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February 16, 2023

Valerie S. Milonovich
Deputy Counsel
New York State Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203
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**Re: Case 18-M-0084 – In the Matter of a Comprehensive Energy Efficiency Initiative
Case 14-M-0094 – Proceeding on Motion of the Commission to Consider a Clean
Energy Fund**

Dear Ms. Milonovich,

Pursuant to the Public Service Commission's (Commission) Order Authorizing Utility Energy Efficiency and Building Electrification Portfolios Through 2025 (the Order),¹ the New York Utilities² and the New York State Energy Research and Development Authority (NYSERDA), collectively the Program Administrators, are required to update and refile the Statewide Low- to Moderate-Income Portfolio Implementation Plan (Statewide LMI Implementation Plan or the Plan) in the event substantive changes are required. The Order called for the Director of the Office of Markets and Innovation to issue a letter of approval confirming compliance of the Plan with the provisions set forth in the Order or a letter of denial with justifications and options to remedy.

The Statewide LMI Implementation Plan was filed on November 1, 2022 and updated on November 22, 2022. The filings have been reviewed by the Department of Public Service staff

¹ Case 18-M-0084, In the Matter of a Comprehensive Energy Efficiency Initiative, issued January 16, 2020.

² Central Hudson Gas & Electric Corporation; Consolidated Edison Company of New York, Inc.; KeySpan Gas East Corporation d/b/a National Grid; The Brooklyn Union Gas Company d/b/a National Grid NY; Niagara Mohawk Power Corporation d/b/a National Grid; National Fuel Gas Distribution Corporation; New York State Electric & Gas Corporation; Orange and Rockland Utilities, Inc.; Rochester Gas and Electric Corporation.

(Staff) for compliance. Staff finds the Statewide LMI Implementation Plan is generally consistent with the provisions of the Order, however, Staff identified several instances in which 1) a program administrator's budgets and/or target are not consistent with the LMI portfolio values authorized by the Commission in the Order; 2) a program administrator's budgets and/or targets are not consistent between the portfolio-specific and/or total cumulative values set forth by the Utility in its System Energy Efficiency Plan (SEEP); and/or 3) the program specific "plan" values provided in the Quarterly Scorecard are inconsistent with the values set forth in the Statewide LMI Implementation Plan and/or the SEEP.³

While the Commission did include provisions that allow a Program Administrator some level of flexibility to transfer funds across portfolios under certain conditions,⁴ Staff finds the explanations and details regarding those planned transfers to be insufficient and, in some cases, inconsistent with the plans set forth in a Utility's SEEP and/or the overall total authorizations set forth by the Commission. These issues introduce confusion and a lack of clarity in a Program Administrator's current projections for satisfying the energy efficiency and building electrification targets within the overall budgets authorized by the Commission. To facilitate further transparency, the affected Program Administrators are directed to modify Appendix A, Table A.4 Additional or Redirected Funds of the Statewide LMI Implementation Plan to identify and map all transfers between portfolios; identifying the applicable portfolio, dollar amount of shift, time-period for which the funding transfer is associated.

Therefore, the Statewide LMI Implementation Plan is approved, contingent upon alignment of the values across the various documents and filings noted above. Specifically, the Program Administrators are directed to refile the Statewide LMI Implementation Plan and/or utility-specific SEEPs and Quarterly Scorecards to eliminate discrepancies, no later than April 1, 2023, ensuring that the values provided by the Program Administrators in the SEEP, Quarterly Scorecard, and the Statewide LMI Implementation Plan align with the values authorized by the Commission in the Order, or, where there are known misalignments, a full explanation and, if necessary, reconciliation of a Program Administrator's intentions regarding transfers across portfolios.

Program Administrators are further directed to ensure this level of alignment is present in all future filings, including Utility SEEPs, NYSERDA's CIP, the Statewide LMI and Statewide Heat Pump Program Implementation Plans, Quarterly Scorecards, and annual reports.

³ Plan values provided by the Program Administrators in the SEEP and Quarterly Scorecard reflect a Program Administrator's projection of expenditure of funds and acquisition of savings for each program, inclusive of LMI programs, and serve as the underlying source data to populate the graphical visualizations included on the Clean Energy Dashboard.

⁴ Case 18-M-0084, In the Matter of a Comprehensive Energy Efficiency Initiative, issued January 16, 2020, (pgs. 69-70).

If you have any questions or need additional information, please contact Kevin Manz at Kevin.Manz@dps.ny.gov.

Sincerely,

Marco L. Padula

Marco L. Padula
Director, Markets and Innovation