

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on January 20, 2011

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-1128 - Petition of Orange and Rockland Utilities, Inc.
for Approval of an Energy Efficiency Portfolio
Standard (EEPS) Utility-Administered Electric
Energy Efficiency Program.

ORDER APPROVING WITH MODIFICATIONS A RESIDENTIAL
ELECTRIC ENERGY EFFICIENCY PROGRAM AND ADOPTING
CORRECTIONS TO THE CONSOLIDATED TECHNICAL MANUAL

(Issued and Effective January 25, 2011)

BY THE COMMISSION:

INTRODUCTION

In this order, the Commission approves, with
modifications, an Energy Efficiency Portfolio Standard (EEPS)
electric efficiency program to serve Orange and Rockland
Utilities, Inc.'s (O&R) residential customers. The approved
program, the Residential Efficient Products Program, is designed
to support the stocking, promotion and sale of high efficiency
air conditioners and dehumidifiers primarily through customer
rebates. The program will also offer removal and recycling of
second refrigerators. Each customer participating in the

appliance rebate or bounty portion of the program will receive three free compact fluorescent light (CFL) bulbs.

BACKGROUND AND SUMMARY

In response to the Commission's June 23, 2008,¹ O&R submitted a set of electric-only program proposals in a September 22, 2008 filing. O&R updated the Residential Efficient Products Program component of that proposal on November 19, 2009. The Commission rejected the program because of concerns that the CFL portion of the program, which was anticipated to provide the bulk of the savings, would overlap deleteriously with the statewide CFL program administered by the New York State Energy Research and Development Authority (NYSERDA).² On April 7, 2010, O&R submitted a revised proposal for the Residential Efficient Products Program and submitted updates on November 23, 2010 and January 13, 2010. Currently, O&R does not offer any electric efficiency programs to its residential customers.

In its proposal, O&R states that the Residential Efficient Products Program proposal would support the stocking, promotion, and sale of Energy Star rated high efficiency appliances including window and through-the-wall air conditioners and dehumidifiers by providing rebates to customers for purchasing Energy Star rated appliances. The proposed program would also work closely with retailers and distributors to promote efficient products to customers in O&R's service territory. The program would require that appliances have

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

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

efficiency levels equal to or above ENERGY STAR specifications. In addition, a second refrigerator and freezer bounty removal and recycling component would be included as part of the program. O&R also proposes to support the promotion and customer acceptance of compact fluorescent bulbs (CFLs) by providing three free CFL screw-in bulbs to each customer participating in the appliance rebate or bounty portion of the program. A maximum of three bulbs would be provided regardless of the number of appliance rebates or bounty payments made to the customer. While the program's focus would be primarily on residential customers, O&R proposes that small business customers also be eligible to participate.

O&R proposes to utilize a variety of marketing approaches to encourage both consumer and trade ally participation. O&R plans to use co-operative advertising with retailers and distributors, point of purchase materials, O&R's website, mass media outreach, in store demonstrations and promotions, direct mailings, and in-house corporate events. O&R also proposes to leverage and coordinate with federal promotions where appropriate, such as the "Start with Energy Star, Change the World" Campaign, as well as neighboring utility and NYSERDA program promotions.

O&R estimates 3,870 MWh in energy savings and proposes a cumulative budget of \$1,518,410 through 2012. The budget and energy savings targets for 2011 and 2012 are listed in the tables below.

**Orange & Rockland Residential Efficient Products Program
Proposed Electric Program Costs for 2011-2012**

	2011	2012	Total
Program Planning and Administration	\$266,775	\$273,444	\$540,220
Program Marketing & Trade Ally	\$141,450	\$152,341	\$293,791
Customer Incentives or Services	\$75,725	\$121,284	\$197,009
Program Implementation	\$181,259	\$230,210	\$411,470
Evaluation and Market Research	\$35,011	\$40,909	\$75,920
Total Utility Cost	\$700,221	\$818,189	\$1,518,410

**Orange & Rockland Residential Efficient Products Program
Proposed Electric Program Installed Measures and Savings for 2011- 2012**

	2011	2012	Total
Installed Measures	4,859	7,922	12,781
MWh Energy Savings	1,627	2,243	3,870

A complete listing of measures and rebates included in the Residential Efficient Products Program proposal is shown in the table below.

**Orange & Rockland Residential Efficient Products Program
Proposed Electric Program Measures and Rebates**

Measures	Rebates
3 Energy Star screw base CFLs with paid appliance rebate	free
Removal and Recycling of 2 nd Refrigerator	\$50
Removal and Recycling of 2 nd Freezer	\$50
Dehumidifier	\$10
Window AC – 8,000 Btu/hr – Energy Star	\$25
Window AC – 10,000 Btu/hr – Energy Star	\$25
Window AC – 12,000 Btu/hr – Energy Star	\$25
Wall AC – 15,000 Btu/hr – Energy Star	\$50

NOTICE OF PROPOSED RULEMAKING

A Notice of Proposed Rulemaking concerning Orange and Rockland’s petition was published in the State Register on April 28, 2010 [SAPA 08-E-1128SP1]. The minimum time period for the receipt of public comments pursuant to SAPA regarding that notice expired on June 14, 2010. No public comments were received.

DISCUSSION

Currently, O&R is not administering an electric efficiency program for its residential customers and offers one program to small commercial customers. Approval of O&R's Residential Efficient Products Program will provide the utility's residential and small commercial customers opportunities to increase the efficiency of their electricity consumption and to save money. Moreover, we have previously approved similar programs and Staff indicates that the program can be cost effective if administered appropriately. Therefore, we approve of O&R's Residential Efficient Products Program with the modifications described below. The program is approved through December of 2012.

Generally, we have not authorized participation in one program by both residential and commercial customer to ensure that program portfolios reflect a balance between each customer segment's allocated program cost responsibility and the funding of EEPS programs for which the segment is eligible. However, in this instance, we will allow small commercial customers to participate in the Residential Efficient Products Program. Given the limited number of programs available to the residential and small commercial customer segments in O&R's service territory, allowing a limited number of small commercial customers to participate in this program should not significantly alter the balance of O&R's energy efficiency portfolio and should increase participation and energy savings. In order to ensure that the proper balance is maintained, we will direct O&R to include information about the type of customers (residential or small commercial) participating in the program as part its EEPS reporting.

As part of its November 2010 revised program proposal, O&R included a savings target of 4,148 MWhs. That goal was

calculated using the Consolidated Technical Manual dated October 15, 2010 which we previously approved.³ During Staff's review of O&R's proposed savings targets, it became apparent that the Consolidated Technical Manual provided only a statewide value for "Effective Full Load Hours(cooling)," a value related to ambient air temperatures and needed for estimating energy and demand savings. Because ambient air temperatures can vary significantly by region, it is more appropriate and more accurate to use regional values for Effective Full Load Hours(cooling). At Staff's request, O&R submitted updated savings targets calculated with the appropriate regional value for Effective Full Load Hours(cooling), as determined by Staff's evaluation consultant Tec Market Works. Here, we adopt those updated saving targets which along with the approved budget for the Residential Efficient Products Program are listed in Table 1 in the attached Appendix.

At this time, we also adopt for inclusion in the Consolidated Technical Manual the list of regional values for Effective Full Load Hours(cooling) contained in Table 2 of the attached Appendix. The values shall be used in place of the statewide value previously contained in the Consolidated Technical Manual.

SEQRA FINDINGS

Pursuant to our responsibilities under the State Environmental Quality Review Act (SEQRA), in conjunction with this order we find that programs modified 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

³ Case 07-M-0548, et al., supra, Order Approving Consolidation and Revision of Technical Manuals (issued October 18, 2010).

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 described in this order, the Residential Efficient Products Program proposed by O&R.

The Commission orders:

1. Orange & Rockland Utilities, Inc. (O&R) is authorized to implement the Residential Efficient Products Program as modified and in the manner described in the body of this order. The program may be commenced immediately.
2. The program budget and energy savings targets for the Residential Efficient Products Program shall be as set forth in Table 1 of the Appendix attached to this order.
3. Within 60 days of the issuance of this order, O&R shall submit an implementation plan in a compliance filing that describes the program and how it will operate. The implementation plan shall conform to the implementation plan guidelines and budget categories for energy efficiency programs previously provided by Staff. 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.

4. O&R shall incorporate reports on the program authorized by this order into the periodic quarterly program and evaluation reports, annual program reports and evaluations, and monthly scorecard reports already required by other EEPS programs.

5. If applicable and as part of the implementation plan, the utilities shall provide the name of the contractor with which it will be sharing personally identifiable customer information or data, the information made available to the contractor, details regarding how the information will be used, a copy of the contract involved, an explanation concerning the need to make the information available, a description of the consumer protections and security provisions that apply to that information and any other information relevant to protecting the confidentiality of the information.

6. The list of regional values for Effective Full Load Hours (cooling) contained in Table 2 of the attached Appendix are adopted for inclusion in the Consolidated Technical Manual. The values shall be used in place of the statewide Effective Full Load Hours (cooling) value previously contained in the Consolidated Technical Manual.

7. The Secretary may extend the deadlines set forth in this order.

8. These proceedings are continued.

By the Commission

JACLYN A. BRILLING
Secretary

Table 1

Approved Residential Efficient Products Program Costs and Savings Targets

	<u>2011</u>	<u>2012</u>	<u>2011-2012</u>	
<u>Orange & Rockland</u>				
<i>Residential Efficient Products Program</i>				
Savings (MWh)	1,627	2,243	3,870	
Program & Admin Costs	\$665,210	\$777,280	\$1,442,490	95.00%
<u>Eval. M&V Costs</u>	<u>\$35,011</u>	<u>\$40,909</u>	<u>\$75,920</u>	<u>5.00%</u>
Total Budget	\$700,221	\$818,189	\$1,518,410	100.00%

Table 2

Regional Effective Full Load Hours – for cooling (EFLHcooling)

City	EFLHcooling
Albany	181
Binghamton	120
Buffalo	151
Massena	143
NYC	382
Poughkeepsie	208
Syracuse	186