

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF THE STATE OF NEW YORK**

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Proceeding on Motion of the Commission to	:	
Consider Steam Resource Plan and East River	:	
Re-powering Project Cost Allocation Study,	:	Case 09-S-0029
and Steam Energy Efficiency Programs for	:	
Consolidated Edison Company of New York, Inc.	:	
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**COMMENTS OF CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
IN RESPONSE TO THE REPORT ON THE POTENTIAL FOR CUSTOMER
SITED STEAM GENERATION IN NEW YORK CITY**

Pursuant to Administrative Law Judge (“ALJ”) Stegemoeller’s February 10, 2010 e-mail, Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”), hereby submits these comments in response to the Consumer Power Advocates’ February 10, 2010 *Report On The Potential For Customer Sited Steam In New York City* (the “CHP Report”).

I. Comments

Con Edison generally supports the potential for customer-sited combined heat and power (“CHP”) plants to supply steam to the Company’s steam system, provided that such CHP facilities are able to meet reasonable and necessary interconnection, operation, steam quality, steam purity and reliability requirements. To that end, Con Edison was one of the parties that participated in the development of parts of the CHP Report. In fact, at a meeting held on October 14, 2009, Con Edison distributed and reviewed the Company’s preliminary interconnection, operation, steam quality and reliability requirements for CHP. Con Edison plans on working with the CHP collaborative group

to explore the development of a CHP pilot demonstration program, during which these requirements would be tested and further refined.

To the extent parties propose that the Company rely on customer-sited steam to meet projected system peak demand, it is critical that all of the requirements necessary for such customer-sited supply to be deemed reliable be tested and understood by the customer.

That being said, the Company is concerned that the following two items listed in the “Next Steps” section of the CHP Report may be pre-mature: (1) “Con Edison to circulate draft tariff provisions,” and (2) “Con Ed to identify its capability to accept steam by location and by all hours.” The Company believes that it would be more appropriate and efficient to first develop a CHP pilot demonstration project along with the necessary interconnection, operational, steam quality, steam purity and reliability requirements prior to undertaking either of these steps. The pilot demonstration program could then be implemented and evaluated to determine, for example, the role of customer-sited steam as part of the Company’s steam supply profile and potential impacts¹ of customer-sited CHP. Moreover, the determination of the Company’s capability to accept customer-generated steam may depend on, among other things, the reliability and operating characteristics of the individual CHP facility in question and the day-ahead and real-time status of the steam system.

Accordingly, allowing a pilot demonstration program to be put in place prior to the development of a draft tariff would enable the Company to make any necessary adjustments to CHP program requirements based on the results of the pilot and feedback from Staff, customers and other interested persons. The Company and other interested

¹ This would include the net environmental impact of CHP.

parties would then be in an informed position to make a proposal to the Commission, including proposed tariff provisions that fully reflect the interconnection, operational, steam quality, steam purity and reliability requirements that the pilot demonstrates are necessary for a viable program.

Accordingly, the development of a draft customer-sited CHP tariff as well as the determination of Con Edison's ability to accept CHP steam by location should be deferred until after a pilot demonstration program has been completed and evaluated.

II. Conclusion

The Company respectfully requests that the Commission accept these comments and adopt the recommendations contained herein.

Dated: February 26, 2010

Respectfully submitted,
Consolidated Edison Company of New York, Inc.

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