



Public Service Commission

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Rory M. Christian, Chair

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PSC Improves Customer-Centered Electric Distribution System Program

— Electric Utilities Strengthen Existing Demand Response Programs —

ALBANY — The New York State Public Service Commission (Commission) today directed the State’s largest electric utilities to file proposals outlining alternative procurement mechanisms that they are seeking to deploy in the dynamic load management (DLM) program. As such, DLM programs offer customers financial payments to reduce the amount of electricity used during periods of high demand or system stress such as hot summer days. Further, they give consumers more options and control over energy bills, while also increasing the utilities’ ability to manage demand on their systems.

“Dynamic load management provides substantial benefits to customers, the electric system, distribution utilities, and the State,” **said Commission Chair Rory M. Christian.** “The benefits of these programs support New York’s nation-leading clean energy goals while reducing emissions across the State and helping to lower the customer’s total utility bill.”

With today’s decision, the five major electric utilities — Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., Central Hudson Gas and Electric Corporation, New York State Electric and Gas Corporation, Rochester Gas and Electric Corporation (RGE), and Niagara Mohawk Power Corporation d/b/a National Grid, — are directed to file proposals outlining the alternative procurement mechanisms that they are seeking to deploy in the DLM program.

The implementation of dynamic load management programs a decade ago by all major electric utilities in the State was a major step forward toward meeting New York’s energy, capacity, and reliability goals in a cost effective and environmentally friendly way. Through dynamic load management, utilities can reduce electricity usage when demand is highest, lowering energy and capacity costs, reducing necessary infrastructure spending, and enhancing reliability. These actions can also help reduce harmful emissions, since peaking plants are often dirtier and less efficient than base load power plants.

In 2014, the Commission directed utilities to develop three types of programs: a peak shaving program to be called on a day-ahead basis when next-day forecast load approaches the forecast summer peak load; a local distribution reliability program to be called in order to address local reliability issues in specific defined electrical or geographic areas; and a direct load control program allowing customers to install a device which can be controlled remotely by the utility to directly switch load on and off to compensate for high demand or system stress. Customers may participate in these programs individually or through an aggregator.

Several types of payments are now offered by the various programs established, including performance payments, reservation payments, sign-up payments, and participation payments. Performance payments will be made to customers on a dollar per kilowatt-hour (kWh) basis during called demand response events. Reservation payments compensate customers on a per kilowatt (kW) basis for committing to reduce their usage during called events. Sign-up and participation payments are primarily used in direct load control payments and compensate customers for allowing the utility to install a load control device and use that device to reduce their load during called events.

Implementing distribution-level demand response programs throughout the State represented a major step forward toward the ultimate goal of enabling a two-way trans-active market for energy and capacity on the distribution system level between customers, their utility, and other service providers.

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 Numbers 18-E-0130 or 14-E-0423 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.