

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held in the City of  
Albany on July 18, 2013

COMMISSIONERS PRESENT:

Garry A. Brown, Chairman  
Patricia L. Acampora  
James L. Larocca  
Gregg C. Sayre  
Diane X. Burman

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

ORDER EXTENDING A HOME ENERGY REPORTS DEMONSTRATION PROGRAM

(Issued and Effective July 24, 2013)

BY THE COMMISSION:

INTRODUCTION

In this order, the Commission authorizes an extension until August 31, 2014 of the Home Energy Reports Demonstration program (HERs program or the program) in the service territories of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation (NYSEG/RG&E, or the companies), with no change to the total program budgets and energy savings targets. The HERs program is a behavioral modification program for gas and electric customers designed to promote energy efficiency by encouraging consumers to decrease their energy use through motivational and informational energy-use reports. This program has the potential to provide relatively low cost energy savings to a large number of utility customers.

BACKGROUND

By order issued June 23, 2008, the Commission created an Energy Efficiency Portfolio Standard (EEPS) for New York State to develop and encourage cost-effective energy efficiency programs.<sup>1</sup> The Commission directed the New York State Energy Research and Development Authority (NYSERDA) and the six large investor-owned electric utilities to submit electric energy efficiency program proposals. Gas utilities serving more than 14,000 customers were also directed to submit proposals for residential heating, ventilation and air conditioning (HVAC) energy efficiency programs.

On January 25, 2011, the Commission approved the Home Energy Reports Demonstration program in the NYSEG/RG&E service territories to operate through 2012.<sup>2</sup> In that order, the Commission supported NYSEG/RG&E's decision to use a competitive process in choosing an implementation contractor. During the selection process, NYSEG/RG&E determined that the approved budgets and energy savings targets were not feasible. On April 15, 2011, the companies petitioned to eliminate the program and associated savings target.<sup>3</sup> On August 15, 2011, NYSEG/RG&E requested that the Commission postpone consideration of that petition to allow for the development of realistic

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

<sup>2</sup> Case 07-M-0548 et al., supra, Order Approving Residential Gas and Electric Energy Efficiency Programs with Modifications (issued January 25, 2011).

<sup>3</sup> Case 07-M-0548 et al., supra, New York State Electric & Gas Corporation's and Rochester Gas and Electric Corporation's Petition for Waiver of Requirement to Implement Home Energy Reports Demonstration Programs (filed April 15, 2011).

program budgets and savings targets.<sup>4</sup> On March 20, 2012, after submission of the companies' revised budgets and savings targets, the Commission approved a HERs program to operate from July 1, 2012 through June 30, 2013.<sup>5</sup>

#### THE PETITION

On April 26, 2013, NYSEG/RG&E petitioned for an extension of the HERs program through August 31, 2014, with no change to approved total program budgets or savings targets. The companies claim that program launch date was delayed due to longer than anticipated start-up activities, particularly related to the (i) establishment of a confidential data transfer system to exchange customer information between the utilities and the implementation contractor; (ii) development of an evaluation model; and (iii) customization of the implementation contractor's online system for NYSEG/RG&E's service territories. The companies state that the HERs program did not launch until March 1, 2013 and is currently authorized through June 30, 2013. NYSEG/RG&E state that they believe the requested extension of the program is required to maximize program energy savings and to allow for the reporting of actual energy savings. Finally, NYSEG/RG&E also note that the name of the program has been changed to the Energy Saver Program.

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<sup>4</sup> Case 07-M-0548 et al., supra, New York State Electric & Gas Corporation's and Rochester Gas and Electric Corporation's Request to Amend Their Petition for Waiver of Requirement to Implement Home Energy Reports Demonstration Programs (filed August 15, 2011).

<sup>5</sup> Case 07-M-0548, supra, Order Approving Residential Gas and Electric Energy Efficiency Programs with Modifications (issued March 20, 2012).

NOTICE OF PROPOSED RULEMAKING

A Notice of Proposed Rulemaking concerning the request for modifications of the Home Energy Reports Demonstration program was published in the State Register on May 15, 2013 [SAPA 07-M-0548SP76]. The minimum time period for the receipt of comments pursuant the State Administrative Procedure Act (SAPA) regarding this notice expired on July 1, 2013. No comments were received.

DISCUSSION

The request for an extension of the HERs program through August 31, 2014 at the currently approved budgets and targets is reasonable and is approved. Behavior modification programs are designed to provide relatively low cost energy savings to a large number of utility customers. In 2011, both Central Hudson Gas & Electric Corporation and Niagara Mohawk Power Corporation began implementing successful behavioral modification programs. As reported, these programs are on target to meet or exceed their 2011-2015 energy savings targets far below the corresponding approved budgets.

While it has taken NYSEG/RG&E significantly longer to implement the HERs program than originally expected, we continue to believe the program has the potential for low cost energy savings and for this reason continue to support its implementation.

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

June 23, 2008 order in Case 07-M-0548 are incorporated herein by reference and we certify that: (i) the requirements of SEQRA, as implemented by 6 NYCRR part 617, have been met; and (ii) 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 possible.

CONCLUSION

The Commission approves the request for an extension of the Home Energy Reports Demonstration program to run through August 31, 2014 in the NYSEG/RGE service territories. The program budgets or energy savings targets previously approved for the program will remain unchanged.

The Commission orders:

1. New York State Electric and Gas Corporation and Rochester Gas and Electric Corporation (NYSEG/RG&E) are authorized to continue the implementation of the Home Energy Reports Demonstration program through August 31, 2014 as described in the body of this order.

2. The program budgets and energy savings targets for the Home Energy Reports Demonstration program shall be as set forth in the Appendix attached to this order.

3. NYSEG/RG&E are directed to submit revisions to their implementation plans reflecting the approved modifications by August 15, 2013.

4. This proceeding is continued.

By the Commission,

(SIGNED)

JEFFREY C. COHEN  
Acting Secretary

**Approved Electric Program Costs and Savings Targets****NYSEG**

	<u>4/2012 - 12/2012</u>	<u>1/2013 - 12/2013</u>	<u>1/1/2014 - 8/31/2014</u>	<u>4/2012 - 8/2014</u>	<u>% of Budget</u>
<b>Energy Saver Program (electric)</b>					
MWh Target	-	9,631	6,420	16,051	
Program & Administrative Costs	\$ 182,342	\$ 225,738	\$ 341,736	\$ 749,816	95%
Evaluation/M&V Costs	\$ 9,597	\$ 11,881	\$ 17,986	\$ 39,464	5%
Total	\$ 191,939	\$ 237,619	\$ 359,722	\$ 789,280	

**RG&E**

	<u>4/2012 - 12/2012</u>	<u>1/2013 - 12/2013</u>	<u>1/1/2014 - 8/31/2014</u>	<u>4/2012 - 8/2014</u>	<u>% of Budget</u>
<b>Energy Saver Program (electric)</b>					
MWh	-	8,369	5,580	13,949	
Program & Administrative Costs	\$ 161,473	\$ 199,903	\$ 302,624	\$ 664,001	95%
Evaluation/M&V Costs	\$ 8,499	\$ 10,521	\$ 15,928	\$ 34,947	5%
Total	\$ 169,972	\$ 210,424	\$ 318,552	\$ 698,948	

**Approved Gas Program Costs and Savings Targets****NYSEG**

	<u>4/2012 - 12/2012</u>	<u>1/2013 - 12/2013</u>	<u>1/1/2014 - 8/31/2014</u>	<u>4/2012 - 8/2014</u>	<u>% of Budget</u>
<b>Energy Saver Program (gas)</b>					
Dth Target		4,203	2,802	7,005	
Program & Administrative Costs	\$ 5,151	\$ 6,377	\$ 9,655	\$ 21,183	95%
Evaluation/M&V Costs	\$ 271	\$ 336	\$ 508	\$ 1,115	5%
Total	\$ 5,422	\$ 6,713	\$ 10,163	\$ 22,298	

**RG&E**

<b>Energy Saver Program (gas)</b>					
Dth Target		19,797	13,198	32,995	
Program & Administrative Costs	\$ 26,021	\$ 32,213	\$ 48,765	\$ 106,999	95%
Evaluation/M&V Costs	\$ 1,370	\$ 1,695	\$ 2,567	\$ 5,632	5%
Total	\$ 27,391	\$ 33,908	\$ 51,332	\$ 112,631	