



Public Service Commission

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Audrey Zibelman, Chair

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PSC Approves New Rate Plan with New Initiatives & Renewable Power Options for ConEd Customers — Consumers Can Better Manage Electric Usage and Potentially Lower Bills Through Less-Costly, Cleaner Alternatives in Meeting Electric Demand —

ALBANY — The New York State Public Service Commission (Commission) today announced that greater energy efficiency, smart-grid technologies and other money-saving alternatives will be available to an increasing number of Consolidated Edison customers under a new rate plan approved today. The decision also includes measures to encourage the growth of solar and other renewable power resources, as well as measures to improve gas safety and broader discounts available for qualified low-income residential electric and gas customers.

“A number of important energy reforms and policy initiatives will move forward under today’s order,” said Commission Chair **Audrey Zibelman**. “The new plan furthers our efforts to move utilities toward a cleaner, more distributed, customer-centric model for utility service, along with less-costly and cleaner alternatives to traditional utility infrastructure investments. In addition, for both electric and gas, improvements are made to ensure the most vulnerable customers are protected and that the delivery systems are resilient and reliable.”

Under the order, new incentives will be available that will allow ratepayers to participate in and benefit from the Company’s ongoing efforts to lower peak demand and seek cost-effective alternatives to traditional electric infrastructure. Peak-load reduction is a primary goal of REV – Reforming the Energy Vision – New York State’s strategy to build a cleaner, more resilient and affordable energy system. REV is designed to lower peak demand and replace massive power systems with smaller, cleaner infrastructure alternatives or with outcomes which will help fight climate change and grow New York’s clean energy economy.

“Maintaining the status quo with an inefficient “peak-power” system year-round when it is only needed for a few days of peak power demand makes no sense,” added Chair **Zibelman**. “We can create a cleaner and more-affordable system through REV’s reliance on energy-efficiency and other cost-cutting initiatives.”

The Commission today also approved a companion order that includes new incentives related to Con Edison’s electric targeted demand management (TDM) program, which is designed to provide for peak-load reduction in targeted areas. TDM initiatives allow the company to use energy efficiency measures and other tools to help customers lower their demand for electricity. These projects (also

known as “non-wires alternatives”) are intended to reduce Con Edison’s need to build or expand distribution infrastructure.

Demand management – another key objective of REV – is already being utilized in Con Edison’s Brooklyn-Queens Demand Management program, where demand is being met with non-wires alternatives in the fast-growing areas of north central and eastern Brooklyn and southwestern Queens. In 2014, the Commission issued an order in which Consolidated Edison may defer the cost of constructing a \$1 billion electrical substation in Brooklyn by reducing energy demand from customers, along with investing in less-costly distributed energy resources like solar, batteries and energy efficiency. The Company achieved its annual goal for customer-side savings ahead of schedule in 2016, with even greater load relief forecast in 2017, when more than 5,000 small business and 1,400 multi-family buildings, including more than 9,300 apartments, will be served by the demand management program.

Last week, Con Ed said it would like to extend the BQDM project beyond 2018. The company also wants to use alternative energy-saving projects to defer for two more years and possibly eliminate the need to upgrade its Glendale substation among other system improvements.

Con Edison begins the installation of smart meters (Advanced Metering Infrastructure or AMI) in customer homes starting in July 2017, beginning in Staten Island. Con Edison estimates a net benefit over more than \$1 billion from AMI when fully installed with additional savings expected as consumers take advantage of new energy-saving services available through AMI.

In addition to customer savings and new consumer choices, AMI technology will make the entire Con Edison system more responsive and reliable by using data and two-way communications to manage outages and service connections during storms. The new technology is also expected to provide substantial environmental benefits by reducing overall energy demand and decreasing greenhouse gas emissions.

Today’s order is based on a joint proposal negotiated by the Department of Public Service and Con Edison, and is endorsed, in whole or in part, by 20 other parties who participated in the year-long process, including the City of New York, the Community Housing Improvement Program and the Environmental Defense Fund.

Following a three-year rate freeze between 2014 and 2016, rate increases have now become necessary largely for increased property taxes, new infrastructure investments, higher depreciation expenses and increased operating expenses.

For electric customers, a typical residential customer in New York City (using 300 kilowatt hours per month) will see monthly bill increases of 2.3 percent, 2.4 percent, and 2.4 percent, respectively, during the next three years. In Westchester County, a typical residential bill (for 450 kWh per month) will increase by 2.5 percent, 2.6 percent and 2.6 percent.

For gas customers, a typical residential heating customer (using 100 therms per month) will see monthly delivery bill increases of 1.6 percent, 5 percent and 3.2 percent, respectively, during the next three years.

Today’s order also expands the new low-income discounts established by the Commission last year in its statewide Energy Affordability Policy, designed to keep energy costs at or below six percent of household income. The electric Con Edison program will add Medicaid recipients to the list of eligible recipients, resulting in approximately 93,000 additional electric customers and increasing the electric

discount budget from \$47.5 million to \$54.7 million annually. The order also includes a new incentive designed to limit the number of residential service terminations.

The new plan will speed the connection of larger solar projects and other types of “distributed energy resources” (DER) – another goal of REV – which are smaller and cleaner than traditional power systems. REV goals that provide new services and savings to customers are supported by new incentive payments included in the rate plan.

Today’s order also advance improvements in gas safety, leak detection and repair, and leak prone pipe remediation, as well as improving first responder communications. The plan also includes plans for development of a methane detector program for residential customers. The nearly \$2 million program will install methane detectors in homes at no charge to customers.

Today’s decision may be obtained by going to the Commission Documents section of the Commission’s Web site at www.dps.ny.gov and entering Case Number 16-E-0060 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission’s Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.

About Reforming the Energy Vision

Reforming the Energy Vision is Governor Andrew M. Cuomo's strategy to lead on climate change and grow New York's economy. REV is building a cleaner, more resilient and affordable energy system for all New Yorkers by stimulating investment in clean technologies like solar, wind, and energy efficiency and generating 50 percent of the state's electricity needs from renewable energy by 2030. Already, REV has driven 730 percent growth in the statewide solar market, enabled over 105,000 low-income households to permanently cut their energy bills with energy efficiency, and created thousands of jobs in manufacturing, engineering, and other clean tech sectors. REV is ensuring New York State reduces statewide greenhouse gas emissions 40 percent by 2030 and achieves the internationally-recognized target of reducing emissions 80 percent by 2050. To learn more about REV, including the Governor's \$5 billion investment in clean energy technology and innovation, please visit www.ny.gov/REV4NY and follow us at @Rev4NY.