson's program has the potential to achieve energy use reductions by influencing the behavior of residential customers in its service territory. The approach promises to be a fairly low cost way to acquire energy savings, and is approved with the budgets and targets set forth in Appendix 2. Central Hudson should implement the program in a manner consistent with the requirements for customer consent and confidential treatment of customer usage data that is described in the June 11, 2009 letter from Office of Energy Efficiency and the Environment Director Floyd Barwig to the Evaluation Advisory Group.

Central Hudson – Small and Mid-size
Commercial Gas Efficiency Program (Gas)

Central Hudson proposes a Small and Mid-size Commercial Gas Efficiency Program prescriptive rebate program for high efficiency space and water heating equipment using

natural gas that would be available to its non-residential gas-only customers with annual usage under approximately 10,000 Ccf. Eligible measures would include furnaces, boilers (water and steam), boiler reset controls, indirect water heating, and programmable thermostats. Energy audits and implementation assistance would be available but not required of program participants. Central Hudson plans to integrate the program with its Small Commercial Electric Efficiency program and its Mid-size Commercial Business program. Central Hudson proposes a total program budget of $313,800 through 2011 and estimates that 160 customers would participate in the program, with annual gas savings of 4,398 Dth achieved through 2011.

Discussion

We find that the program is consistent with our requirements and will complement Central Hudson's electric commercial program, enhancing the overall effectiveness of Central Hudson's suite of programs. This program is approved at the levels in the budgets and targets set forth in Appendix 2.

NYSERDA – Agriculture Energy Efficiency Component of the Existing Facilities Program (Electric and Gas)

The Commission previously directed NYSERDA to develop and submit for review a proposal to provide energy efficiency services for agricultural customers as part of its Existing Facilities EEPS program. The purpose of the program is to address an underserved market segment by increasing the penetration of electric and gas energy efficiency improvements for agriculture customers.

NYSERDA developed the program proposal after collaborative discussions with interested parties. The proposal focuses on providing customer outreach and education, facilitating enrollment, performing energy audits and studies,

installing energy efficiency improvements, and supporting customer installations. The electric and natural gas services would be available to all farms and on-farm food producers, including, but not limited to: dairies, poultry/egg farms, orchards, maple producers, vineyards, vegetable farms, and grain dryers. The energy efficiency measure improvements for each farm would be identified through an energy audit provided to the participant through NYSERDA's FlexTech Program. For example, dairy farms would have the opportunity to have the following types of energy efficiency equipment installed: milking vacuum pump variable speed drives, plate milk coolers,[4] scroll compressors, high-pressure sodium lighting, stock waterers, agriculture fans, bulk tanks,[5] engine block heater timers, compact fluorescent lighting, and compressor heat recovery units.

NYSERDA proposes to offer participants incentives that would cover up to 75% of project costs. NYSERDA proposes to cap the incentives at $250,000 per project.

NYSERDA proposes goals of 4,987 MWh in electric energy savings with a cumulative budget of $4,500,000, and 5,440 dekatherms of natural gas savings with a cumulative budget of $500,000 through 2011. NYSERDA projects that 360 farms would participate, a majority of which would be located upstate.

[4] A plate cooler is a simple heat exchanger that captures the heat of warm milk and transfers it to cold incoming water. The plate cooler pre-cools milk before the milk reaches the bulk tank and it heats water that can later be used for various farm applications.

[5] A bulk tank is a large storage tank for cooling and holding milk at a cold temperature until it can be picked up by a milk hauler.

Discussion

NYSERDA's proposal for additional electric and gas funding to implement its proposed Agriculture Energy Efficiency component of the Existing Facilities Program is well supported by interested parties and should provide cost-effective energy savings to a customer market that is underserved. We conclude that additional EEPS electric and gas funding energy efficiency services for agriculture customers is warranted and will improve customer sector balance of the overall EEPS program portfolio. Accordingly, NYSERDA's Agriculture Energy Efficiency component of the Existing Facilities Program is approved with the budgets and targets set forth in Appendix 2 and with the modifications discussed elsewhere in this order pertaining to the cost-effectiveness of individual measures and projects.

Con Edison - Steam Cooling (Electric)

Con Edison submitted an electric-only Steam Cooling Program. It would target commercial, industrial, and high-rise residential customers that may be planning to convert from steam to electric cooling, and customers interested in adding steam cooling to their facilities, including new construction. Con Edison wants to offer incentives for installations of steam-powered cooling equipment to offset the higher cost when compared with equipment powered with electricity.

Con Edison projects that it would serve 19 participants with a budget of $8,116,000 through the end of 2011. The program is designed to achieve 7,750 MWh savings and have 9.14 MW coincident peak savings through 2011.

Discussion

The retention of existing steam cooling customers and the conversion of electric cooling to steam cooling may be

helpful to the electric system since it can improve system reliability and system load factor and result in system coincident electric summer peak demand reduction. However, the proposed Steam Cooling Program would serve only a limited customer market and is related more to electric-peak savings than to energy efficiency savings, which is the focus of EEPS policy. We are not, therefore, approving this program as part of the EEPS portfolio. While steam cooling technologies are in widespread use and some may be cost-effective, how steam cooling might fit into new strategies for the steam system as a whole should be addressed in the current Steam Planning Case.[6]

Con Edison - Targeted Demand Side Management (Electric)

Con Edison proposes that its Targeted Demand Side Management Program, originally begun in 2003 under the utility's rate plan, be continued with EEPS funding. The program is designed to defer the need for capital investment in transmission and distribution (T&D) capacity through the installation at customer facilities of permanent energy efficiency measures. The energy efficiency measures would be installed in targeted networks by demand side management contractors.

The program would target all residential, commercial, and industrial customers in areas where T&D investment deferrals are needed. Con Edison would identify areas on its network to target for load relief based on its annual ten-year load relief plan. Con Edison states that the program would provide enhanced incentives for prescriptive and custom measures that are in addition to the existing incentives that are available through other programs for participating customers located within the

[6] Case 09-S-0029.

networks targeted for load relief. Con Edison does not describe the specific types of measures and customer incentives that it would offer. Con Edison states that enhanced incentives could represent a significant premium over standard incentives depending on the nature of the targeted network, the date by which the T&D infrastructure project is needed, and the premium incentive level that is shown to be cost effective by a TRC calculation.

Con Edison proposes that the program serve 3,860 participants with a budget of $44,770,000 through 2011. The proposed program is expected to achieve 107,310 MWh of energy savings and have 24.48 MW coincident peak savings through 2011.

Discussion

We are not approving Con Edison's proposal for the Targeted Demand Side Management Program as part of the EEPS portfolio, but instead direct that the proposed program may be addressed along with other consideration of Con Edison's demand response efforts. Demand response issues have been separated from the ongoing EEPS portfolio issues as part of a separate proceeding.[7] Con Edison is already allowed to issue requests for proposals (RFPs) to target specific networks in an attempt to defer the need to build additional T&D infrastructure in particular networks. Under the demand response initiatives, Con Edison will be evaluating techniques for integrating demand reduction programs with energy efficiency programs to increase participation and potentially lower costs for achieving load relief. EEPS programs and funding should remain focused on achieving cost-effective electric and gas energy efficiency savings.

[7] Case 09-E-0115, Demand Response Initiatives, Order Instituting Proceeding (issued February 17, 2009) p. 2.

NYSERDA – Benchmarking and Operations Efficiency Program Expansion for Multifamily Buildings (Electric)

NYSERDA requests that additional funding be provided for its Benchmarking and Operations Program to offer benchmarking and commissioning assistance to multifamily buildings and to develop a benchmarking tool to support the PlaNYC benchmarking efforts. NYSERDA expects to provide benchmarking services to a subset of multifamily buildings subject to New York City's Greener, Greater Building benchmarking law. Savings will be achieved from no or low-cost measures and operational improvements identified through benchmarking assessments. Participants may also become aware of further energy efficiency improvement opportunities in the benchmarking reports. Such customers may be motivated to participate in other EEPS programs. The savings achieved from participation in other EEPS programs would not be counted toward savings achieved from the proposed benchmarking program.

NYSERDA proposes a funding stream through the end of 2011 totaling $3.502 million, including $13,704 for outreach and marketing, with a total savings goal through 2011 of 11,943 MWh of electricity savings and 42,218 MMBTU of gas savings. NYSERDA states that the gas savings are incidental to electric savings, which is the principal focus of the proposal. NYSERDA estimates that approximately 788 multifamily buildings would participate in the program with the proposed electric funding.

Discussion

We are not approving NYSERDA's proposal for a specific funding allocation for multi-family buildings within the Benchmarking and Operations Efficiency program. While we recognize that benchmarking can be a useful and low-cost approach for obtaining energy savings, NYSERDA's proposal to add funding for a multifamily building component was not supported

by sufficient detailed information for us to approve a stand-alone funding allocation at this time. We will, however, allow NYSERDA to amend its existing Benchmarking and Operations Program for commercial and industrial customers to make multifamily buildings also eligible for such services within the current budget. If NYSERDA elects to take this approach, it shall separately track and report on the program activity related to multifamily buildings, including participation, costs, savings achieved, and all other aspects consistent with the reporting requirements in place for other EEPS programs. In such an event, NYSERDA should submit revisions to its SBC Operating Plan to describe how it will serve multifamily buildings under the existing Benchmarking and Operations Efficiency Program.

DISPOSITION OF REQUESTS FOR ENHANCED FUNDING FOR PREVIOUSLY-APPROVED EEPS PROGRAMS

To ensure that the overall statewide portfolio is well balanced, the Commission has considered a number of interrelated factors. This concept of balance includes statewide geographical and market segment equity; the relationship between the expected energy savings based on Commission-approved program authorizations and the expectations for overall portfolio attainment set forth in the foundational EEPS policy orders; the unique needs of underserved and special-needs market segments; consideration of programs that the Commission did not previously review or fully fund; adjustments required due to changes in market conditions, new circumstances, or policy considerations; the original overall estimated cost of EEPS; and the impact or burden on ratepayers.

NYSERDA Programs (Electric & Gas)

NYSERDA requests additional gas funding for its ongoing SBC and EEPS-funded EmPower NY program, designed for low income customers. NYSERDA argues that the additional funding would help maintain customer participation at the levels served in recent years, when utility rate plan funding and other funding sources were used to expand the program contractor network and increase customer participation. NYSERDA proposes enhanced funding through 2011 of an additional $5 million, including $66,000 for outreach and marketing, with a total gas savings goal through 2011 of 43,333 MMBTU. NYSERDA estimates the participation of approximately 1,086 homes with the proposed funding.

NYSERDA also requests that additional electric and gas funding be provided for low-income and low-to-moderate income customers eligible for the Multifamily Performance Program. NYSERDA argues that the additional funding would help address program funding imbalances between the non low-income residential and the low and low-to-moderate income residential customer segments. It proposes to target the additional funds to the low and low-to-moderate income sector.[8] NYSERDA proposes a funding stream through the end of 2011 of $4.3 million (electric) and $10 million (gas), including $66,000 for outreach and marketing, with total energy savings goals through the end of 2011 of 17,104 MWh of electricity and 133,333 MMBTU of gas. NYSERDA estimates the participation of approximately 21,000

[8] Low-to-moderate income is defined as income falling within 60-80% of the state median income (SMI). This segment of customers is not eligible for the federal Weatherization Assistance Program, which serves only those with household income that is 60% of the SMI or below.

multifamily building units with the proposed incremental funding.

Discussion

We approve, in part, NYSERDA's requests for additional funding for two of its existing EEPS programs that serve low-income and low-to-moderate income customers, at the levels in the budgets and targets set forth in Appendix 2. We recognize the continuing and substantial need for additional services for the customer sector served by the EmPower NY program. We also agree with NYSERDA that additional funding for its Low-Income Multifamily Performance Program will help more low-to moderate income customers in the 60-80% of State Median Income (SMI) category, while not overlapping with the Weatherization Assistance Program provided by the Division of Housing and Community Renewal. These customer segments are not likely to have the financial resources to undertake energy efficiency improvements without assistance. However, we must balance the needs of these low and low-to-moderate income customer groups with the funding available for EEPS programs, and find that funding the entire requests is not reasonable at this time. We approve funding at approximately 50% of the levels proposed by NYSERDA for both of these programs. This funding level maintains the limit for low income program spending in relationship to total residential program funding that we previously established in our May 9, 2009 Gas Efficiency Targets Order.

Residential HVAC Programs (Gas)

The purpose of the gas Residential HVAC programs is to promote the installation of efficient, cost-effective gas furnaces, boilers, and other equipment at the time of

replacement, primarily by providing rebates for the purchase and installation of approved equipment. The Commission already approved such programs to be administered by the major gas utilities that did not already have similar interim gas energy efficiency programs underway. The programs have approved budgets and associated energy savings goals for the years 2009 through 2011.

Some of the programs experienced greater than anticipated participation and either have expended their entire 2009-2011 budgets or will soon do so. As a result, the Niagara Mohawk, NYSEG/RG&E and Central Hudson programs are not accepting new participants. Corning Natural Gas Corporation (Corning) expects to expend the remainder of its 2011 budget by the end of June 2010 and obtain its cumulative 2009-2011 savings goals. Orange and Rockland Utilities, Inc. (O&R) expects to use up the reminder of the 2010 budget during the summer and intends to use the 2011 budget to operate the program over the remainder of the summer in order to maintain momentum and catch the air-conditioning replacement season.

Discussion

Due primarily to the rapid exhaustion of previously-approved program funding, we authorize additional funding for the gas Residential HVAC programs of Central Hudson, NYSEG, RG&E, Niagara Mohawk, and O&R at the levels in the budgets and targets set forth in Appendix 2.

The programs have demonstrated success in the marketplace and exhibit a relatively high level of continued energy savings at a comparatively low budgetary cost of energy saved. However, we are concerned about lax program management and oversight, especially the failure on the part of Niagara Mohawk to adhere to authorized program budgets. Niagara Mohawk

may have exceeded its authorized budget by approximately $3 million for this program. It appears that managing rebate programs within the authorized budget is a challenge for Niagara Mohawk as it has significantly exceeded its authorized budgets for both its EEPS program and its interim gas efficiency program. It is anticipated that we will address the matter of Niagara Mohawk's cost overruns in the future. Consequently, the additional funding authorized for the gas Residential HVAC programs herein may not be applied to Niagara Mohawk's previous program budget overruns for the Residential HVAC program, or to any other utility previous cost overrun, without the express approval of the Commission. We reaffirm our expectation that the utility administrators will manage all of their respective energy efficiency programs in a manner that does not exceed their respective approved program budgets.

To enable more effective program administration going forward, we will require that the utilities institute a rebate reservation process for program rebates. Such a process would entail having contractors contact the utility administrator before committing to a project for which a rebate is expected and receiving pre-approval for the rebate application. This process should allow the utilities to monitor closely the demand for program rebates and avoid situations where customers and contractors install energy efficiency measures expecting to receive a rebate only to find that the funds have been exhausted.

In addition, the level of activity for this program strongly suggests, at least for the upstate utilities, that the rebate levels for the program could be reduced. Therefore, we will reduce the allowed rebate levels associated with the incremental funding we are approving in this order for Central

Hudson, NYSEG, RG&E, Niagara Mohawk, and O&R, and approving separately for Corning Natural Gas Corporation (Corning), and St. Lawrence Gas Company, Inc. (St. Lawrence).[9] The table below shows the new approved rebate amounts for eligible measures:

Modified Rebate Levels for Incremental Funding of Residential HVAC Programs

Measure	Rebate
Furnace AFUE > 90	$140
Furnace AFUE > 92	$140
Furnace AFUE > 92 w ECM	$280
Furnace AFUE > 94 w ECM	$420
Furnace AFUE > 95 w ECM	$420
Water Boiler AFUE > 85	$350
Water Boiler AFUE > 90	$700
Steam Boiler AFUE > 82	$350
Boiler Reset Controls	$70
Indirect Water Heater	$210
Programmable Thermostats*	$18
Duct and Air Sealing	$420

AFUE - Annual Fuel Utilization Efficiency
ECM - Electronically Controlled Motor
EF - Efficiency Factor
* Installed by a contractor at the time of furnace or boiler replacement. The number of thermostat rebates is limited to two per housing unit.

KEDNY and KEDLI Programs (Gas)

KEDNY and KEDLI originally requested approval of a new Commercial High-efficiency Heating and Water Heating Program, but have since withdrawn that proposal in favor of a request for additional funds to incorporate high-efficiency heating and hot water heating equipment into their existing Commercial Energy Efficiency Program, Industrial Energy Efficiency Program, and

[9] To minimize customer confusion that might arise because St. Lawrence is already operating its program at the enhanced budget level, St. Lawrence shall have until October 1, 2010 to implement the new reduced rebate levels.

Multifamily Energy Efficiency Program. This enhanced funding would be used to offer prescriptive rebates to customers that install high-efficiency heating and water heating equipment. The rebates are designed to reduce the incremental cost between standard and high-efficiency equipment or the cost of purchasing and installing efficiency measures applied to retrofits or fuel conversions. Eligible measures would include high-efficiency furnaces and boilers, low-intensity infrared heaters, and high-efficiency condensing unit heaters.

KEDNY and KEDLI also propose a complicated series of further reallocations among the programs which the utilities believe will provide greater market penetration, more energy savings, and have greater potential for increased participation.

Discussion

An analysis of KEDNY/KEDLI's proposed reallocation of program funding and accompanying energy savings targets causes concerns. For example, as shown in the table below, KEDLI has asked for an additional 25% in funds for certain programs and expects only to achieve an additional 10% in energy savings from the use of such funds. In addition, KEDLI proposes an increase in the amount of funding for the Industrial Energy Efficiency Program, but proposes an approximate 19% decrease in the corresponding energy savings target. Likewise, KEDNY proposes to reduce the Industrial Energy Efficiency Program budget by approximately 6% and the corresponding energy savings targets by about 30%.

Comparison of KEDLI/KEDNY Existing Approved Programs to the Proposed Changes Due to Incorporation of New Heating/Hot Water Heating Measures and Rebates

		Authorized Annual Budget $	Energy Savings Target Dth	Proposed Annual Budget $	Δ %	Dth	Δ %
KEDLI							
	Commercial	$902,625	20,475	$1,554,760	72%	41,914	105%
	Industrial	$1,696,648	40,500	$2,055,087	21%	32,738	-19%
	Multifamily	$435,861	9,900	$180,857	-59%	3,558	-64%
	Total	**$3,035,134**	**70,875**	**$3,790,704**	25%	**78,210**	10%
KEDNY							
	Commercial	$1,680,400	35,100	$2,099,145	25%	51,401	46%
	Industrial	$3,573,772	78,300	$3,363,891	-6%	54,484	-30%
	Multifamily	$2,019,890	40,500	$2,855,675	41%	58,175	44%
	Total	**$7,274,062**	**153,900**	**$8,318,711**	14%	**164,060**	7%

KEDNY and KEDLI claim that the proposed reallocations of program funding and energy savings targets will shift funding from programs with little anticipated demand to programs with high customer interest. However, the approved budget amounts were established recently in the manner originally advocated by KEDNY and KEDLI. We are not persuaded that the existing program budgets and/or energy savings targets have been adequately tested at this early date in the implementation phase or should be reduced for any of the previously approved EEPS programs.

In order to further encourage gas programs within the original gas cost target, we shall approve the request for additional funding for the KEDLI Commercial Energy Efficiency Program and the Industrial Energy Efficiency Program and the KEDNY Commercial Energy Efficiency Program and Multifamily Energy Efficiency Program, at the levels in the budgets and

targets set forth in Appendix 2. However, we reject all proposed reductions in either program budgets and/or energy savings targets from what has been established in previous EEPS orders.

KEDNY and KEDLI state that their experience with the interim gas energy efficiency programs shows that customer demand has been less than expected in New York City. KEDNY and KEDLI project a 15,000 dekatherm shortfall. They propose further reallocations of gas program budgets and energy savings targets intended to prevent the shortfall, but an analysis of this proposal revealed a proposed reduction of 25,000 dekatherms of energy savings from the KEDNY Multifamily Energy Efficiency Program. KEDNY/KEDLI's proposal would shift 15,000 dekatherms of energy savings from KEDNY to KEDLI's Commercial Energy Efficiency Program. However, KEDNY also proposes toreallocate an additional 10,000 dekatherms from its Multifamily Energy Efficiency Program, by directing 7,500 dekatherms to the Commercial Energy Efficiency Program and 2,500 dekatherms to the Industrial Energy Efficiency Program. These proposed inter-company shifts are unacceptable. At the beginning of the process of establishing an EEPS portfolio, we gave careful consideration to geographical equity across the State and determined funding levels and projected energy savings goals for the utility service territories on that basis. We, therefore, do not approve redistribution of program funding and energy savings targets among utility service territories because they would undo the balance we sought to achieve.

KEDNY asserts that the energy savings goals for the Residential High-efficiency Heating and Water Heating and Controls Program may be unattainable because hydronic systems constitute approximately 85% of the downstate New York heating

market. The hydronic systems have higher installation costs than high-efficiency furnaces due to increased labor requirements occasioned by installation and venting restrictions. KEDNY request that approximately 9% of the funding and associated energy savings targets from KEDNY's gas Residential HVAC Program be redirected to KEDNY's Energy Star Gas Products Program and the Gas Enhanced Home Sealing Incentives Program. KEDNY estimates that this would produce a 20% increase in customer participation and a 1% increase in annual therms savings. The majority of the increased energy savings are based on the premise that rebates for windows and thermostats would achieve higher energy savings than rebates for high-efficiency heating equipment. However, KEDNY has not provided sufficient documentation to substantiate this claim. We appreciate KEDNY's efforts to obtain additional energy savings and, therefore, approve additional funding for KEDNY's Gas Enhanced Home Sealing Incentives Program at the levels in the budgets and targets set forth in Appendix 2. However, we remain unconvinced that additional funding for the Energy Star Gas Products Program is warranted at this time. In addition, we are not persuaded that redistribution of program budgets and/or energy savings targets should be made between these programs as proposed. We, therefore, reject this proposal.

With regard to the KEDNY/KEDLI proposal to provide rebates for additional water heating measures in the downstate area, two of the three suggested domestic hot water measures (tankless/on demand and conventional stand-alone tank with burner) were specifically rejected in the Gas Fast Track Order (April 4, 2009, Appendix 1, Table 2). KEDNY and KEDLI submitted no new information on these measures or any information on the newly-proposed measure, power-vented water heaters. Therefore,

we reject the KEDLI and KEDNY domestic hot water proposals at this time.

KEDLI and KEDNY also proposed to transfer gas Residential HVAC Program space-heating effort from duct sealing for furnaces to pipe insulation for boilers, which are more prevalent in their service territories (e.g., they propose to discontinue rebates for duct sealing altogether). After discussions with Staff, KEDNY/KEDLI reformulated the proposal to provide incentives for insulation in homes with gas-fired boiler space heating of uninsulated, exposed heating pipes located in unconditioned areas. Modeled as installable by the residents without contractor costs, Staff, KEDLI, and KEDNY found this measure to be cost-effective. This measure is therefore approved with a cap of $200 per building. However, we reject KEDNY/KEDLI's proposal to discontinue offering duct sealing as one of the eligible measures that could receive a rebate within the gas Residential HVAC Program. In addition, the suggested rebate levels have ranged from 15% to 91% of the cost (due to wide variation in both type and cost of piping insulation). Therefore, KEDNY/KEDLI must develop a reasonable approach for determining the specific details of the calculation of this incentive, reflecting only the purchase prices and variations associated with quality and thickness, and not exceed 50% of the measure cost.

KEDNY requests that, since the majority of the multifamily housing stock in New York City is greater than 50 units, it be allowed to serve the greater than 50-unit market that does not wish to participate in NYSERDA's Multifamily Performance Program because, according to KEDNY, there would be a sufficient number of projects available to meet the energy savings target ordered by the Commission (for which KEDNY

predicts a current shortfall) if it were allowed to serve the greater than 50-unit multifamily market. We understand the unique challenges of serving the multifamily market and meeting energy savings goals in the New York City metropolitan area. Consequently, we are persuaded that it is reasonable to expand program eligibility for the multifamily energy efficiency programs of KEDNY up to 75 units. This adjustment should avoid the need to reduce the energy savings goal for the KEDNY multifamily market segment. Similarly situated Con Edison shall be permitted to take advantage of this change in eligibility limit as well.

ADDITIONAL APPROVED PROGRAM FUNDING

To achieve the overall level of annual gas program funding of $130 million approved in the May 9, 2009 Order, and to enhance the cost-efficiency of the overall gas program portfolio, we will allocate some additional funds to gas efficiency programs which in previous orders received only partial funded pending this review for overall balance. In authorizing this additional funding we are purposefully enhancing programs which offer a low cost of conserved energy so that we can enhance the level of energy usage reductions that can be achieved. Therefore, we find it warranted and approve additional gas funding for NYSERDA's FlexTech Program, Industrial and Process Efficiency Program, and Existing Facilities Program at the levels in the budgets and targets set forth in Appendix 2.

NYSERDA – Independent Evaluation Consultant

In our June 23, 2008 EEPS order we approved a request to engage an independent evaluation consultant to advise Staff on the scope and methods to be used to evaluate EEPS and other

System Benefits Charge (SBC) programs and to assist Staff in its independent critique of the evaluation activities of NYSERDA and other program administrators. In October 2008, a firm was retained with funding of approximately $250,000 for the first 12 months and a similar amount for the current 12 month period. The costs for the consultant are part of NYSERDA's budget for enhanced measurement and verification collected from electric ratepayers.

As the number of EEPS and SBC programs has grown to over 90, the scope, complexity, and volume of evaluation-related support provided by the consultant has grown significantly. For example, the consultant, Staff, and the Evaluation Advisory Group (EAG) have engaged in a rigorous process of reviewing, updating, and refining the five technical manuals we approved between December 2008 and December 2009. This effort will improve the reliability of energy savings estimates. Many of the measures expected to be installed are to be considered "custom" and estimating the energy savings for these types of measures presents an additional challenge, necessitating more support from the independent evaluation consultant. In addition, the responsibilities of the EAG have expanded to include, for example, helping to better coordinate evaluation activities of the various programs and administrators. Finally, the State Energy Plan assigned to the EAG the task of developing an annual statewide report on energy efficiency activities and their associated energy savings.

Discussion

While it is difficult to estimate future expenses precisely, we approve an increase in the enhanced measurement and verification budget of an additional $250,000 annually, commencing July 1, 2010, for these consultant services to ensure

that Staff and the EAG have adequate resources to execute their responsibilities effectively and to ensure that we have highly reliable, timely, and transparent evaluation results with which to gauge our progress toward achievement of the EEPS goals and to enhance future program designs. We expect NYSERDA to continue to budget the current level of $250,000 out of its existing budget on a going forward basis so that a total budget of $500,000 will be available for these expenses annually through 2011. NYSERDA shall administer any necessary contracts, but the independent evaluation consultant's work will continue to be directed by Staff.

GENERAL DISCUSSION

1. Funding Principles

As a continuing general principle for all EEPS programs, monies collected from electric ratepayers should be used to fund only electric energy efficiency measures and monies collected from gas ratepayers should be used to fund only gas efficiency measures. EEPS resources should not fund heating efficiency measures in buildings heated by a fuel source other than natural gas or electricity.

In this and previous EEPS program approval orders we have approved energy efficiency programs for each customer market segment to reflect a balance between each customer segment's allocated program cost responsibility and the funding of EEPS programs for which the segment is eligible. Allowing customers from one market segments to participate in programs approved for a different customer segment would distort the balance we have established among customer segments and reduce the amount of program funds available for the intended customer segment. Therefore, the utilities and NYSERDA should take steps

to ensure that only the intended customers participate in each approved program.

2. Benefit/Cost Analysis

The measure TRC ratios reported below are intended to suggest whether measure types are more or less likely to be cost-effective. The benefit/cost ratios for measure categories reported are based on generic estimates researched by Staff and/or provided by companies.

It will be necessary for program administrators to pre-screen measures not as yet pre-qualified for cost-effectiveness based on typical costs and savings in a service territory. Each measure must achieve a resource benefit/cost ratio of at least one (1.0). Each program's implementation protocols should include a TRC pre-screening analysis both at the specific measure and project level and for the project level analysis should add a factor to represent pro rata program costs.[10] We believe such a requirement will ensure cost-effective investments on behalf of ratepayers.

a. Measure Level Benefit/Cost Analysis

Tables 1 and 2 below display measure-category average total resource cost (TRC) ratios for, respectively, gas residential and commercial and industrial (C&I) measures which would be typical of the programs covered by this Order. The estimates are based on Staff research using utility and publicly available information. The TRC results indicate that many gas

[10] Our November 12, 2009 EEPS Order provides additional guidance on use of prescriptive and custom measures. Case 07-M-0548 et al, supra, Order Approving Certain Commercial and Industrial Customer Energy Efficiency Programs with Modifications and Assessing Independent Program Administrator Filings (issued November 13, 2009) p. 13. In addition, utility shareholder energy efficiency incentives should be counted as a resource cost.

measures can be cost-effective as part of residential and commercial and industrial energy efficiency programs.

We have previously allowed program administrators to provide rebates to their customers for certain pre-qualified measures (i.e., energy efficiency measures that have been reviewed in this or previous EEPS orders and found likely to be cost-effective in most applications).[11] We recognize that program administrators may find it advantageous for their customers to add new measures to their lists of cost-effective pre-qualified measures. We will allow program administrators to roll out additional pre-qualified measures that they have determined are consistent with the cost effectiveness concepts and requirements we have specified and the LRACs, methods, and criteria that Staff employs in its benefit/cost analysis. Regarding programs approved in this and previous orders, program administrators will be required to provide Staff with their benefit/cost calculations and documentation of costs and savings estimates.[12] If Staff has concerns about the cost-effectiveness of a measure and the difference cannot be resolved, either party may refer the issue to the Commission for resolution.

Program Administrators should provide Staff with a list of planned extremely low-cost measures, such as low flow water restrictors, with estimates and documentation of their costs per multifamily dwelling unit (estimates of savings and TRCs would not be required). In addition, Program Administrators should discuss how many such measures might apply

[11] This pre-qualification does not apply to measures for which site-specific screening was specifically required, as is the case for most C&I measures.

[12] Screening will not be required if the measures fall under the multifamily "extremely low cost or incidental" exemption from TRC analysis in the July 27, 2009 Order (page 30); see next paragraph below.

to one unit, both in the apartment and in a central HVAC system, and suggest a dollar cap per unit for the total of extremely low-cost measures.

We also wish to clarify requirements we included in our October and November 2009 EEPS orders regarding cost-effectiveness of custom measures. In other orders we provided representative TRC ratios for certain custom measures and stated:

> These averages for measure categories are based on installations whose cost-effectiveness is highly site, and actual measure, specific. It will be necessary to either generically prescreen the measures for cost-effectiveness based on typical costs and savings[13] or to prescreen them on a project-specific basis. The measures must achieve a resources benefit/cost ratio of at least one (1.0). The determination of total resource benefits must be based on avoided costs, carbon reduction per unit values, and all other inputs and assumptions in effect at the time benefit/cost analyses were performed. The program's implementation protocol should include a TRC prescreening analysis both at the specific measure and project level before project funding commitments are made. We believe such a requirement will ensure cost effective investments on behalf of ratepayers and will not be overly burdensome for large custom projects requiring engineering studies.

We clarify that it is our intention that the pre-screening analysis will be performed by the program administrators and provided to Staff, but it is not our

[13] For NYSERDA's Existing Facilities Program, incentives would be based on the typical savings or on verified higher savings. For utility prescriptive programs, the incentives would generally be based on typical costs. In both cases, higher costs would be at the participant's expense.

intention that energy project analysis must be reviewed and approved by Staff prior to its implementation. We note that sections of the technical manuals for single family residential measures and commercial and industrial programs contain a requirement that DPS Staff will perform a review of custom measures prior to project implementation. Those sections will be of no effect until the language in the technical manuals can be amended. The requirement that energy savings from custom measures be reported to Staff for review (but not pre- or post-approval) is not eliminated by this clarification. As we previously required for pre-qualified measures, program administrators will be required to provide Staff with their benefit/cost calculations. If Staff has concerns about the cost-effectiveness of a custom measure or project and the differences cannot be resolved, either party may refer the issue to the Commission for resolution.

Table 1

TRC Ratios for Residential Gas Measures

Measure Name	TRC with CO_2
Air sealing downstate	3.3
Air sealing upstate	2.5
Boilers (HW) downstate-85% AFUE	1.9
Boilers (HW) upstate- 85% AFUE	2.8
Boilers (steam) downstate – 82% AFUE	3.2
Boilers (steam) upstate -82% AFUE	4.6
Furnaces downstate – 90% AFUE	2.6
Furnaces upstate - 90% AFUE	4.4
Furnaces downstate – 92% AFUE w/ECM	1.6
Furnaces upstate – 92% AFUE w/ECM	2.3
Hot water storage tank indirect statewide 80 EF	1.5
Insulated exterior door downstate	1.0
Insulated exterior door upstate	0.8
Insulation shell – roof and wall downstate	0.8
Insulation shell – roof and wall upstate	1.1
DHW Pipe insulation downstate	7.9
DHW Pipe insulation upstate	6.0
Seal and insulation ductwork downstate	1.5
Seal and insulation ductwork upstate	1.8
Tankless water heater statewide .82 EF	0.9
Windows ENERGY STAR® downstate	0.4
Windows ENERGY STAR® upstate	0.3

Note: The ENERGY STAR® windows, double pane with argon gas and low emissivity coating, are modeled against standard double pane windows.

Table 2 below shows C&I gas measures analyzed using avoided cost estimates for upstate and downstate service territories. The first section of Table 2 is based on project details related to measures funded under National Grid's Energy Initiative Program in Massachusetts. The second section addresses other measures types, for which Staff developed the measure cost and savings estimates by working with National Grid and Con Edison staff and public information sources.

Table 2

TRCs for Gas C&I Energy Efficiency Measures[14]

GAS MEASURES	TRC Measure Ratios With CO_2	
	Downstate	**Upstate**
Modeled as Retrofit -- Total Measure Costs, Savings		
Boiler Combustion Controls	3.8	3.0
Boiler Reset Controls	1.8	1.5
Insulation	2.0	1.6
Windows C&I Scale	1.8	2.4
Modeled as Retrofit		
Stack Heat Exchanger	4.1	3.3
Air to Air Heat Recovery	1.7	1.3
Boiler Oxygen Trim Controls (Sensor)	1.4	1.1
Boiler Blowdown Heat Exchanger (Steam)	3.3	2.6
Condensing Unit Heater	2.2	1.7
Direct-fired Heater/Makeup Air	3.1	2.4

Since the cost-effectiveness of the measures in Table 2 is highly site specific, the measures are not to be considered pre-qualified, but will require project-specific screening.[15] The measure-type ratios above confirm that program administrators, with reasonable administrative costs, should be able to conduct cost-effective commercial and industrial, residential, and low income residential natural gas energy efficiency programs using the measures proposed.

KEDLI and KEDNY submitted updates to their proposed Commercial High-Efficiency Heating and Water Heating Programs on March 11, 2010.[16] The update did not contain detailed information about the reason for the significant reduction in

[14] The November 13, 2009 EEPS order discusses many other gas commercial and industrial energy efficiency measures which may be cost-effective in some projects (see pages 14-19).

[15] This applies to Table 3 as well.

[16] The Commercial High-Efficiency Heating and Water Heating Program was originally included in National Grid's 90-day filing of September 22, 2008, with refined projections performed in October 2009.

therm savings. In a response to a Staff interrogatory, KEDLI and KEDNY explained that the key factors were the reduction in the average heating load hours (HLH) for commercial buildings included in the companies' models. KEDNY/KEDLI reduced the average HLH estimate from 1,168 in October 2009 to 775 in the March 2010 update. KEDNY/KEDLI derived the HLH figure of 775 by taking the average of the HLH's from the eight commercial building types found in the commercial and industrial technical manual (September 1, 2009).

For the most part, the decrease in HLHs resulted in lower total resource cost ratios than were estimated in the gas measures table shown in the October 23, 2009 Commercial and Industrial EEPS Order (page 15, Table 1.2). Furnace TRC ratios are an exception, likely owing to improved incremental measure cost information acquired since October 2009. In any case, all of the ratios, except for the smaller indirect water heaters, indicate that the measures are likely to be cost effective in particular projects, as shown in Table 3, below.

Table 3

Total Resource Cost Ratios for Representative Measures in the KEDNY/KEDLI Proposed Commercial High-Efficiency Heating and Water Heating Programs

Measure to be Installed	TRC With CO_2
Furnace, 92% AFUE<=300 MBTU/Hour (Hr)	4.3
Furnace, 92% AFUE<=300 MBTU/Hr w/ECM	3.2
Condensing Unit Heater 150-400 MBTU/Hr	2.9
Infrared Heater	3.7
Steam Boiler, >=82%AFUE: <=300 MBTU/Hr	2.1
Hydronic Boiler, >85% AFUE:<=300>=1701 MBTU/hr	1.8
Condensing Boiler>=92% AFUE;<=300>=1701 MBTU/Hr	2.0
Indirect Fired Water Heater <=50 Gal., EF 82%	1.0
Indirect Fired Water Heater>50 Gal., EF 82%	1.7

Below are TRC ratios for agricultural measures likely to be funded in NYSERDA's proposed Agriculture Energy Efficiency

component of the Existing Facilities Program. As shown in the table below, most of the measures appear to be cost effective. Measures particular to this program include more efficient milk refrigeration and pumping. Bulk storage tanks do not appear to be cost effective because most of the energy savings realized from more efficient refrigeration takes place before the milk reaches the bulk storage tanks.

Table 4

Total Resource Cost Ratios for Representative Agriculture Energy Efficiency Measures

Measure to be Installed	TRC With CO_2
Variable Speed Drive for Milk Vacuum Pump	1.1
Plate Cooler	1.7
Scroll Compressor	1.1
Variable Speed Drive for Milk Transfer Pump	1.9
Compressor Heat Recovery	5.2
High Pressure Sodium Lighting	6.1
T-8 Lighting	3.2
CFL's	3.7
Stock Waterers	1.0
Fans	1.5
Timers	52.7
Bulk Milk Storage Tanks	0.3

b. Program Level Benefit/Cost Analysis

Table 5 below shows the TRC ratios reported by the prospective program administrators for programs not reviewed in the EEPS process thus far. Staff has not fully reviewed all of the input estimates and assumptions.

Table 5

TRC Ratios for the Programs as a Whole[17]

Utility	Program Name	Electric/Gas	TRC
Central Hudson	Home Energy Reporting[18]	Electric/Gas	1.89
Central Hudson	Small and Mid-size Commercial Business	Gas	1.53
NYSERDA	Agriculture component of Existing Facilities	Electric/Gas	1.16

3. Discussion of Other Comments Received

NYSEG/RG&E filed comments seeking recovery of NYSEG and RG&E EEPS portfolio costs. In order to provide appropriate consideration of the issue mentioned in the comments, NYSEG/RG&E should submit a petition to describe specific amounts and circumstances involved regarding the costs in question. The petition should specifically address why these costs are not fully covered in base rate authorizations.

We have previously and repeatedly addressed the issues raised by NEEC in opposition to the screening of the cost-

[17] Unlike the measure level tables, these ratios include administrative and evaluation costs and shareholder performance incentives for the utilities, as well as appropriate free rider treatment. As with the measure ratios, the CO_2 adders are included.

[18] After discussions with Staff, Central Hudson recalculated the TRC for this program as 1.89. There were two main reasons for the increase from earlier estimates. Central Hudson estimated and valued the impact on summer peak demand per LRACs capacity estimates. Second, Central Hudson adjusted the usual technical manual free rider approach (Net to Gross ratio) because the savings estimates for this unique, behavioral program are based on experience in other states in which post-consumption was compared to a control group rather than to previous consumption. The 1.89 ratio may still modestly understate the total resources benefit/cost ratio. To the extent that the letters sent as part of the program induce participants to buy cost-effective CFLs and similar measures on their own as part of the observed “behavioral” savings, resource costs in the program years and greater savings dollars in the following years are omitted.

effectiveness of individual energy efficiency measures, and the organization's recommendation for the use of electric and gas EEPS funding for "fuel-blind" energy efficiency projects that include oil and other types of non-gas fuel savings. We will not adopt these recommendations because it would not be fair to do so for electric and gas ratepayers who are the source of all funds for EEPS programs. The first of those recommendations (that individual energy efficiency measures not be screened) is rejected because it would result in funding for measures that are not cost-effective and would increase, and not reduce, the short-term and long-run costs of providing electric and gas service. The latter recommendation (calling for EEPS funding of energy efficiency measures on a "fuel blind" basis) would impose on utility ratepayers the program costs for obtaining fuel savings for which they would receive no corresponding bill savings or electric and gas system benefits. In addition, if portions of electric and gas EEPS funds are spent on other fuels, the total cost to achieve the EEPS electric and gas energy savings goals would be increased. The Commission has previously enunciated in several EEPS orders a funding principle that for all EEPS programs electric funds should pay for only electric measures and gas funds should pay for only gas measures. We note that NYSERDA can fund measures that target other fuels, especially measures to conserve heating oil, from other funding sources, such as the Regional Greenhouse Gas Initiative (RGGI) or Green Jobs/Green New York programs.

Regarding the E Cubed Company's comments in support of funding for combined heat and power (CHP) installations, the Commission has previously rejected the use of CHP as an eligible

measure in EEPS programs[19] and NYSERDA has withdrawn its proposed Statewide Combined Heat and Power Program. Certain current NYSERDA SBC-funded commercial programs do allow funding for CHP measures.

4. Policy Regarding Incentives Paid to Program Participants

We will require that the utilities obtain proper documentation (i.e., itemized invoices showing the installation costs of the energy efficiency measures) before payment of any energy efficiency incentives that are based on a total overall cost of a project. Program administrators should ensure that EEPS program funding is used only for costs associated with end-use energy savings equipment.

5. Policy Updates

In this order we describe the disposition of the last of the program administrator proposals submitted in response to our June 23, 2008 EEPS Order. As we continue with the implementation process, it has become clear to us, based on comments from parties and from Staff interviews of program administrators, that several changes will improve program implementation. These changes are intended to give program administrators more flexibility in program operations, make it more likely that they will be able to achieve the goals we specified for the end of 2011, and put the EEPS process on track for continued success toward the goal of a 15% reduction in electricity usage from otherwise expected usage levels by 2015,

[19] Case 08-E-1127, et al, Energy Efficiency Portfolio Standard, Order Approving Certain Commercial and Industrial Customer Energy Efficiency Programs with Modifications (issued October 23, 2009). See page 22.

with a similarly aggressive effort for gas usage reduction. These changes are described below.

Several of the program administrators have requested varying degrees of increased flexibility to make adjustments to program budgets, goals, measures, incentive levels, and program eligibility. We are convinced that the utility program administrators, with few programs that are easily oversubscribed, should be granted some limited flexibility to reallocate approved program budgets and targets. This flexibility recognizes the dynamic nature of the marketplace and the need to be able to adapt speedily when warranted. At the same time, we are mindful of our admonition earlier in this order that we have approved energy efficiency programs for each customer market segment to reflect a balance between each customer segment's allocated program cost responsibility and the funding of EEPS programs for which the segment is eligible. Allowing customers from one market segments to participate in programs approved for a different customer segment would distort the balance we have established among customer segments and reduce the amount of program funds available for the intended customer segment. Therefore, the utilities and NYSERDA should take steps to ensure that only the intended customers participate in each approved program.

With these concerns in mind, we will allow utility electric program administrators to reallocate up to 10% of their total annual approved electric program budgets among approved electric programs within their electric program portfolios. We will also allow utility gas program administrators to reallocate up to 10% of their total annual approved gas program budgets among approved gas programs within their gas program portfolios. No electric-to-gas or gas-to-electric budget reallocations will

be allowed under this mechanism. Furthermore, no inter-service-territory reallocations will be allowed under this mechanism. Utilities may implement such reallocations by providing to Staff proposed revised budget and target tables for the programs in a format similar to the tables in Appendix 2, and by providing such other information as Staff requires. Such reallocations may be implemented if the Director of the Office of Energy Efficiency and the Environment certifies that such reallocations (a) do not result in net reductions in aggregate energy savings; (b) do not materially affect the overall balance between customer market segments; and (c) do not appear to be detrimental in any other manner to the EEPS program.

In addition, we will allow all program administrators, including NYSERDA, to make adjustments in energy efficiency program or measure incentive levels of up to plus or minus 20% of Commission-approved levels. Utilities and NYSERDA may implement such reallocations by providing to Staff such information as Staff requires. Such adjustments may be implemented if the Director of the Office of Energy Efficiency and the Environment certifies that such adjustments (a) do not result in net reductions in aggregate energy savings; (b) make efficient use of ratepayer funds; and (c) do not appear to be detrimental in any other manner to the EEPS program.

6. Customer Outreach and Education/Marketing

Consistent with previous orders, and as part of the utility program implementation plans and NYSERDA's operating plan for residential and low-income residential customer energy efficiency programs, each of the program administrators will submit program-specific marketing plans for new programs or enhanced funding for already approved programs for certification by the Director of the Office of Consumer Policy.

7. Program Evaluation

a. Central Hudson – Home Energy Reporting (Electric and Gas)

Central Hudson's evaluation proposal for Home Energy Reporting was developed in collaboration with OPower, a contractor that has administered the proposed program in other jurisdictions. The proposal describes the evaluation process in some detail. The overall budget includes the evaluation activities, but evaluation costs are not specified. Central Hudson indicates that it would use internal and third party resources to evaluate program effectiveness, but provided no details on how an independent evaluation would be performed or funded.

The evaluation process would compare energy usage between a test population (program participants) and a control population (non-participants) drawn from the same target service area. Energy savings and costs are only attributed to the period in which they are evaluated and there would be no reported lifecycle costs. The evaluation would also analyze consumer actions and behavior. The evaluation contractor would evaluate data from customer contacts, rebate claims, customer interviews, and customer surveys. Attribution of energy savings from other Central Hudson and NYSERDA programs is identified as a complex issue; however, there is no discussion of how it would be addressed.

Central Hudson should provide details and budget information regarding its plans for an independent evaluation of the Home Energy Reporting Program, with an emphasis on the methodology for addressing attribution issues. An independent evaluation is critical because the focus of the proposed evaluation effort would be conducted by the program implementation firm.

b. Central Hudson – Small and Mid-size Commercial Business (Gas)

Central Hudson's Small and Mid-size Commercial Business Program includes an outline of an evaluation plan, which addresses process and impact evaluation, sampling strategies, and steps to mitigate threats to data reliability. The evaluation budget would be approximately 5% of the program budget. There is no detail provided explaining how the evaluation budgets would be divided among key evaluation tasks, such as process and impact evaluation.

For the Small and Mid-Size Commercial Business Program, Central Hudson proposes to conduct an analysis of gas-usage data from both program participants and a control group. The program would be subject to process evaluations that would focus on program performance with the objective of identifying improvements in program delivery effectiveness and reducing barriers to participation.

Generally the plan comports with the spirit of the evaluation guidelines developed by Staff and the Evaluation Advisory Group pursuant to the June 2008 EEPS order. While the proposed evaluation plans are adequate as a first step for these programs, more detailed evaluation plans are necessary to explain more fully the evaluation approach, standards, and budgets. Moreover, there is a lack of specific information about the sampling design, how a representative control group would be selected, and how threats to data reliability would be mitigated. Central Hudson is depending on an outside contractor to develop these details, but lacking these details we cannot fully judge the adequacy of the plan. Also, the plan fails to address how Staff and the Evaluation Advisory Group will be engaged in order to execute their oversight responsibilities.

The evaluation plan should offer the opportunity for Staff to review the critical elements of the evaluation process, including customer surveys, statistical approaches, modeling techniques, and draft reports.

c. NYSERDA – Agriculture Energy Efficiency component of the Existing Facilities Program (Electric and Gas)

NYSERDA proposes to evaluate the Agriculture Energy Efficiency component of the Existing Facilities Program as part of the impact, process, and market studies planned for its Existing Facilities Program. NYSERDA will conduct impact, process, and market evaluation studies for the Existing Facilities Program in 2010. Once the agriculture program component is approved, NYSERDA will modify the Existing Facilities Program evaluation plan so that this market sector can be evaluated along with other 2010 studies. NYSERDA will also decide whether additional studies are needed to capture the impact of the program over the long term. In conducting its evaluation, NYSERDA intends to segment the agriculture population within the other Existing Facilities Program evaluations.

NYSERDA does not include details of how it will conduct the evaluation. More details are needed in order to assess its evaluation plan.

d. Reporting

We require an annual report on approved programs no later than 60 days after the conclusion of the calendar year and a quarterly report no later than 45 days after the conclusion of the quarter. Consistent with other program approvals, a monthly scorecard report is also required for any new programs authorized in this order.

COLLECTIONS

The schedule of collections we are approving here will commence on October 1, 2010 (see Appendix 2). This will allow us to coordinate these increases with others resulting from the consideration of other EEPS programs and funding levels.

SEQRA FINDINGS

Pursuant to our responsibilities under the State Environmental Quality Review Act (SEQRA), in conjunction with this order we find that programs approved here are within the overall action previously examined by us in Case 07-M-0548 and will not result in any different environmental impact than that previously examined. In addition, the SEQRA findings of the June 23, 2008 order in Case 07-M-0548 are incorporated herein by reference and we certify that: (1) the requirements of SEQRA, as implemented by 6 NYCRR part 617, have been met; and (2) consistent with social, economic, and other essential considerations from among the reasonable alternatives available, the action being undertaken is one that avoids or minimizes adverse environmental impacts to the maximum extent practicable.

CONCLUSION

For the reasons discussed above, the Commission approves, with modifications discussed in this order, electric and gas energy efficiency programs and enhanced funding designed to serve the commercial, industrial, residential, and residential low income customer market segments. In addition, the Commission approves adjustments to the rate of SBC collections from ratepayers to ensure the correct level of funding for all EEPS programs approved to date.

The Commission orders:

1. System Benefits Charge (SBC) funding for Energy Efficiency Portfolio Standard (EEPS) programs to be administered by Central Hudson Gas & Electric Corporation (Central Hudson); New York State Electric and Gas Corporation (NYSEG); Niagara Mohawk Power Corporation (Niagara Mohawk); Orange and Rockland Utilities, Inc. (Orange and Rockland); Rochester Gas and Electric Corporation (RG&E); The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid (KEDNY/KEDLI); and New York State Energy Research and Development Authority (NYSERDA) is approved by program as set forth in Appendix 2 of this order. The annual program budgets, evaluation budgets, and energy savings goals for the programs shall be as set forth in Appendix 2 of this order. Funding may not be reallocated among programs without further approval by the Commission, except that the utility administrators (not NYSERDA) are given some flexibility as described in the body of this order to implement limited reallocations for all programs in their portfolios under certain circumstances. For NYSERDA, this treatment is different than that afforded existing non-EEPS SBC programs where NYSERDA may reallocate funding between programs within program categories.

2. Within 60 days of issuance of this order, NYSERDA shall submit a supplemental revision to the SBC Operating Plan. The supplemental revision shall incorporate changes to NYSERDA's approved EEPS programs made in this order, and shall comply with guidelines which will be provided by the director of the Office of Energy Efficiency and the Environment within 15 days of the issuance of this order. The programs, including measures, quality assurance, marketing, administration, and evaluation plans, should be described and implemented in a manner that is

consistent with the discussion in this order. In addition to other requirements, the evaluation plans shall address achieving the statistical standards for reporting key results at both the Statewide and regional levels (upstate and downstate regions) and a more defined role for Staff oversight and participation in technical refinements. The types of measures and the level of particular financial inducements/incentives/rebates shall not be changed by NYSERDA without further approval by the Commission, except that NYSERDA is given some flexibility as described in the body of this order to implement limited changes for all programs in its EEPS portfolio under certain circumstances.

3. Central Hudson, NYSEG, Niagara Mohawk, Orange and Rockland, RG&E, KEDNY and KEDLI shall, within 60 days of the issuance of this order, submit implementation plans. The implementation plans shall describe newly approved EEPS programs and incorporate changes to previously approved EEPS programs made in this order and shall comply with guidelines for preparing the implementation plans which will be provided by the Director of the Office of Energy Efficiency and the Environment within 15 days of the issuance of this order. The programs, including measures, quality assurance, marketing, administration, and evaluation plans, should be described and implemented in a manner that is consistent with the discussion in this order. The types of measures and the level of particular financial inducements/incentives/rebates shall not be changed without further approval by the Commission, except that all utility administrators are given some flexibility as described in the body of this order to implement limited changes for all programs in their EEPS portfolio under certain circumstances.

4. Central Hudson, NYSEG, Niagara Mohawk, Orange and Rockland, RG&E, KEDNY, KEDLI, and NYSERDA shall each incorporate reports on these programs into the periodic quarterly program and evaluation reports, annual program reports and evaluations, and monthly scorecard reports already required for the other EEPS programs they administer. They shall track their expenditures on evaluation-related market research in such a manner that they may be reported and scrutinized in the future. Within sixty days of the issuance of this order, the Director of the Office of Energy Efficiency and Environment will provide to these entities guidance on any specific periodic reporting requirements applicable to these specific programs.

5. In the supplemental revisions to the SBC Operating Plan, and in the implementation plans, Central Hudson, NYSEG; Niagara Mohawk, Orange and Rockland, RG&E, KEDNY, KEDLI, and NYSERDA are directed to also include the following information related to their outreach and education (O&E)/marketing programs and, if necessary, to submit new budgets:

(a) specific budget amounts for each individual element of the O&E/marketing budget for each year of the program;
(b) a list and description of the O&E/marketing vehicles to be used;
(c) an explanation of the target audiences for each program component;
(d) a timeline for the development, implementation and evaluation of the O&E/marketing efforts;
(e) how the O&E/marketing programs relate to the entity's general and other O&E/marketing programs; and
(f) the efforts that will be undertaken to minimize any overlap and/or customer confusion that may result from

O&E/marketing activities in the same or adjacent market areas.

6. Annual reports of each calendar year's O&E/marketing program achievements, as available to date, and updated plans for the upcoming calendar year, shall be submitted each year with the third quarter status report so that they can be reviewed prior to the end of each program year.

7. All O&E/marketing plan components of the compliance filings will be subject to review and certification by the Director of the Office of Consumer Policy that they conform to the requirements of this order, before they shall be implemented.

8. Central Hudson, Consolidated Edison Company of New York, Inc. (Con Edison), NYSEG, Niagara Mohawk, Orange and Rockland, and RG&E shall establish by contract with NYSERDA, a schedule of payments, no less frequently than quarterly commencing October 1, 2010, to transfer electric SBC funds to NYSERDA for NYSERDA-administered programs as set forth in Appendix 2, Table 5 of this order.

9. Central Hudson, Con Edison, NYSEG, Niagara Mohawk, Orange and Rockland, RG&E, KEDNY, KEDLI, and National Fuel Gas Distribution Corporation (NFG) shall establish by contract with NYSERDA, a schedule of payments, no less frequently than quarterly commencing October 1, 2010, to transfer gas SBC funds to NYSERDA for NYSERDA-administered programs as set forth in Appendix 2, Table 13 of this order.

10. The electric System Benefits Charge (SBC) is augmented such that beginning on October 1, 2010, the annual level of overall SBC electric revenue collections is increased by $2,542,274, and such that beginning on January 1, 2011, the annual level of overall SBC electric revenue collections is

increased by an additional $2,979,274, to be collected in the manner shown in Table 6 of Appendix 2.

11. The gas SBC is augmented such that beginning on October 1, 2010, the annual level of overall SBC gas revenue collections is increased by $5,814,301, and such that beginning on January 1, 2011, the annual level of overall SBC gas revenue collections is increased by an additional $11,942,988, to be collected in the manner shown in Table 14 of Appendix 3.

12. Each utility affected by this order shall file tariff amendments and/or statements on not less than 30 days' notice to become effective October 1, 2010, incorporating the revisions described herein. The requirements of Section 66(12)(b) of the Public Service Law as to newspaper publication of the changes proposed by these filings is waived.

13. Shareholder incentives and net lost revenues are not addressed by this order. If Central Hudson, NYSEG, Niagara Mohawk, Orange and Rockland, RG&E, KEDNY or KEDLI has a rate plan that provides for either, it shall consult with Staff and then propose whatever adjustments are necessary in such provisions, if any, due to changes in circumstances arising from this order.

14. The budgets approved in this order are to be funded by an SBC; they do not represent traditional rate allowances in the sense that any under-spending shall result in the utility drawing down less money from the SBC collections. Efficiencies in that regard are for the benefit of ratepayers, not shareholders. Central Hudson, NYSEG, Niagara Mohawk, Orange and Rockland, RG&E, KEDNY, KEDLI, and NYSERDA shall manage the EEPS and SBC funds prudently and within the budgets authorized by the Commission.

15. Corning Natural Gas Corporation and St. Lawrence Gas Company, Inc. shall modify their rebate levels for their Residential HVAC Programs in the manner described in the body of this order.

16. All utility administrators will obtain proper documentation to support the calculation of shareholder energy efficiency incentives as described in the body of this order.

17. All utility administrators are given limited flexibility to reallocate program funds in the manner described in the body of this order.

18. All utility administrators and NYSERDA are given limited flexibility to make adjustments in energy efficiency program or measure incentive levels in the manner described in the body of this order.

19. The Secretary at her sole discretion may extend the deadlines set forth herein.

20. These proceedings are continued.

By the Commission,

Jaclyn A. Brilling

Digitally Signed by Secretary
New York Public Service Commission

JACLYN A. BRILLING
Secretary

DESCRIPTIONS OF PROPOSED PROGRAMS AND PROGRAM MODIFICATIONS

Central Hudson – Home Energy Reporting (Electric and Gas)

This proposed gas and electric behavioral/marketing program would promote energy efficiency by influencing consumers' energy use behavior. The program is targeted to single-family homes in Central Hudson's service territory and is designed to influence participants' energy-use behavior by providing them with information on ways that they can reduce their energy usage and energy bills by minimizing waste and making their homes more energy efficient.

A customer's energy use data would be collected, analyzed, and compared with that of an "average neighbors" and a more "energy efficient neighbor," both with household characteristics similar to those of the participating customer. The participating customer would receive six home energy reports per year. The report would also contain energy efficiency tips tailored to a customer's usage, a progress tracker to show how the customer's energy usage has changed over time, and information on energy efficiency programs that are available in Central Hudson's service territory. In addition, customers would be able to log on to a webpage that enhances the Home Energy Reports by providing customers with interactive data tools offering additional energy use data, more detailed graphs, and historical consumption information. The web page would also allow a customer to update household characteristics information to permit more accurate comparisons with other customers.

Central Hudson proposes that 25,000 gas and electric (dual fuel) customers and 75,000 electric-only customers would be enrolled in this program through 2011. Central Hudson's proposed overall program budget for the Home Energy Reporting program is $1,385,000 through 2011. Central Hudson also

proposes annual electric and gas savings goals of 12,000 MWh (gross) and 200,000 therms (gross) respectively.

Central Hudson Home Energy Reporting
Proposed Program Electric Costs for the Years 2010- 2011

Home Energy Reporting	2010	2011	Total
Program Planning and Administration	$52,500	$52,500	$105,000
Program Marketing & Trade Ally	$0	$0	$0
Customer Incentives or Services	$0	$0	$0
Program Implementation	$450,000	$431,250	$881,250
Evaluation and Market Research	$26,250	$26,250	$52,500
Total Utility Cost	$528,750	$510,000	$1,038,750

Central Hudson Home Energy Reporting
Proposed Program Gas Costs for the Years 2010- 2011

Home Energy Reporting	2010	2011	Total
Program Planning and Administration	$17,500	$17,500	$35,000
Program Marketing & Trade Ally	$0	$0	$0
Customer Incentives or Services	$0	$0	$0
Program Implementation	$150,000	$143,750	$293,750
Evaluation and Market Research	$8,750	$8,750	$17,500
Total Utility Cost	$176,250	$170,000	$346,250

Central Hudson Home Energy Reporting
Proposed Program Savings Goals for the Years 2010- 2011

	2010	2011	Total 2010-2011
MWhs (gross)	12,000		12,000
Therms (gross)	200,000		200,000

Central Hudson, Niagara Mohawk, NYSEG,
Orange and Rockland, and RG&E – Residential HVAC Program (Gas)

On April 9, 2009 we approved Energy Efficiency Portfolio Standard (EEPS) residential heating, cooling, and ventilation (HVAC) energy efficiency programs to be administered by the major gas utilities that did not already have a similar gas energy efficiency program underway. The purpose of the Residential Gas HVAC Programs is to promote the installation of efficient, cost effective gas furnaces, boilers and other equipment at the time of replacement by providing rebates for the purchase and installation of approved equipment.

The programs have approved budgets and associated energy savings goals for the years 2009 thru 2011. However, some of the programs experienced greater than anticipated participation and have either consumed their entire 2009-2011 budgets or will do so soon. As a result, Niagara Mohawk, NYSEG/RG&E and Central Hudson's programs are currently suspended. Orange and Rockland has disbursed its entire 2010 rebate budget and intends to use the approved 2011 budget to continue the program's momentum.

Central Hudson – Small and
Mid-size Commercial Gas Efficiency (Gas)

On September 22, 2008, Central Hudson filed a portfolio of proposed energy efficiency programs including a Small Commercial Gas Efficiency Program. It submitted updates for the program on June 5, 2009 and November 25, 2009 including changing the name to Small and Mid-size Commercial Gas Efficiency Program. The proposed program would target non-residential gas customers with annual usage related to space and water heating equipment under approximately 10,000 Ccf. Central Hudson proposes to integrate the program with its previously

approved Small Commercial Electric Efficiency Program[1] and Mid-size Commercial Business Program.[2]

Central Hudson proposes a total program budget of $235,350 for the Small and Mid-size Commercial Gas Efficiency Program through 2011. Central Hudson projects that 160 customers would participate in the program and gas savings would equal 3,298 Dth through 2011. Central Hudson's proposal provides budget detail, participation, and savings for the years 2010 and 2011.

Central Hudson Small and Mid-Size Commercial Gas Efficiency Program
Proposed 2010-2011 Program Costs

Year	Administration	Marketing	Contractors	Incentives	Evaluation	Total
2010	7,500	7,500	25,000	34,450	4,000	78,450
2011	15,000	15,000	50,000	68,900	8,000	156,900
Total	**22,500**	**22,500**	**75,000**	**103,350**	**16,000**	**235,350**

Central Hudson Small and Mid-size Commercial Gas Efficiency Program
Proposed 2010-2011 Program Participants and Energy Savings

	2010	2011	Total
Participants	80	80	160
Dth Savings	1,099	2,199	3,298

[1] Case 08-E-1019 Central Hudson Gas & Electric Corporation's Electric "Fast Track" Energy Efficiency Programs, Order Approving "Fast Track" Utility Administered Energy Efficiency Programs with Modifications (issued January 16, 2009).

[2] Case 08-E-1127, et al., Consolidated Edison Company of New York Inc. - Energy Efficiency Program, Order Approving Certain Commercial and Industrial Customer Energy Efficiency Programs with Modifications (issued October 23, 2009).

The Small and Mid-size Commercial Gas Efficiency Program is designed to assist customers with reducing their energy usage by providing financial incentives to install energy efficiency measures. The program would provide energy audits, implementation assistance, and prescriptive rebates to encourage installation of energy efficiency measures. The program would also offer recommendations to customers for improving their energy efficiency. The energy audit is not required in order to participate in the program and receive rebates for installing measures. The prescriptive customer rebates would apply to natural gas space heating and indirect water heating equipment based on the efficiency performance of the equipment being installed. Rebates would also be offered for boiler reset controls and programmable thermostats.

The proposal includes a summary of the rebate amounts by the general equipment type and the associated efficiency performance level.

Central Hudson - Small and Mid-size Commercial Program
Financial Incentives to Participating Customers

Equipment Type	Minimum Performance Rebate	Rebate
Natural Gas Furnace	Tier 1: AFUE = 90	$500
	Tier 2: AFUE = 92	$500
	Tier 3: AFUE = 92 / ECM driving fan	$700
	Tier 4: AFUE = 94 / ECM driving fan	$900
	Tier 5: AFUE = 95 / ECM driving fan	$900
Natural Gas Water Boiler	Tier 1: AFUE = 85	$800
	Tier 2: AFUE = 90	$1,200
Natural Gas Steam Boiler	AFUE = 82	$800
Boiler Reset Control	N/A	$100
Indirect Water Heater	N/A	$300
Programmable Thermostat	N/A	$25

Central Hudson proposes to deliver the program using representatives of Central Hudson and trade allies and employing a targeted marketing campaign. As projects are completed,

Central Hudson proposes to prepare case study reports documenting savings in a variety of different facility types and use the results in its marketing efforts. Central Hudson also proposes to work closely with NYSERDA to ensure that coordination with NYSERDA's commercial programs occurs.

Central Hudson states that the quality assurance plan will include an inspection process to ensure that the equipment specified is actually installed and operational. The plan would be similar to the one discussed in the implementation plan the company filed with its "Fast Track" programs.

Con Edison - Targeted Demand Side Management Program (electric)

As part of its September 22, 2008 filing, Con Edison proposed that its Targeted Demand Side Management Program (originally begun in 2003) be continued with EEPS funding. Con Edison provided updated budget and energy savings figures on October 16, 2009 in response to a Staff interrogatory. The program is designed to defer the need for capital investment in transmission and distribution (T&D) through the installation of permanent demand reduction energy efficiency measures at customer facilities. The energy efficiency measures in targeted networks would be installed by demand side management contractors.

The program would target all residential, commercial, and industrial customers on delivery networks where T&D investment deferrals are needed. Con Edison would identify areas on its network to target for load relief based on its annual ten-year load relief plan. Con Edison did not describe the specific types of measures and customer incentives that would be offered. It stated that it might use prescriptive rebates and custom efficiency measures similar to its other

electric EEPS programs with increased incentives available to customers in targeted areas. The enhanced incentives could represent a significant premium over standard EEPS incentives depending on the nature of the targeted network, the date the T&D infrastructure project is needed, and the premium incentive level that is shown to be cost effective by a TRC calculation. For purposes of the proposal, Con Edison assumed that the incentive would offset 100% of customer cost, but that the incentive would not exceed 75% of the "enhanced"[3] value of the T&D deferral or the measure cost, whichever is less. Con Edison believes that the higher incentives levels would lead to increased EEPS program participation within the targeted networks resulting in more load relief.

The program's proposed cumulative budget is $44,770,000 with projected cumulative annual savings of 107,310 MWh through 2011. Con Edison expects that the program would serve 3,860 participants and provide for a coincident peak demand reduction of 24.48 MW through 2011.

Con Edison provided a breakdown of the Targeted Demand Side Management Program as shown in the tables below for annual and total costs, installations, and savings for the years 2010 and 2011.

[3] According to Con Edison's proposal, a T&D deferral's enhanced value is the amount by which the value of that particular T&D deferral exceeds the generic value given to T&D deferral by DPS Staff.

Con Edison Targeted Demand Side Management
Proposed Electric Program Costs for 2010- 2011

	2010	2011	Total
Program Planning and Administration	$1,592,000	$1,626,000	$3,218,000
Program Marketing & Trade Ally	$3,979,000	$4,064,000	$8,043,000
Customer Incentives or Services	$10,453,000	$19,210,000	$29,663,000
Program Implementation	$795,000	$813,000	$1,608,000
Evaluation and Market Research	$885,000	$1,353,000	$2,238,000
Total Cost	$17,704,000	$27,066,000	$44,770,000

Con Edison Targeted Demand Side Management
Proposed Electric Program Participants and Savings for 2010- 2011

	2010	2011	Total
Participants	1,380	2,480	3,860
Annualized MWh Savings	38,325	68,985	107,310
MW Savings	8.74	15.74	24.48

Con Edison - Steam Cooling (Electric)

Con Edison submitted an electric-only Steam Cooling Program proposal in its September 22, 2008 EEPS program proposal filing and provided an update to the proposal on October 19, 2009. The Steam Cooling Program targets customers interested in adding steam cooling or converting their facilities from electric to steam cooling.

The proposed budget of $8,116,000 is expected to achieve cumulative savings of 7,750 MWh through 2011. Con Edison projects that the program would serve 19 participants (6 residential and 13 commercial) and provide a coincident peak demand reduction of 9.14 MW through 2011.

Con Edison's breakdown of the Steam Cooling Program for costs, participants, and savings for the years 2010 and 2011 is contained in the tables below.

Con Edison Steam Cooling
Proposed Electric Program Costs for 2010- 2011

	2010	2011	Total
Program Planning and Administration	$146,000	$148,000	$294,000
Program Marketing & Trade Ally	$352,000	$359,000	$711,000
Customer Incentives or Services	$1,164,000	$5,332,000	$6,496,000
Program Implementation	$165,000	$168,000	$333,000
Evaluation and Market Research	$140,000	$142,000	$282,000
Total Utility Cost	$1,967,000	$6,149,000	$8,116,000

Con Edison Steam Cooling
Proposed Electric Program Participants and Savings for 2010- 2011

	2010	2011	Total 2010 - 2011
Participants	4	15	19
Annualized MWh Savings	1,450	6,100	7,550
MW Savings	1.76	7.38	9.14

Con Edison proposes to include the steam-powered cooling equipment measures shown in the table below. As part of the program, Con Edison would require that the steam cooling measures be installed and operational for a minimum of 5 years.

Con Edison Steam Cooling
Equipment Measures & Eligibility Ratings

Measure	Eligibility Rating	Comments
Steam Turbine Chiller	Must meet ASHRAE 90.1 2004	Additional Incentive for COP[4] > 1.02
Two-stage Absorption Chiller	Must meet ASHRAE 90.1 2004	Additional Incentive for COP > 1.02
Single-stage Absorption Chiller	Must meet ASHRAE 90.1 2004	Additional Incentive for COP > 1.02

[4] COP is the Coefficient of Performance - calculated for cooling systems as a rate of net heat removal divided by total energy input.

Con Edison proposes to offer incentives to participants who complete a technical survey of the project and install steam cooling measures. These incentives would offset the higher cost of steam-powered cooling equipment compared to electric equipment. Proposed incentive levels calculated by Con Edison are shown in the table below.

Con Edison Steam Cooling Program Incentives

Measure	**Incentive Level**
Steam Cooling Retention Project	$600/kW up to the incremental cost
Electric to Steam Conversion with COP > 1.02 at full load	$1,000/kW up to the incremental cost
Electric to Steam Conversion with COP <= 1.02 at full load	$600/kW up to the incremental cost
In addition to the above measure incentives, the customer would receive a steam rate incentive	
If a customer pays SBC on less than 50% of total annual electric consumption (kWh)	Prorated Incentive = (SBC annual kWh/Total annual kWh)*(standard incentive)

Con Edison plans to use a combination of internal staff and third party resources to administer and deliver the program. Con Edison's Steam Business Development group would administer the marketing and outreach of the Steam Cooling Program. The Steam Business Development group would leverage existing relationships as well as market the program through direct mail, internet, and outreach to trade allies and industry partners.

KEDLI and KEDNY – Series of Proposed Funding Changes (Gas)

KEDNY and KEDLI originally proposed a program, Commercial High Efficiency Heating and Water Heating, which would offer prescriptive rebates to commercial customers that installed high-efficiency heating and water heating equipment. The rebates were designed to reduce the incremental cost between standard and high-efficiency equipment or the cost of purchasing

and installing efficiency measures applied to retrofits or fuel conversions.

The companies made their initial filing on September 22, 2008 with subsequent updates filed on July 31, 2009, October 20, 2009 and March 11, 2010. In response to a SAPA notice related to EEPS and published on February 17, the companies further modified their proposal, received on March 29, 2010, in which they proposed eliminating the Commercial High Efficiency Heating and Water Heating Program and reallocating the program's budget and savings targets to other, previously approved programs, as discussed in detail below. These comments were further amended with corrections on April 20, 2010.

National Grid found through experience with existing programs that certain refinements would make its originally proposed energy efficiency program more effective. The companies stated that by being limited to multiple family buildings of between five and fifty units for their multifamily program,[5] there would be an energy savings deficit of 10,000 dekatherms in the New York City territory compared to the original filing.

National Grid has also previously petitioned the Commission to reconsider the eligibility threshold for large industrial customers. It proposed a participation threshold of 10,000 dekatherms per customer per year for downstate service and 7,000 dekatherms for upstate commercial customers per year. According to National Grid, the previously ordered Commission threshold of 12,000 dekatherms is overly restrictive and there are few industrial customers of this size within the KEDLI and KEDNY territories.

[5] The decision to limit utilities to serving the 5 to 50 unit multifamily market is discussed in the EEPS Order issued on July 24, 2009.

In light of these observations, KEDLI and KEDNY propose that the Commercial High-efficiency Heating and Water Heating Program be eliminated and the proposed savings targets and program funding be transferred to existing industrial, commercial and multifamily sector programs as illustrated in the following tables. KEDLI and KEDNY have suggested that such reallocation of savings targets and program budgets would shift resources and targets from programs for which there is little anticipated demand to programs with demonstrated high customer interest.

The table below shows current KEDLI savings goals and program budgets as required by previous Commission orders and as indicated in KEDLI's filed implementation plans.

Comparison of KEDLI Approved Program Energy Savings and Budgets
Versus the Filed Implementation Plan 2010- 2011

	Commission Order		Implementation Plan	
Program Name	**Annual Dekatherms**	**Budget**	**Annual Dekatherms**	**Budget**
Commercial Energy Efficiency	20,475	$ 902,625	20,475	$ 902,625
Industrial Energy Efficiency	40,500	$1,696,648	40,500	$1,696,648
Multifamily Energy Efficiency	9,900	$ 435,861	1,558	$ 97,691
Total	**70,875**	**$3,035,134**	**62,533**	**$2,696,964**

The following table shows the KEDNY program savings goals and program budgets as required by previous Commission orders and as indicated in KEDNY's implementation plan.

Comparison KEDNY Approved Program Energy Savings and Budgets
Versus the Filed Implementation Plan 2010-2011

	Commission Order		Implementation Plan	
Program Name	**Annual Dekatherms**	**Budget**	**Annual Dekatherms**	**Budget**
Commercial Energy Efficiency	35,100	$1,680,400	35,100	$1,680,400
Industrial Energy Efficiency	78,300	$3,573,772	35,000	$1,597,472
Multifamily Energy Efficiency	40,500	$2,019,890	15,068	$1,038,152
Total	**153,900**	**$7,274,062**	**85,168**	**$4,316, 024**

The following tables show the currently proposed allocation of funds and energy savings targets incorporating additional funds, new measures and rebates into the existing EEPS industrial, commercial and multifamily programs as well as reallocating existing funds and energy efficiency savings targets in both the KEDLI and KEDNY service territories.

KEDLI and KEDNY Proposed Reallocation of Energy Savings and Budgets
Commercial Energy Efficiency Programs 2010-2011

	Annual Dekatherms	**Budget**
KEDLI	41,914	$1,554,760
KEDNY	51,401	$2,099,145
Total	**93,315**	**$3,653,905**

KEDLI and KEDNY Proposed Reallocation of Energy Savings and Budgets
Industrial Energy Efficiency Programs 2010-2011

	Annual Dekatherms	**Budget**
KEDLI	32,738	$2,055,087
KEDNY	54,484	$3,363,891
Total	**87,222**	**$5,418,978**

KEDLI and KEDNY Proposed Reallocation of Energy Savings and Budgets
Multifamily Energy Efficiency Programs 2010-2011

	Annual Dekatherms	**Budget**
KEDLI	3,558	$ 180,857
KEDNY	58,175	$2,855,675
Total	**61,733**	**$3,036,532**

KEDNY and KEDLI recognize that with the reallocations proposed above there is an approximately 15,000 dekatherm shortfall in energy savings from the targeted savings that would not be absorbed into the commercial, industrial or multifamily programs in the New York City service territory (KEDNY). National Grid proposes that the 15,000 dekatherm shortfall be reallocated from the New York City service territory to the

commercial, industrial and multifamily programs in the Long Island service territory (KEDLI). This further reallocation is shown in the following tables.

KEDLI and KEDNY Proposed Further Reallocation of Energy Savings and Budgets
Commercial Energy Efficiency Programs 2010-2011

	Annual Dekatherms	Budget
KEDLI	56,914	$2,111,175
KEDNY	58,901	$2,405,436
Total	**115,815**	**$4,516,611**

KEDLI and KEDNY Proposed Further Reallocation of Energy Savings and Budgets
Industrial Energy Efficiency Programs 2010-2011

	Annual Dekatherms	Budget
KEDLI	32,738	$2,055,087
KEDNY	56,984	$3,518,243
Total	**89,722**	**$5,573,330**

KEDLI and KEDNY Proposed Further Reallocation of Energy Savings and Budgets
Multifamily Energy Efficiency Programs 2010-2011

	Annual Dekatherms	Budget
KEDLI	3,558	$ 180,857
KEDNY	33,175	$1,838,617
Total	**36,733**	**$2,019,474**

Furthermore, KEDNY and KEDLI propose certain residential program modifications based on their claim that the New York City Residential High-Efficiency Heating and Water Heating Program savings targets are unattainable. KEDLI and KEDNY state that installation of residential hydronic heating systems in New York City (up to 85% of the downstate market) are $3,000 to $6,000 higher than high-efficiency furnace installations. KEDNY and KEDLI further maintain that the nature of the New York City housing stock and the characteristics of

construction in a high-density urban environment limit the potential for energy efficiency applications due to the need for ancillary equipment like water and vent piping, pumps, and pressure valves and controls.

KEDLI and KEDNY believe that a $200 increase in the current rebate levels for 82% AFUE steam boilers with electronic ignition, and 85% and 90% AFUE hot water boilers may encourage more customer participation. As a result, National Grid proposes a reallocation of 9% of the program funding and associated energy savings targets from the New York City Residential Heating, Water Heating, and Controls Program to the ENERGY STAR® Gas Products and Gas Enhanced Home Sealing Incentives Programs. National Grid estimates that it will see an increase of 20% in customer participation and a 1% increase in annual energy savings with such a reallocation.

The following table shows the proposed reallocation:

Comparison of KEDNY Approved Energy Savings and Budgets
Versus Proposed Reallocations Among Residential Energy Efficiency Programs 2010-2011

	Ordered		Proposed	
	Annual Dekatherms	**Budget**	**Annual Dekatherms**	**Budget**
Residential High-efficiency Heating and Water Heating and Controls	36,998	$2,281,145	33,791	$2,121,145
ENERGY STAR® Gas Products	1,794	$ 60,000	17,488	$ 140,000
Gas Enhanced Home Sealing Incentives	15,297	$1,903,577	22,100	$1,983,577
Total	**54,089**	**$4,244,722**	**73,379**	**$4,244,722**

To increase energy savings achieved from the Residential, High-efficiency Heating, Water Heating and Controls Programs, KEDNY and KEDLI propose that the eligible measures list be expanded to include ENERGY STAR® rated water heaters, power vented water heaters, and tankless on-demand water heaters. KEDLI and KENDY believe that this would provide

additional energy and water conservation opportunities for customers.

KEDNY and KEDLI also request the addition of $100 of pipe insulation to the Residential High-efficiency Heating, Water Heating and Controls Programs for KEDNY and KEDLI. Due to the high incidence of hydronic systems in the downstate service territory, there is a substantial opportunity to realize additional energy savings from pipe insulation. KEDNY and KEDLI expect an estimated savings of $.75 therms per linear foot of installation with a rebate amount of $.30 per linear foot. Using an overall estimate of 100 linear feet of hydronic piping per home would result in an average estimated rebate amount, per home of $30 and a cost-of-energy saved of $.40 per therm.

Specific detailed program budgets describing funding allocations in each program-specific administrative area are shown in the following tables. These funding levels would result from the proposed reallocations.

KEDNY Residential

Res. High-efficiency Heating and Water Heating	$2,121,145
ENERGY STAR® Gas Products	$140,000
Enhanced Home Sealing Incentives	$1,983,577
Total	**$4,244,722**

KEDNY Residential Budget Detail
Res. High-efficiency Heating and Water Heating

General Administration	$134,236
Program Planning	$33,559
Program Marketing	$120,000
Trade Ally Training	$100,000
Incentives	$1,619,293
Direct Program Implementation	
Program Evaluation	$114,057
Total	**$2,121,145**

KEDNY Residential Budget Detail
ENERGY STAR® **Gas Products**

General Administration	$3,785
Program Planning	$600
Program Marketing	$4,385
Trade Ally Training	
Incentives	$123,846
Direct Program Implementation	$4,385
Program Evaluation	$3,000
Total	**$140,000**

KEDNY Residential Budget Detail
Enhanced Home Sealing Incentives

General Administration	$70,776
Program Planning	$19,036
Program Marketing	$149,988
Trade Ally Training	$1,515
Incentives	$1,525,362
Direct Program Implementation	$121,721
Program Evaluation	$95,179
Total	**$1,983,577**

KEDLI Revised Budgets	**3/29/2010**	**4/25/2010**
Commercial Energy Efficiency	$1,554,760	$2,111,175
Industrial Energy Efficiency	$2,055,087	$2,055,087
Multifamily Energy Efficiency	$180,857	$180,857
Total	**$3,790,704**	**$4,347,119**

KEDLI Budget Detail
Commercial Energy Efficiency

General Administration	$117,000	$162,010
Program Planning	$11,000	$15,000
Program Marketing	$73,000	$100,000
Trade Ally Training	$20,000	$28,609
Incentives	$1,134,975	$1,549,997
Direct Program Implementation	$110,000	$150,000
Program Evaluation	$88,785	$105,569
Total	**$1,554,760**	**$2,111,175**

KEDLI Budget Detail
Industrial Energy Efficiency

General Administration	$120,000	$122,010
Program Planning	$11,000	$11,000
Program Marketing	$50,899	$50,899
Trade Ally Training	$10,000	$10,000
Incentives	$1,250,000	$1,250,000
Direct Program Implementation	$508,424	$508,424
Program Evaluation	$104,764	$102,754
Total	**$2,055,087**	**$2,055,087**

KEDLI Budget Detail
Multifamily Energy Efficiency

General Administration	$58,204	$35,000
Program Planning	$11,000	$10,757
Program Marketing	$19,500	$8,000
Trade Ally Training	$5,000	$2,000
Incentives	$60,000	$100,000
Direct Program Implementation	$16,100	$16,057
Program Evaluation	$11,053	$9,043
Total	**$180,857**	**$180,857**

KEDNY Revised Budgets	**3/29/2010**	**4/25/2010**
Commercial Energy Efficiency	$2,099,145	$2,405,436
Industrial Energy Efficiency	$3,363,891	$3,518,243
Multifamily Energy Efficiency	$2,855,675	$1,838,617
Total	**$8,318,711**	**$7,762,296**

KEDNY Budget Detail
Commercial Energy Efficiency

General Administration	$140,000	$162,010
Program Planning	$30,000	$35,000
Program Marketing	$87,000	$100,000
Trade Ally Training	$40,000	$45,510
Incentives	$1,536,574	$1,762,044
Direct Program Implementation	$157,000	$180,600
Program Evaluation	$108,571	$120,272
Total	**$2,099,145**	**$2,405,436**

KEDNY Budget Detail
Industrial Energy Efficiency

General Administration	$190,000	$252,311
Program Planning	$33,000	$35,000
Program Marketing	$70,000	$75,000
Trade Ally Training	$14,000	$15,000
Incentives	$2,153,000	$2,250,000
Direct Program Implementation	$670,000	$715,000
Program Evaluation	$233,891	$175,912
Total	**$3,363,891**	**$3,518,243**

KEDNY Budget Detail
Multifamily Energy Efficiency

General Administration	$279,000	$202,010
Program Planning	$28,000	$20,000
Program Marketing	$340,000	$221,000
Trade Ally Training	$37,000	$25,000
Incentives	$1,713,405	$1,106,638
Direct Program Implementation	$257,000	$172,038
Program Evaluation	$201,270	$91,931
Total	**$2,855,675**	**$1,838,617**

NYSERDA – Benchmarking and Operations Efficiency
Program Expansion for Multifamily Buildings (Electric)

NYSERDA, in comments filed on May 29, 2010, recommended that additional funding be provided for its Benchmarking and Operations Program, which the Commission approved on January 4, 2010.[6] NYSERDA's proposal would provide benchmarking services to a subset of multifamily buildings subject to New York City's Greener, Greater Building benchmarking legislation. Savings would be achieved through no or low-cost energy efficiency measures and operational improvements identified through benchmarking assessments. Participants may also become aware of further energy efficiency improvement opportunities through the benchmarking reports, which could result in increased participation in other EEPS programs.

For the expanded program, NYSERDA proposes incremental electric funds through 2011 totaling $3.502 million, including $13,704 for outreach and marketing, with a total savings goal through 2011 of 11,943 MWh and 42,218 MMBTU. NYSERDA estimates that approximately 788 multifamily buildings would participate with the proposed electric funding.

[6] Case 08-E-1127, supra, Order Approving Certain Commercial and Industrial; Residential; and Low-Income Residential Customer Energy Efficiency Programs with Modifications (issued January 4, 2010). In that order, the Commission approved $11.1 million of electric funding for the C&I Benchmarking and Operations Program which covered benchmarking and commissioning services, as well as support for the PlaNYC benchmarking initiative.

NYSERDA Benchmarking and Operations Efficiency Expansion
Proposed Electric Program

	2010	2011	Total
General Administration	$ 80,799	$ 164,046	$ 244,845
Program Planning	$ 0	$ 0	$ 0
Program Outreach & Education/Marketing	$ 8,222	$ 5,482	$ 13,704
Trade Ally Training	$ 0	$ 0	$ 0
Incentives and Services	$ 606,707	$2,426,828	$3,033,535
Direct Program Implementation	$ 0	$ 0	$ 0
Program Evaluation	$ 14,009	$ 161,098	$ 175,107
NYS Cost Recovery Fee	$ 11,557	$ 23,464	$ 35,021
Total	$1,751,106	$2780918	$3,502,212

NYSERDA Benchmarking and Operations Efficiency
Proposed Participants and Savings for 2010-2011

	2010	2011	Total
Participants			788 (total)
MWH	2,389	9,554	11,943
MMBTU	8,444	33,774	42,218

NYSERDA – EmPower New York (Gas)

NYSERDA, in comments filed on March 29, 2010, recommended that additional gas funding be provided for its ongoing SBC and EEPS-funded electric and gas EmPower NY program, designed for low income customers. NYSERDA argued that the additional funding would help maintain customer participation at recent levels when other sources of funding were used to expand the program's contractor network and increase customer participation.

NYSERDA proposes an additional $5 million in funding through 2011 with a total gas savings goal through 2011 of

43,333 MMBTU. NYSERDA estimates participation of approximately 1,086 homes with the proposed funding.

NYSERDA EmPower NY Program
Proposed Gas Program Participants and Savings

	2010 (6 months)	2011	Total
General Administration	$115,500	$234,500	$350,000
Program Planning	$0	$0	$0
Program Outreach & Education/Marketing	$0	$0	$0
Trade Ally Training	$0	$0	$0
Incentives and Services	$1,254,000	$2,546,000	$3,800,000
Direct Program Implementation	$181,500	$368,500	$550,000
Program Evaluation	$82,500	$167,500	$250,000
NYS Cost Recovery Fee	$16,500	$33,500	$50,000
Total	$1,650,000	$3,350,000	$5,000,000

NYSERDA EmPower NY Program
Proposed Gas Program Participants and Savings

	2010 (6 months)	2011	Total
Participants			1,086 homes
MMBTU Savings	14,333	29,100	43,433

NYSERDA – Existing Facilities Program
Agriculture Energy Efficiency Component
of the Existing Facilities Program (Electric and Gas)

NYSERDA submitted the Agriculture Energy Efficiency component of the Existing Facilities Program on February 11, 2010 in response to a Commission order.[7] NYSERDA's Agriculture Energy Efficiency component of the Energy Efficiency Program is designed to address an underserved market sector by providing

[7] Case 08-E-1127, supra, Order Approving Certain Commercial and Industrial Customer Energy Efficiency Programs with Modifications and Addressing Independent Program Administrator Filings (issued November 13, 2010).

technical assistance and financial incentives to increase the penetration of electric and gas energy efficiency improvements for farmers and food processors. The proposed program is based on the 2004-2005 Montgomery/Schenectady County Dairy Development Energy Pilot Program.

NYSERDA proposes that the Agriculture Energy Efficiency component will focus on providing outreach and education, facilitating customer enrollment, performing audits and studies, installing energy improvements, and providing customer installation support. Electric and natural gas improvements would be available to all farms and on-farm food producers, including, but not limited to dairies, poultry/egg producers, orchards, maple producers, vineyards, vegetable farms and grain dryers.

The outreach, education, and customer enrollment portion of the program would be coordinated through a single statewide contractor. As part this program, audits and studies would be provided on a first-come, first-served basis through the FlexTech Program. The participant would pay for the FlexTech audit, with the cost depending on the participants' annual usage level. Audit and study subsidies would be funded using already approved FlexTech funds. Audits would assist a farmer in identifying and prioritizing electric and natural gas energy efficiency improvements. In addition, an audit could be used by the farmer to assist in securing additional funding through other programs or through financial institutions.

Under the proposal, NYSERDA would offer incentives that cover up to 75% of the project costs with incentives capped at $250,000 per project. Farmers can participate in any incentive program that suits their needs, whether administered by NYSERDA or a utility. In addition, NYSERDA plans to work

with the utility administrators to ensure that no double counting or duplicative incentives are offered.

NYSERDA provided budget and other program details for the proposed two-year Agriculture Energy Efficiency program as shown in the tables below for annual and total costs, participants, and energy savings for the years 2010 and 2011.

NYSERDA Agriculture Energy Efficiency component of the Existing Facilities Program
Proposed Electric Program Costs

	2010	2011	Total
General Administration	$105,000	$210,000	$315,000
Program Planning	-	-	-
Program Outreach, Education, and Marketing	$130,500	$261,000	$391,500
Incentives and Services	$978,750	$1,957,500	$2,936,250
Direct Program Implementation	$195,750	$391,500	$587,250
Program Evaluation	$75,000	$150,000	$225,000
NYS Cost Recovery Fee	$15,000	$30,000	$45,000
Total Utility Cost	$1,500,000	$3,000,000	$4,500,000

NYSERDA Agriculture Energy Efficiency component of the Existing Facilities Program
Proposed Gas Program Costs

	2010	2011	Total
General Administration	$11,670	$23,330	$35,000
Program Planning	-	-	-
Program Outreach, Education, and Marketing	$14,500	$29,000	$43,500
Incentives and Services	$108,750	$217,500	$326,250
Direct Program Implementation	$21,750	$43,500	$65,250
Program Evaluation	$8,330	$16,670	$25,000
NYS Cost Recovery Fee	$1,670	$3,330	$5,000
Total Utility Cost	$166,670	$333,330	$500,000

NYSERDA Agriculture Energy Efficiency component of the Existing Facilities Program
Proposed Electric & Gas Program Participants & Savings

	2010	2011	Total
Participants			360
Annualized MWh Savings	1,662	3,325	4,987
Annualized Dekatherm Savings	1,810	3,630	5,440

NYSERDA – Multifamily Performance
Program - Low Income Expansion (Electric and Gas)

NYSERDA, in comments filed on March 29, 2010, recommended that additional electric and gas funding be provided for low-income and low-to-moderate income customers eligible for the Multifamily Performance Program. NYSERDA argued that the additional funding would help address program funding imbalances between the market rate and the low and low-to-moderate income [8]customer segments. NYSERDA proposes targeting the additional proposed funds to the low-to-moderate income classification. NYSERDA argues that the proposed incremental funding will bring the low-income funding allocations more in line with historical funding levels.

NYSERDA proposed funding through 2011 of $4.3 million (electric) and $10 million (gas) with a total energy savings goal through 2011 of 17,104 MWh of electricity and 133,333 MMBTU of gas. NYSERDA estimates the participation of approximately 21,000 multifamily building units with the proposed funding.

NYSERDA Multifamily Performance Program
Proposed Electric Program Costs

Budget Element	2010 (6 months)	2011	Total
General Administration	$99,330	$201,670	$301,000
Program Planning	$0	$0	$0
Program Outreach & Education/Marketing	$19,866		$19,866
Trade Ally Training	$0	$0	$0
Incentives and Services	$1,174,052	$2,424,016	$3,557,734
Direct Program Implementation	$53,922	$109,478	$163,400
Program Evaluation	$70,950	$144,050	$215,000
NYS Cost Recovery Fee	$14,190	$28,810	$43,000
Total	$1,419,000	$2,881,000	$4,300,000

[8] Low-to-moderate income is defined as income between 60% and 80% of the state median income.

NYSERDA Multifamily Performance Program
Proposed Gas Program Costs

Budget Element	2010 (6 months)	2011	Total
General Administration	$231,000	$469,000	$700,000
Program Planning	$0	$0	$0
Program Outreach & Education/Marketing	$46,200	$0	$46,200
Trade Ally Training	$0	$0	$0
Incentives and Services	$2,730,354	$5,637,246	$8,367,600
Direct Program Implementation	$125,400	$254,600	$380,000
Program Evaluation	$165,000	$335,000	$500,000
NYS Cost Recovery Fee	$33,000	$67,000	$100,000
Total	$3,330954	$6,762,846	$10,093,800

NYSERDA Multifamily Performance Program
Proposed Program Participants and Savings

	2010 (6 months)	2011	Total
Participants			21,000 MF units
MWH Savings	5,644	11,460	17,104
MMBTU Savings	44,000	89,333	133,333

Table 1

Approved Utility Electric Program Costs & Savings Targets

	2010	2011	Total 2010-2011	% of Budget
Central Hudson				
Home Energy Reporting Program				
Savings (MWh)	0	12,000	12,000	
Program & Administration Costs	$197,363	$789,450	$986,813	95%
Eval., M&V Costs	$10,388	$41,550	$51,938	5%
Total Costs	$207,750	$831,001	$1,038,751	

Table 2

Original NYSERDA Electric Program Costs & Savings Targets

	2009	2010	2011	Total 2010-2011	% of Budget
NYSERDA					
Low-income Multifamily Performance Program					
Savings (MWh)	1,508	3,015	3,015	7,538	
Program & Administration Costs	$205,951	$823,802	$823,802	$1,853,555	95%
Eval., M&V Costs	$10,840	$43,358	$43,358	$97,556	5%
Total Costs	$216,790	$867,160	$867,160	$1,951,110	

Table 3

Revised NYSERDA Electric Program Costs & Savings Targets

	2009	2010	2011	Total 2010-2011	% of Budget
NYSERDA					
Low-income Multifamily Performance Program					
Savings (MWh)	1,508	5,837	8,745	16,090	
Program & Administration Costs	$205,951	$1,497,827	$2,192,277	$3,896,055	95%
Eval., M&V Costs	$10,840	$78,833	$115,383	$205,056	5%
Total Costs	$216,790	$1,576,660	$2,307,660	$4,101,110	

Table 4

Approved NYSERDA New and Incremental Electric Program Costs & Savings Targets

	2010	2011	Total 2010-2011	% of Budget
NYSERDA				
Agriculture Energy Efficiency Component of Existing Facilities Program				
Savings (MWh)	1,662	3,325	4,987	
Program & Administration Costs	$1,425,000	$2,850,000	$4,275,000	95%
Eval., M&V Costs	$75,000	$150,000	$225,000	5%
Total Costs	$1,500,000	$3,000,000	$4,500,000	
Low-income Multifamily Performance Program				
Savings (MWh)	2,822	5,730	8,552	
Program & Administration Costs	$674,025	$1,368,475	$2,042,500	95%
Eval., M&V Costs	$35,475	$72,025	$107,500	5%
Total Costs	$709,500	$1,440,500	$2,150,000	
Independent Evaluation Consultant	$125,000	$250,000	$375,000	
TOTAL NYSERDA ELECTRIC	$2,334,500	$4,690,500	$7,025,000	

Table 5

EEPS Electric Collections to be Transferred from Utilities to NYSERDA

Transfers to NYSERDA	*October 1, 2010 to December 31, 2010*	2011	Total 2010-2011	
Central Hudson	$136,171	$273,597	$409,768	5.83%
Con Edison	$858,909	$1,725,729	$2,584,638	36.79%
NYSEG	$328,908	$660,845	$989,752	14.09%
Niagara Mohawk	$751,102	$1,509,121	$2,260,224	32.17%
O&R	$100,710	$202,348	$303,059	4.31%
RG&E	$158,723	$318,907	$477,630	6.80%
TOTAL ELECTRIC	$2,334,500	$4,690,500	$7,025,070	100.00%

Table 6

EEPS Additional Annual Collections from Electric Ratepayers by Service Territory

Collections	*October 1, 2010 to December 31, 2010*	2011	Total 2010-2011
Central Hudson	$343,922	$1,104,598	$1,448,519
Con Edison	$858,909	$1,725,729	$2,584,638
NYSEG	$328,908	$660,845	$989,752
Niagara Mohawk	$751,102	$1,509,121	$2,260,224
O&R	$100,710	$202,348	$303,059
RG&E	$158,723	$318,907	$477,630
TOTAL ELECTRIC	$2,542,274	$5,521,548	$8,063,821

Table 7

Original Utility Gas Program Costs & Savings Targets

	2009	2010	2011	Total 2010-2011	% of Budget
Central Hudson					
Residential HVAC Program					
Savings (Dekatherms)	1,366	2,732	2,732	6,830	
Measures Costs	$35,623	$71,246	$71,246	$178,115	78%
Admin & Mktg Costs	$7,764	$15,528	$15,528	$38,820	17%
Eval., M&V Costs	$2,284	$4,567	$4,567	$11,418	5%
Total Budget	$45,671	$91,341	$91,341	$228,353	
NYSEG					
Residential HVAC Program					
Savings (Dekatherms)	16,462	32,923	32,923	82,308	
Measures Costs	$319,846	$639,692	$639,692	$1,599,230	78%
Admin & Mktg Costs	$69,710	$139,420	$139,420	$348,550	17%
Eval., M&V Costs	$20,503	$41,006	$41,006	$102,515	5%
Total Budget	$410,059	$820,118	$820,118	$2,050,295	

Table 7 (Continued)

	2009	2010	2011	Total 2010-2011	% of Budget
Niagara Mohawk					
Residential HVAC Program					
Savings (Dekatherms)	15,159	30,317	30,317	75,793	
Measures Costs	$327,344	$654,687	$654,687	$1,636,718	78%
Admin & Mktg Costs	$71,344	$142,689	$142,689	$356,722	17%
Eval., M&V Costs	$20,984	$41,967	$41,967	$104,918	5%
Total Budget	$419,672	$839,343	$839,343	$2,098,358	
O&R					
Residential HVAC Program					
Savings (Dekatherms)	2,396	4,792	4,792	11,980	
Measures Costs	$85,614	$171,228	$171,228	$428,070	78%
Admin & Mktg Costs	$18,659	$37,319	$37,319	$93,297	17%
Eval., M&V Costs	$5,488	$10,976	$10,976	$27,440	5%
Total Budget	$109,761	$219,523	$219,523	$548,807	
RG&E					
Residential HVAC Program					
Savings (Dekatherms)	16,379	32,758	32,758	81,895	
Measures Costs	$319,846	$639,692	$639,692	$1,599,230	78%
Admin & Mktg Costs	$69,710	$139,420	$139,420	$348,550	17%
Eval., M&V Costs	$20,503	$41,006	$41,006	$102,515	5%
Total Budget	$410,059	$820,118	$820,118	$2,050,295	
KEDLI					
Industrial Energy Efficiency					
Savings (Dekatherms)	0	40,500	40,500	81,000	
Program & Administration Costs	$0	$1,611,816	$1,611,816	$3,223,632	95%
Eval., M&V Costs	$0	$84,832	$84,832	$169,664	5%
Total Costs	$0	$1,696,648	$1,696,648	$3,393,296	
Commercial Energy Efficiency					
Savings (Dekatherms)	0	20,475	20,475	40,950	
Program & Administration Costs	$0	$857,494	$857,494	$1,714,988	95%
Eval., M&V Costs	$0	$45,131	$45,131	$90,262	5%
Total Costs	$0	$902,625	$902,625	$1,805,250	

Table 7 (Continued)

	2009	2010	2011	Total 2010-2011	% of Budget
KEDNY					
Multifamily Energy Efficiency					
Savings (Dekatherms)	13,500	40,500	40,500	94,500	
Program & Administration Costs	$479,724	$1,918,896	$1,918,896	$4,317,515	95%
Eval., M&V Costs	$25,249	$100,995	$100,995	$227,238	5%
Total Costs	$504,973	$2,019,890	$2,019,890	$4,544,753	
Commercial Energy Efficiency					
Savings (Dekatherms)	0	35,100	35,100	70,200	
Program & Administration Costs	$0	$1,596,380	$1,596,380	$3,192,760	95%
Eval., M&V Costs	$0	$84,020	$84,020	$168,040	5%
Total Costs	$0	$1,680,400	$1,680,400	$3,360,800	
Gas Enhanced Home Sealing					
Savings (Dekatherms)	0	15,297	20,397	35,694	
Program & Administration Costs	$0	$1,808,398	$1,712,971	$3,521,369	95%
Eval., M&V Costs	$0	$95,179	$90,156	$185,335	5%
Total Costs	$0	$1,903,577	$1,803,127	$3,706,704	

Table 8

Revised Utility Gas Program Costs & Savings Targets

	2009	2010	2011	Total 2010-2011	% of Budget
Central Hudson					
Residential HVAC Program					
Savings (Dekatherms)	1,366	8,914	15,097	25,377	
Measures Costs	$35,623	$184,105	$296,964	$516,693	78%
Admin & Mktg Costs	$7,764	$40,126	$64,723	$112,613	17%
Eval., M&V Costs	$2,284	$11,802	$19,036	$33,122	5%
Total Budget	$45,671	$236,032	$380,724	$662,427	

Table 8 (Continued)

	2009	2010	2011	Total 2010-2011	% of Budget
NYSEG					
Residential HVAC Program					
Savings (Dekatherms)	16,462	68,226	103,530	188,218	
Measures Costs	$319,846	$1,119,849	$1,600,006	$3,039,701	78%
Admin & Mktg Costs	$69,710	$244,070	$348,719	$662,499	17%
Eval., M&V Costs	$20,503	$71,785	$102,565	$194,853	5%
Total Budget	$410,059	$1,435,704	$2,051,290	$3,897,053	
Niagara Mohawk					
Residential HVAC Program					
Savings (Dekatherms)	15,159	121,142	211,968	348,269	
Measures Costs	$327,344	$2,027,623	$3,400,559	$5,755,526	78%
Admin & Mktg Costs	$71,344	$441,919	$741,148	$1,254,411	17%
Eval., M&V Costs	$20,984	$129,976	$217,984	$368,944	5%
Total Budget	$419,672	$2,599,517	$4,359,692	$7,378,881	
O&R					
Residential HVAC Program					
Savings (Dekatherms)	2,396	9,741	14,691	26,828	
Measures Costs	$85,614	$295,023	$418,818	$799,455	78%
Admin & Mktg Costs	$18,659	$64,300	$91,281	$174,240	17%
Eval., M&V Costs	$5,488	$18,912	$26,847	$51,247	5%
Total Budget	$109,761	$378,235	$536,946	$1,024,942	
RG&E					
Residential HVAC Program					
Savings (Dekatherms)	16,379	140,372	247,987	404,738	
Measures Costs	$319,846	$2,110,721	$3,581,751	$6,012,318	78%
Admin & Mktg Costs	$69,710	$460,029	$780,638	$1,310,377	17%
Eval., M&V Costs	$20,503	$135,303	$229,600	$385,406	5%
Total Budget	$410,059	$2,706,053	$4,591,988	$7,708,100	

Table 8 (Continued)

	2009	2010	2011	Total 2010-2011	% of Budget
KEDLI					
Industrial Energy Efficiency					
Savings (Dekatherms)	0	40,500	40,500	81,000	
Program & Administration Costs	$0	$1,782,074	$1,952,333	$3,734,407	95%
Eval., M&V Costs	$0	$93,793	$102,754	$196,547	5%
Total Costs	$0	$1,875,868	$2,055,087	$3,930,955	
Commercial Energy Efficiency					
Savings (Dekatherms)	0	31,195	41,914	73,109	
Program & Administration Costs	$0	$1,167,258	$1,477,022	$2,644,280	95%
Eval., M&V Costs	$0	$61,435	$77,738	$139,173	5%
Total Costs	$0	$1,228,693	$1,554,760	$2,783,453	
KEDNY					
Multifamily Energy Efficiency					
Savings (Dekatherms)	13,500	49,338	58,175	121,013	
Program & Administration Costs	$479,724	$2,315,893	$2,712,891	$5,508,508	95%
Eval., M&V Costs	$25,249	$121,889	$142,784	$289,922	5%
Total Costs	$504,973	$2,437,783	$2,855,675	$5,798,431	
Commercial Energy Efficiency					
Savings (Dekatherms)	0	43,251	51,401	94,652	
Program & Administration Costs	$0	$1,795,284	$1,994,188	$3,789,472	95%
Eval., M&V Costs	$0	$94,489	$104,957	$199,446	5%
Total Costs	$0	$1,889,773	$2,099,145	$3,988,918	
Gas Enhanced Home Sealing					
Savings (Dekatherms)	0	18,699	27,200	45,899	
Program & Administration Costs	$0	$1,846,398	$1,788,971	$3,635,369	95%
Eval., M&V Costs	$0	$97,179	$94,156	$191,335	5%
Total Costs	$0	$1,943,577	$1,883,127	$3,826,704	

Table 9

Approved Utility New and Incremental Gas Program Costs & Savings Targets

	2009	2010	2011	Total 2010-2011	% of Budget
Central Hudson					
Small & Mid-size Commercial Gas Efficiency Programs					
Savings (Dekatherms)	0	1,099	2,199	3,298	
Program & Administration Costs	$0	$74,528	$149,055	$223,583	95%
Eval., M&V Costs	$0	$3,923	$7,845	$11,768	5%
Total Costs	$0	$78,450	$156,900	$235,350	
Home Energy Reporting Program					
Savings (Dekatherms)	0	0	20,000	20,000	
Program & Administration Costs	$0	$65,788	$263,150	$328,938	95%
Eval., M&V Costs	$0	$3,463	$13,850	$17,313	5%
Total Costs	$0	$69,250	$277,000	$346,250	
Residential HVAC Program					
Savings (Dekatherms)	0	6,182	12,365	18,547	
Measures Costs	$0	$112,859	$225,718	$338,578	78%
Admin & Mktg Costs	$0	$24,598	$49,195	$73,793	17%
Eval., M&V Costs	$0	$7,235	$14,469	$21,704	5%
Total Budget	$0	$144,691	$289,383	$434,074	
NYSEG					
Residential HVAC Program					
Savings (Dekatherms)	0	35,303	70,607	105,910	
Measures Costs	$0	$480,157	$960,314	$1,440,471	78%
Admin & Mktg Costs	$0	$104,650	$209,299	$313,949	17%
Eval., M&V Costs	$0	$30,779	$61,559	$92,338	5%
Total Budget	$0	$615,586	$1,231,172	$1,846,758	

Table 9 (Continued)

	2009	2010	2011	Total 2010-2011	% of Budget
Niagara Mohawk					
Residential HVAC Program					
Savings (Dekatherms)	0	90,825	181,651	272,476	
Measures Costs	$0	$1,372,936	$2,745,872	$4,118,808	78%
Admin & Mktg Costs	$0	$299,230	$598,459	$897,689	17%
Eval., M&V Costs	$0	$88,009	$176,017	$264,026	5%
Total Budget	$0	$1,760,174	$3,520,349	$5,280,523	
O&R					
Residential HVAC Program					
Savings (Dekatherms)	0	4,949	9,899	14,848	
Measures Costs	$0	$123,795	$247,590	$371,385	78%
Admin & Mktg Costs	$0	$26,981	$53,962	$80,943	17%
Eval., M&V Costs	$0	$7,936	$15,871	$23,807	5%
Total Budget	$0	$158,712	$317,423	$476,135	
RG&E					
Residential HVAC Program					
Savings (Dekatherms)	0	107,614	215,229	322,843	
Measures Costs	$0	$1,471,029	$2,942,059	$4,413,088	78%
Admin & Mktg Costs	$0	$320,609	$641,218	$961,827	17%
Eval., M&V Costs	$0	$94,297	$188,594	$282,891	5%
Total Budget	$0	$1,885,935	$3,771,870	$5,657,805	
KEDLI					
Industrial Energy Efficiency					
Savings (Dekatherms)	0	0	0	0	
Program & Administration Costs	$0	$170,258	$340,517	$510,775	95%
Eval., M&V Costs	$0	$8,961	$17,922	$26,883	5%
Total Costs	$0	$179,220	$358,439	$537,659	
Commercial Energy Efficiency					
Savings (Dekatherms)	0	10,720	21,439	32,159	
Program & Administration Costs	$0	$309,764	$619,528	$929,292	95%
Eval., M&V Costs	$0	$16,304	$32,607	$48,911	5%
Total Costs	$0	$326,068	$652,135	$978,203	

Table 9 (Continued)

	2009	2010	2011	Total 2010-2011	% of Budget
KEDNY					
Multifamily Energy Efficiency					
Savings (Dekatherms)	0	8,838	17,675	26,513	
Program & Administration Costs	$0	$396,997	$793,995	$1,190,993	95%
Eval., M&V Costs	$0	$20,894	$41,789	$62,684	5%
Total Costs	$0	$417,893	$835,785	$1,253,678	
Commercial Energy Efficiency					
Savings (Dekatherms)	0	8,151	16,301	24,452	
Program & Administration Costs	$0	$198,904	$397,808	$596,712	95%
Eval., M&V Costs	$0	$10,469	$20,937	$31,406	5%
Total Costs	$0	$209,373	$418,745	$628,118	
Gas Enhanced Home Sealing					
Savings (Dekatherms)	0	3,402	6,803	10,205	
Program & Administration Costs	$0	$38,000	$76,000	$114,000	95%
Eval., M&V Costs	$0	$2,000	$4,000	$6,000	5%
Total Costs	$0	$40,000	$80,000	$120,000	

Table 10a

Original NYSERDA Gas Program Costs & Savings Targets

	2009	2010	2011	Total 2010-2011	% of Budget
NYSERDA					
Low Income Multifamily Performance Program					
Savings (Dekatherms)	12,267	24,535	24,535	61,337	
Program & Administration Costs	$487,112	$1,948,448	$1,948,448	$4,384,008	95%
Eval., M&V Costs	$25,637	$102,550	$102,550	$230,737	5%
Total Costs	$512,750	$2,050,998	$2,050,998	$4,614,746	
EmPower New York					
Savings (Dekatherms)	0	27,354	36,472	63,826	
Program & Administration Costs	$0	$2,989,677	$3,986,236	$6,975,913	95%
Eval., M&V Costs	$0	$157,351	$209,802	$367,153	5%
Total Costs	$0	$3,147,028	$4,196,038	$7,343,066	
Industrial & Process Efficiency Program					
Savings (Dekatherms)	0	540,970	540,970	1,081,940	
Program & Administration Costs	$0	$5,334,504	$5,334,504	$10,669,008	95%
Eval., M&V Costs	$0	$280,763	$280,763	$561,526	5%
Total Costs	$0	$5,615,267	$5,615,267	$11,230,534	

Table 10b

Original NYSERDA Gas Program Costs & Savings Targets

NYSERDA	2010	2011	2012	2013	2014	2015	Total 2010-2015	% of Budget
FlexTech Program								
Savings (Dekatherms)	8,999	33,747	60,743	60,743	38,246	22,497	224,976	
Program & Administration Costs	$214,955	$325,503	$393,060	$98,265	$0	$0	$1,031,784	95%
Eval., M&V Costs	$11,313	$17,132	$20,687	$5,172	$0	$0	$54,304	5%
Total Costs	$226,268	$342,635	$413,748	$103,437	$0	$0	$1,086,088	

Table 11a

Revised NYSERDA Gas Program Costs & Savings Targets

	2009	2010	2011	Total 2010-2011	% of Budget
NYSERDA					
Low Income Multifamily Performance Program					
Savings (Dekatherms)	12,267	59,013	94,535	165,814	
Program & Administration Costs	$487,112	$4,451,769	$7,030,948	$11,969,829	95%
Eval., M&V Costs	$25,637	$234,304	$370,050	$629,991	5%
Total Costs	$512,750	$4,686,073	$7,400,998	$12,599,821	
EmPower New York					
Savings (Dekatherms)	0	34,521	51,022	85,543	
Program & Administration Costs	$0	$3,773,427	$5,577,486	$9,350,913	95%
Eval., M&V Costs	$0	$198,601	$293,552	$492,153	5%
Total Costs	$0	$3,972,028	$5,871,038	$9,843,066	
Industrial & Process Efficiency Program					
Savings (Dekatherms)	0	785,789	912,740	1,698,529	
Program & Administration Costs	$0	$7,167,517	$9,000,530	$16,168,047	95%
Eval., M&V Costs	$0	$377,237	$473,712	$850,949	5%
Total Costs	$0	$7,544,755	$9,474,242	$17,018,997	

Table 11b

Revised NYSERDA Gas Program Costs & Savings Targets

NYSERDA	2010	2011	2012	2013	2014	2015	Total 2010-2015	% of Budget
FlexTech Program								
Savings (Dekatherms)	62,456	140,661	60,743	60,743	38,246	22,497	385,346	
Program & Administration Costs	$460,119	$815,831	$393,060	$98,265	$0	$0	$1,767,275	95%
Eval., M&V Costs	$24,216	$42,939	$20,687	$5,172	$0	$0	$93,014	5%
Total Costs	$484,336	$858,770	$413,748	$103,437	$0	$0	$1,860,289	

Table 12

Approved NYSERDA New and Incremental Gas Program Costs & Savings Targets

	2010	2011	Total 2010-2011	% of Budget
NYSERDA				
Agriculture Energy Efficiency				
Savings (Dekatherms)	1,810	3,630	5,440	
Program & Administration Costs	$158,337	$316,664	$475,000	95%
Eval., M&V Costs	$8,334	$16,667	$25,000	5%
Total Costs	$166,670	$333,330	$500,000	
Low Income Multifamily Performance Program				
Savings (Dekatherms)	34,478	70,000	104,477	
Program & Administration Costs	$2,503,321	$5,082,500	$7,585,821	95%
Eval., M&V Costs	$131,754	$267,500	$399,254	5%
Total Costs	$2,635,075	$5,350,000	$7,985,075	
EmPower New York				
Savings (Dekatherms)	7,167	14,550	21,717	
Program & Administration Costs	$783,750	$1,591,250	$2,375,000	95%
Eval., M&V Costs	$41,250	$83,750	$125,000	5%
Total Costs	$825,000	$1,675,000	$2,500,000	
Industrial & Process Efficiency Program				
Savings (Dekatherms)	244,819	371,770	616,589	
Program & Administration Costs	$1,833,013	$3,666,026	$5,499,039	95%
Eval., M&V Costs	$96,474	$192,949	$289,423	5%
Total Costs	$1,929,488	$3,858,975	$5,788,463	
FlexTech Program				
Savings (Dekatherms)	53,457	106,914	160,370	
Program & Administration Costs	$245,164	$490,328	$735,491	95%
Eval., M&V Costs	$12,903	$25,807	$38,710	5%
Total Costs	$258,068	$516,135	$774,201	
TOTAL NYSERDA GAS	$5,814,301	$11,733,440	$17,547,739	

Table 13

EEPS Gas Collections to be Transferred from Utilities to NYSERDA

Transfers to NYSERDA	*October 1, 2010 To December 31, 2010*	2011	Total 2010-2011	
Central Hudson	$108,099	$218,148	$326,248	1.86%
Con Edison	$1,502,049	$3,031,182	$4,533,231	25.83%
NYSEG	$366,778	$740,169	$1,106,947	6.31%
Niagara Mohawk	$688,971	$1,390,366	$2,079,337	11.85%
O&R	$164,178	$331,317	$495,496	2.82%
RG&E	$351,736	$709,814	$1,061,551	6.05%
KEDLI	$812,142	$1,638,927	$2,451,068	13.97%
KEDNY	$1,209,439	$2,440,685	$3,650,123	20.80%
NFG	$610,909	$1,232,833	$1,843,741	10.51%
TOTAL GAS	$5,814,301	$11,733,440	$17,547,741	100.00%

Table 14

EEPS Additional Annual Collections from Gas Ratepayers by Service Territory

Collections	*October 1, 2010 to December 31, 2010*	2011	Total 2010-2011
Central Hudson	$400,491	$941,431	$1,341,922
Con Edison	$1,502,049	$3,031,182	$4,533,231
NYSEG	$982,364	$1,971,341	$2,953,705
Niagara Mohawk	$2,449,145	$4,910,715	$7,359,860
O&R	$322,890	$648,740	$971,631
RG&E	$2,237,671	$4,481,684	$6,719,356
KEDLI	$1,317,430	$2,649,501	$3,966,930
KEDNY	$1,876,705	$3,775,215	$5,651,919
NFG	$610,909	$1,232,833	$1,843,741
TOTAL GAS	$11,699,653	$23,642,641	$35,342,294