



November 12, 2010

VIA EMAIL

Honorable Jaclyn A. Brillong
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Case 07-M-0548 – Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard

Case 08-E-1129 – Petition of New York State Electric & Gas Corporation for Approval of an Energy Efficiency Portfolio Standard (EEPS) Utility-Administered Electric Energy Efficiency Program

Case 08-E-1130 – Petition of Rochester Gas and Electric Corporation for Approval of an Energy Efficiency Portfolio Standard (EEPS) Utility-Administered Electric Energy Efficiency Program

Dear Secretary Brillong:

Pursuant to the New York State Public Service Commission’s January 4, 2010 Order Approving Certain Commercial and Industrial; Residential; and Low-Income Residential Customer Energy Efficiency Programs with Modifications in Cases 08-E-1129 and 08-E-1130¹, New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation hereby file the “Quarterly Program and Evaluation Summary Status Reports” which also contain the “Annual Outreach and Education / Marketing Achievements Report” of key Non-Residential Block Bidding Program achievements for the third quarter 2010.

Please direct any questions to me at telephone number 607-725-3936 or via email at jjfishgertz@nyseg.com.

Respectfully Submitted,

Joni Fish-Gertz
Manager, Programs

Enclosure

¹ Cases 08-E-1129 and 08-E-1130 - Petitions of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation for Approval of an Energy Efficiency Portfolio Standard Utility-Administered Electric Energy Efficiency Program, Order Approving Certain Commercial and Industrial; Residential; and Low-Income Residential Customer Energy Efficiency Programs with Modifications, at 86 (January 4, 2010).

**Combined Report for
New York State Electric & Gas Corporation
&
Rochester Gas and Electric Corporation**

Non-Residential Block Bidding Program

**Savings from New York Standard Approach for Estimating
Energy Savings from Energy Efficiency Programs**

Quarterly Program Report

November 12, 2010

Prepared for

New York State Department of Public Service

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Introduction

In its June 23, 2008 Order Establishing Energy Efficiency Portfolio Standard (“EEPS”) and Approving Programs¹ the New York State Public Service Commission (“NYSPSC”) recognized the importance of developing a uniform data tracking system to measure and evaluate progress toward the State’s energy efficiency goals. To that end, the January 4, 2010 Order Approving Certain Commercial and Industrial; Residential; and Low-Income Residential Customer Energy Efficiency Programs with Modifications directed each program administrator (“PA”) to incorporate reports on the programs approved in this order into the periodic quarterly program and evaluation reports, annual program reports and evaluations, and monthly scorecard reports already required for the other EEPS programs they administer. New York State Electric & Gas Corporation (“NYSEG”) and Rochester Gas and Electric Corporation (“RG&E”) (together, “the Companies”) respectfully submit this report in compliance with the January 4, 2010 Order.

While the Companies operate energy efficiency programs jointly, information is collected and maintained separately for NYSEG and RG&E. This report provides narrative data for the Companies and where appropriate provides specific program statistical data for RG&E separately from NYSEG.

This report is structured to address the four main sections outlined by New York State Department of Public Service Staff (“Staff”) in their data reporting manual. An overview of each section follows.

Section I: Basic program information for the Companies’ Non-Residential Block Bidding Program is provided in Section I.

Section II: Participant-level data for evaluation purposes for midstream programs is contained in the information collected from the contracted Bidders, augmented by data contained in the Companies’ customer information systems.

Section III: Monthly and quarterly midstream program results based on data provided by the contracted Bidders are provided in Section III. The standardized template includes key data elements which support program reporting, management oversight, and planning for the Companies.

Section IV: Additional information is provided in Section IV that is not captured in the required spreadsheet and which may include, but is not limited to: 1) significant variances from program goals/results; 2) potential problems; and 3) progress in critical areas not covered in the spreadsheet, such as marketing activity and progress with evaluations.

This report will be generated by the Companies monthly (14th of the month), quarterly (forty-five (45) days after the end of the quarter), and annually (60 days after the end of the year). Reports will be submitted to the Director of the Office of Energy Efficiency and the Environment and

1 Case 07-M-0548 - Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard, Order Establishing Energy Efficiency Portfolio Standard (“EEPS”) and Approving Programs (Jun. 23, 2008).

filed with the Secretary of the Commission. In addition, copies of associated data files will be provided via email as requested by DPS Staff. Section I and II will be provided with the initial monthly Scorecard submission and thereafter will be provided only when relevant information changes.

Section I. Basic Program Information

I A1) Program Description

The Block Bidding Program was implemented in response to the New York State Public Service Commission's ("Commission") January 4, 2010 *Order Approving Certain Commercial and Industrial; Residential; and Low-Income Residential Customer Energy Efficiency Programs with Modifications* ("January 2010 Order"). The Program covers the period 2010-2012 and incorporates the approved costs and savings targets specified in Table 1a of Appendix 3 of the January 2010 Order. Additionally, the Program is being implemented in accordance with the March 5, 2010 Implementation Plan provided to the NYS Department of Public Service.

The purpose of NYSEG's and RG&E's (the "Companies") Electric Block Bidding Program is to (a) create additional ways for customers to achieve electric energy savings, and (b) allow interested suppliers to offer energy efficiency reductions that would increase total electric savings above the levels expected from the programs otherwise approved by the Commission for implementation prior to the Block Bidding solicitation. Specifically, the Block Bidding Program offers opportunities for Energy Services Companies ("ESCOs"), performance contractors, management companies and even customers to submit proposals that show significant reductions in energy use and increase the efficiency of any electric end use in one or more commercial, municipal, or industrial facilities¹ in either or both of the Companies' service territories.

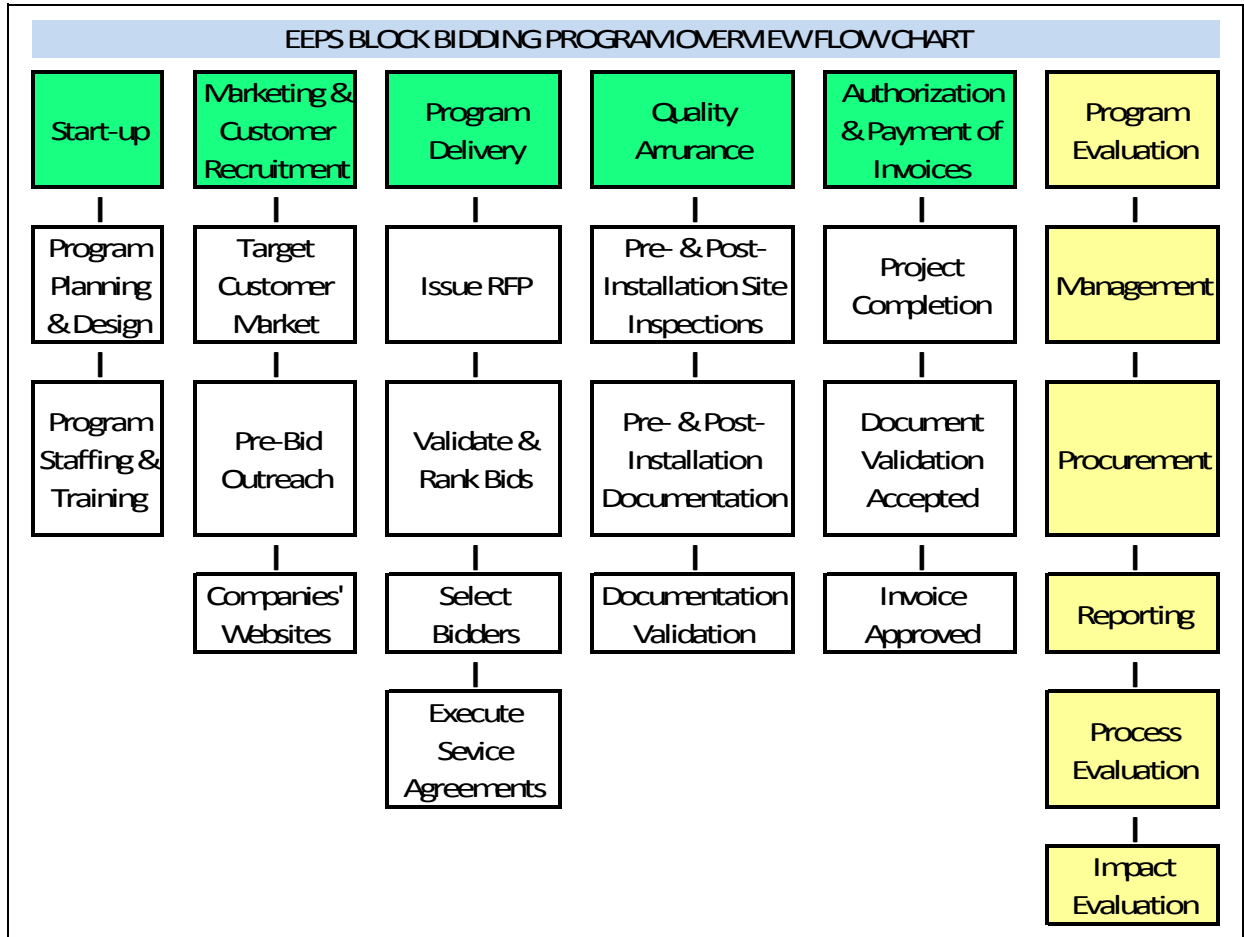
The NYSEG and RG&E Electric Block Bidding Program is a unique opportunity for the Companies to competitively procure electric energy savings from non-residential electric customers acting as savings suppliers, and third party savings suppliers acting on behalf of nonresidential host customers. The Companies will conduct one or more competitive offerings where customers and third parties may submit bids in response to a competitive request for proposals ("RFP"). The Companies will select successful bidders using a percent resource benefit test, further discussed below, and execute Service Agreements ("SAs") with the successful bidders. The successful suppliers will be accountable for delivering the savings as bid.

I A2) Operation and Procedures Manual

The Companies' Non-Residential Block Bidding Admin Service Manual is dated March 2010. Updates and revisions will be on-going as the program evolves. At any time, the most current version of this manual may be obtained with thirty (30) days written notice.

I A3) Activities Descriptions

The following process flow chart depicts the major business processes and activities related to the implementation of the Companies’ Non-Residential Block Bidding Program.



I A4) Description of the Program Service Territory

This program is available to all of the Companies’ non-residential electric customers who pay a System Benefit Charge (“SBC”). The most current NYSEG and RG&E franchise maps can be found at the following internet sites:

<http://www.nyseg.com/OurCompany/servicearea.html>

<http://www.rge.com/OurCompany/servicearea.html>

I B) Detailed Description of Customer Data Tracking System and Customer Data Tracking System Operations, Including Data Dictionaries

The Companies will create files using data from the executed service agreements and project completion documentation provided by the bidders to calculate and report herein the current quarter, program-to-date, and lifecycle energy savings data for all contracted measures based on the formulas provided in the September 1, 2009 version of the New York Standard Approach for Estimating Energy Savings from Energy Efficiency Measures in Commercial and Industrial Programs manual (the “Technical Manual”). Energy savings calculations for installed measures are accomplished through the net utility savings [adjusted for free ridership etc.] in terms of summer coincident peak demand [kw] and annual energy [kwh].

These files are also used to calculate participation data as reported herein for the number of program measure bids received, accepted and completed to date. Additionally, various operational reports and analysis are generated to identify trends and patterns, produce various program statistics, identify possible areas for future improvement, and to identify differences in participation rates by geographic region, etc.

I C) Description of How Data in the Tracking System Contributes to the Quarterly Report

The Companies will use an Excel spreadsheet for data tracking. The spreadsheet will capture information about all aspects of the program including execution of the service agreements, Pre- and Post-installation inspections, installation documentation, energy savings verification and project invoicing. The spreadsheet will provide for program performance tracking and reporting.

I D) Program Management

Non-Residential Block Bidding Program

Gary B. Freeland
Block Bidding Program - Implementation Coordinator
NYSEG and RG&E
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I E) Program Savings Objectives

The primary objective of the Companies' Electric Block Bidding Program is to (a) create additional ways for customers to achieve electric energy savings, and (b) allow interested suppliers to offer energy efficiency reductions that would increase total electric savings above the levels expected from the programs otherwise approved by the Commission for implementation prior to the Block Bidding solicitation.

NYSEG and RG&E Annual Energy Savings

Year	NYSEG Goal	RG&E Goal
2010	1,387	1,387
2011	4,289	4,289
2012	2,594	2,594

Source: NYSEG & RG&E Non-Residential Block Bidding Program Implementation Plan, March 5, 2010

I F) Program Theory and Logic

The Companies' Block Bidding Program is described in the January 4, 2010 Order. The Program savings targets are as specified on Table 1a, Appendix 3 in the January 4, 2010 Order. The allowed budget for this Program is also specified on Table 1a, Appendix 3 in the January 4, 2010 Order.

The goal of this program is to offer opportunities for Energy Services Companies ("ESCOs"), performance contractors, management companies and even customers to achieve significant reductions in energy use and increase the efficiency of any electric end use in one or more commercial, municipal, or industrial facilities¹ in either or both of the Companies' service territories which may not be available with other energy efficiency programs.

All non-residential NYSEG and RG&E electric customers that pay the EEPS SBC charge are eligible to participate in the Block Bidding Program as savings suppliers or as host customers for third party suppliers. Any electric end-uses, usage behaviors, or usage processes may be targeted by these proposals, unless specifically prohibited by the Commission.

Excluded from the program are:

- Demand response activities that produce reductions in electric peak loads but little energy savings.
- Savings in natural gas, fuel oil, or other forms of energy.
- Residential customers.
- New construction.

The program is expected to produce incremental energy savings of about 16,540 MWh for the Companies during the program term from 2010 to 2012 at a total cost of approximately \$6.4 million for NYSEG and RG&E combined.

In addition, to the extent practical and possible, the Companies will coordinate the delivery of this program with planned future programs. As appropriate, the Companies will coordinate with NYSERDA to make appropriate referrals between existing programs.

I G) Listing and Description of, and Contact Information for, the Market Actors, Trade Allies, and Other Stakeholders on Which the Program will Rely for Program Delivery and Support

This information will be determined when the service agreements are executed with the successful bidders.

I H) Name of Firms under Contract to Program Administrators, Formally Participating in the Delivery of the Program or Program Component(s)

The following firm(s) are under contract with the Companies:

Applied Energy Group, Inc. (AEG)
1377 Motor Parkway, Suite 401
Hauppauge, NY 11788
631-434-1414

I I) Inter-organizational Relationships and Activities Explained and Reported

The Companies, with most other New York investor-owned utilities, NYSERDA, NYPA and LIPA, participate in a working cooperative organization between the participating EEPS program administrators. The organization, known formally as Energy Efficiency Program Administrator Collaborative (“EEPAC”) hosts a number of issue-oriented working groups or communities that are exploring program implementation issues common to EEPS program administrators. EEPAC is directed by a Steering Committee, appointed by the member organizations. The Companies have supported EEPAC through membership in working groups/communities as well as through participation in the Steering Committee.

Section II. Evaluation Support Information

II A) Midstream Program Information

The Companies’ will collect and store the program data in Table 1 of the “New York Department of Public Service Energy Efficiency Program Information Reporting Manual,” June 29, 2009, as required and appropriate for midstream programs. These will be made available to the Staff and evaluation contractors within thirty (30) days written notice.

Section III. Reporting Template for Quarterly Non-Residential Block Bidding Program Report

Table 2a below, represents NYSEG's Quarterly Program Statistics for Third Quarter 2010.

Table 2a. Variables Reported Quarterly for Third Quarter 2010

Refer to Attachment 1

Table 2b below, represents RG&E's Quarterly Program Statistics for Third Quarter 2010.

Table 2b. Variables Reported Quarterly for Third Quarter 2010

Refer to Attachment 1

Section IV. Narrative Report to be Included with Spreadsheet

Program Administrator: NYSEG/RG&E
Program/Project: Non-Residential Block Bidding Program
Reporting Period: Third Quarter (July, August, September) 2010
Report Contact Person: Gary B. Freeland

1. Program Status

Program Performance Goals

(a) Describe and discuss circumstances that may have an impact on the achievement of project performance goals (positive or negative).

The Companies completed the first competitive RFP, have selected bidders and are in the process of completing service agreements with these successful bidders. The achievement of project performance goals will commence pursuant to project schedules defined in the service agreements.

(b) Describe and discuss other key aspects of program performance goals that were not discussed in (a).

The initial RFP process, while successful, will likely not achieve the 2010 program savings targets. The Companies are planning a second competitive RFP process in December, 2010.

(c) Forecast of net energy impacts.

**NYSEG and RG&E
Annual Energy Savings (MWhs)**

Year	NYSEG Goal	RG&E Goal
2010	0	0
2011	5,676	5,676
2012	2,594	2,594

Forecast totals are consistent with goals from NYSEG & RG&E Non-Residential Block Bidding Program Implementation Plan, March 5, 2010. Service Agreements with successful Bidders should be signed in the fourth quarter 2010, thus committing savings in 2010, but it is not expected that any of the projects will be completed in time for savings to be “acquired” in 2010. For this reason, 2010 savings forecasts have been added to 2011.

2) Program Implementation Activities

(a) Marketing Activities

The January 4, 2010 Order required the Companies to require both specific host customer sites and specific measures to be identified in supplier proposals, and therefore required all customer hosts to be recruited by third-party suppliers *before* proposals were submitted, thus the Block Bidding Program did not utilize or require an outreach or marketing plan in the same way that an energy efficiency rebate or direct installation program would require such a plan. The customer hosts or third-party suppliers had recruited the participating customers by the time their bids were proposed to the Companies.

To ensure that the Block Bidding opportunity reached an appropriately inclusive potential audience, the Companies extended the pre-bid outreach which is part of their normal purchasing practices to create awareness of this competitive opportunity. Specifically:

- All firms that expressed interest in this opportunity and all firms on the bid list for other Company energy efficiency procurements were notified about this opportunity.
- The service list for Case 07-M-0548 was reviewed, and announcements were sent to parties considered likely to be interested in this opportunity.
- Key account customers were contacted individually by Company Key Account Representatives.
- Announcements were sent to ESCOs, trade allies, and performance contractors.
- A news release was issued to general and business media.
- This opportunity was announced on the NYSEG and RG&E websites.

The Companies are exploring additional methods of reaching potential bidders as well as additional bidder training in preparation for the next competitive bid cycle.

(b) Evaluation Activities

There are none at this time.

(c) Other Activities

There are none at this time.

3. Customer Complaints and/or Disputes

No NYPSC complaints have been reported. No bidder/customer disputes have occurred.

4. Changes to Subcontractors or Staffing

There are none at this time.

5. Additional Issues

Refer to Attachment 2 for the Annual O&E Report and Plan.

Program Administrator(PA) and Program ID¹	NYSEG Non-Residential Block Bidding Program
Program Name	NYSEG Non-Residential Block Bidding Program Electric
Program Type²	Block Bidding
Total Acquired First-Year Impacts This Quarter^{3,13}	
Net first-year annual kWh acquired this Quarter ⁴	0
Quarterly Net kWh Goal (based on net first-year annual ⁵ kWh Goal)	0
Percent of Quarterly Net kWh Goal Acquired	0%
Net Peak ⁶ kW acquired this Quarter	0
Quarterly Net Peak kW Goal	N/A
Percent of Quarterly Peak kW Goal Acquired	N/A
Net First-year annual therms acquired this quarter	N/A
Quarterly Net Therm Goal	N/A
Percent of Quarterly Therm Goal Acquired	N/A
Net Lifecycle kWh acquired this quarter	0
Net Lifecycle therms acquired this quarter	N/A
Total Acquired Net First-Year Impacts To Date¹⁵	
Net first-year annual kWh acquired to date	0
Net first-year annual kWh acquired to date as a percent of annual goal	0
Net first-year annual kWh acquired to date as a percent of 8-year goal	N/A
Net cumulative kWh acquired to date	0
Net utility peak kW reductions acquired to date	0
Net utility peak kW reductions acquired to date as a percent of utility annual goal	N/A
Net utility peak kW reductions acquired to date as a percent of 8-year goal	N/A
Net NYISO peak kW reductions acquired to date	N/A
Net first-year annual therms acquired to date	N/A
Net first-year annual therms acquired to date as a percent of annual goal	N/A
Net first-year annual therms acquired to date as a percent of 8-year goal	N/A
Net cumulative therms acquired to date	N/A
Total Acquired Lifecycle Impacts To Date^{7,13}	
Net Lifecycle kWh acquired to date	0
Net Lifecycle therms acquired to date	N/A
Committed⁸ Impacts (not yet acquired) This Quarter	
Net First-year annual kWh committed this quarter	0
Net Lifecycle kWh committed this quarter	0
Net Utility Peak kW committed this quarter	0
Net first-year annual therms committed this quarter	N/A
Net Lifecycle therms committed this quarter	N/A
Funds committed at this point in time	\$0
Overall Impacts (Acquired & Committed)	
Net first-year annual kWh acquired & committed this quarter	0
Net utility peak kW acquired & committed this quarter	0
Net First-year annual therms acquired & committed this quarter	N/A
Costs⁹	
Total program budget	\$3,181,000
General Administration ¹⁴	0
Program Planning	0
Program Marketing	0
Trade Ally Training	0
Incentives and Services ¹⁵	0
Direct Program Implementation	\$65,455
Program Evaluation	0
Total expenditures to date	\$65,455
Percent of total budget spent to date	2.06%
Participation	
Number of measures ¹⁶ offered on customer proposals to date	16
Number of measures on signed customer contracts to date	0
Number of measures installed to date	0
Percent of proposed measures in signed customer contracts	0.00%
Quarterly Carbon Emission Reductions (in tons)	

Total Acquired Net First-year Carbon Emission Reductions To Date ¹²	0
Total Acquired Cumulative Net Carbon Emission Reductions To Date ¹²	0

DPS Staff Notes:

¹DPS Staff needs to work with utilities to develop a Program ID naming convention. However, a Program ID number is not required for the first report. Note that when developing program ID naming conventions, utilities would like to minimize computer programming/reporting costs that they might incur if the proposed naming conventions are complex or the utility's current naming conventions require modification to Staff's proposed format.

²There is not currently a consistent list of program types but individual categories for common use by administrators could be developed.

³First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year. **Acquired** kWh savings are defined as those savings that reported by the program administrator in program tracking databases and for which a rebate check has been sent to the participant on a specific date.

⁴Regardless of the month in which a measure is installed within a given calendar year, the program is credited with the associated savings for the entire year.

⁵Program Administrators should make best estimate of the annual goal even though the goal might in some cases cover two calendar years. Also, Staff wants administrators to try to be as accurate as possible in determining the *monthly* goals but does not want to mandate monthly goals, at least initially.

⁶Peak is defined uniquely for each utility.

⁷The lifecycle savings are tracked beginning in the *year* in which a given measure was installed. Over the period 2008-2015, PA's must take into account the fact that savings from measures installed early in the period will vanish at the end of their useful life before the end of 2015. Thus, the lifecycle impacts acquired to date will be different for each month as a function of adding savings from measures installed in a given month and subtracting savings from measures installed earlier in the funding cycle that have reached the end of their useful life.

⁸Committed savings are defined as those for which funds have been encumbered but not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired." Staff would like to see the program administrator's best *estimate* of what they have committed. There should be some assumptions on how the administrator does that. Program administrators should forecast as accurately as possible and it should get more precise with program experience, e.g., the difference between achieved and committed should get closer over time.

⁹These are the budget categories to be used by companies when submitting the required energy efficiency program implementation plans. In its January 16, 2009 Order, the Commission directed Staff to provide definitions for the budget categories to be used in the preparation of these plans (See Order Approving "Fast Track" Utility-Administered Electric Energy Efficiency Program With Modification, at page 11). These categories are provided to promote consistency in budget construction and reporting among the utility plans.

¹⁰An application is processed once the PA has reviewed the application and made a decision whether to approve the incentive payment to the customer. Once the decision has been made to pay the incentive to the customer, these funds and their associated energy and demand impacts become "Committed."

¹¹The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made. Also note that for programs in which there are cases in which an application could be received, processed, and approved all in one day, then a "1" would be counted for each step in the tracking lifecycle.

¹²See CO₂ Reduction Values tab in Data Reporting Template 6-26-09.Xls (quarterly and annual reports only).

Utility Notes:

¹³This is the first Quarterly Scorecard Report for the Block Bidding Program. There are no acquired savings for this program for this quarter since the program was in a ramp-up and procurement period. Bids have been selected and Service Agreements for the agreed-to energy savings were being negotiated.

¹⁴Portfolio Costs are not included in the program budget or actual costs. Consistent with the Companies' July 9, 2009 letter to the Secretary in Cases 07-M-0548 et al. ("July 9 letter") and the Companies' prior energy efficiency program submittals, Portfolio Costs are incremental and are incurred as a result of the Companies' ongoing active participation in the New York State Public Service Commission's ("Commission") energy efficiency proceedings. Portfolio Costs allow the Companies to jointly provide efficient support for the complete suite of specific energy efficiency programs ultimately approved by the Commission.

¹⁵Incentives and services costs are reported based on Company payment of invoices received from program contractors and/or Bidders/Suppliers.

¹⁶The number of measures represents the number of customer host locations proposed by the accepted bidders .

Program Administrator(PA) and Program ID¹	RG&E Non-Residential Block Bidding Program
Program Name	RG&E Non-Residential Block Bidding Program Electric
Program Type²	Block Bidding
Total Acquired First-Year Impacts This Quarter^{3,13}	
Net first-year annual kWh acquired this Quarter ⁴	0
Quarterly Net kWh Goal (based on net first-year annual ⁵ kWh Goal)	0
Percent of Quarterly Net kWh Goal Acquired	0%
Net Peak ⁶ kW acquired this Quarter	0
Quarterly Net Peak kW Goal	N/A
Percent of Quarterly Peak kW Goal Acquired	N/A
Net First-year annual therms acquired this quarter	N/A
Quarterly Net Therm Goal	N/A
Percent of Quarterly Therm Goal Acquired	N/A
Net Lifecycle kWh acquired this quarter	0
Net Lifecycle therms acquired this quarter	N/A
Total Acquired Net First-Year Impacts To Date¹³	
Net first-year annual kWh acquired to date	0
Net first-year annual kWh acquired to date as a percent of annual goal	0
Net first-year annual kWh acquired to date as a percent of 8-year goal	N/A
Net cumulative kWh acquired to date	0
Net utility peak kW reductions acquired to date	0
Net utility peak kW reductions acquired to date as a percent of utility annual goal	N/A
Net utility peak kW reductions acquired to date as a percent of 8-year goal	N/A
Net NYISO peak kW reductions acquired to date	N/A
Net first-year annual therms acquired to date	N/A
Net first-year annual therms acquired to date as a percent of annual goal	N/A
Net first-year annual therms acquired to date as a percent of 8-year goal	N/A
Net cumulative therms acquired to date	N/A
Total Acquired Lifecycle Impacts To Date^{7,13}	
Net Lifecycle kWh acquired to date	0
Net Lifecycle therms acquired to date	N/A
Committed⁸ Impacts (not yet acquired) This Quarter	
Net First-year annual kWh committed this quarter	0
Net Lifecycle kWh committed this quarter	0
Net Utility Peak kW committed this quarter	0
Net first-year annual therms committed this quarter	N/A
Net Lifecycle therms committed this quarter	N/A
Funds committed at this point in time	\$0
Overall Impacts (Acquired & Committed)	
Net first-year annual kWh acquired & committed this quarter	0
Net utility peak kW acquired & committed this quarter	0
Net First-year annual therms acquired & committed this quarter	N/A
Costs⁹	
Total program budget	\$3,280,000
General Administration ¹⁴	0
Program Planning	0
Program Marketing	0
Trade Ally Training	0
Incentives and Services ¹⁵	0
Direct Program Implementation	\$113,130
Program Evaluation	0
Total expenditures to date	\$113,130
Percent of total budget spent to date	3.45%
Participation	
Number of measures ¹⁶ offered on customer proposals to date	24
Number of measures on signed customer contracts to date	0

Number of measures installed to date	0
Percent of proposed measures in signed customer contracts	0.00%
Quarterly Carbon Emission Reductions (in tons)	
Total Acquired Net First-year Carbon Emission Reductions To Date ¹²	0
Total Acquired Cumulative Net Carbon Emission Reductions To Date ¹²	0
DPS Staff Notes:	
<p>¹DPS Staff needs to work with utilities to develop a Program ID naming convention. However, a Program ID number is not required for the first report. Note that when developing program ID naming conventions, utilities would like to minimize computer programming/reporting costs that they might incur if the proposed naming conventions are complex or the utility's current naming conventions require modification to Staff's proposed format.</p> <p>²There is not currently a consistent list of program types but individual categories for common use by administrators could be developed.</p> <p>³First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year. Acquired kWh savings are defined as those savings that reported by the program administrator in program tracking databases and for which a rebate check has been sent to the participant on a specific date.</p> <p>⁴Regardless of the month in which a measure is installed within a given calendar year, the program is credited with the associated savings for the entire year.</p> <p>⁵Program Administrators should make best estimate of the annual goal even though the goal might in some cases cover two calendar years. Also, Staff wants administrators to try to be as accurate as possible in determining the <i>monthly</i> goals but does not want to mandate monthly goals, at least initially.</p> <p>⁶Peak is defined uniquely for each utility.</p> <p>⁷The lifecycle savings are tracked beginning in the <i>year</i> in which a given measure was installed. Over the period 2008-2015, PA's must take into account the fact that savings from measures installed early in the period will vanish at the end of their useful life before the end of 2015. Thus, the lifecycle impacts acquired to date will be different for each month as a function of adding savings from measures installed in a given month and subtracting savings from measures installed earlier in the funding cycle that have reached the end of their useful life.</p> <p>⁸Committed savings are defined as those for which funds have been encumbered but not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired." Staff would like to see the program administrator's best <i>estimate</i> of what they have committed. There should be some assumptions on how the administrator does that. Program administrators should forecast as accurately as possible and it should get more precise with program experience, e.g., the difference between achieved and committed should get closer over time.</p> <p>⁹These are the budget categories to be used by companies when submitting the required energy efficiency program implementation plans. In its January 16, 2009 Order, the Commission directed Staff to provide definitions for the budget categories to be used in the preparation of these plans (See Order Approving "Fast Track" Utility-Administered Electric Energy Efficiency Program With Modification, at page 11). These categories are provided to promote consistency in budget construction and reporting among the utility plans.</p> <p>¹⁰An application is processed once the PA has reviewed the application and made a decision whether to approve the incentive payment to the customer. Once the decision has been made to pay the incentive to the customer, these funds and their associated energy and demand impacts become "Committed."</p> <p>¹¹The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made. Also note that for programs in which there are cases in which an application could be received, processed, and approved all in one day, then a "1" would be counted for each step in the tracking lifecycle.</p> <p>¹²See CO₂ Reduction Values tab in Data Reporting Template 6-26-09.Xls (quarterly and annual reports only).</p>	
Utility Notes:	
<p>¹³This is the first Quarterly Scorecard Report for the Block Bidding Program. There are no acquired savings for this program for this quarter since the program was in a ramp-up and procurement period. Bids have been selected and Service Agreements for the agreed-to energy savings were being negotiated.</p> <p>¹⁴Portfolio Costs are not included in the program budget or actual costs. Consistent with the Companies' July 9, 2009 letter to the Secretary in Cases 07-M-0548 et al. ("July 9 letter") and the Companies' prior energy efficiency program submittals, Portfolio Costs are incremental and are incurred as a result of the Companies' ongoing active participation in the New York State Public Service Commission's ("Commission") energy efficiency proceedings. Portfolio Costs allow the Companies to jointly provide efficient support for the complete suite of specific energy efficiency programs ultimately approved by the Commission.</p> <p>¹⁵Incentives and services costs are reported based on Company payment of invoices received from program contractors and/or Bidders/Suppliers.</p> <p>¹⁶The number of measures represents the number of customer host locations proposed by the accepted bidders .</p>	

NYSEG & RG&E Annual O&E Report and Plan for Energy Efficiency Portfolio Standard Programs

Program Name: *NYSEG/RG&E Non-Residential Block Bidding Program*

A) Planned Objectives and Key Messages:

The purpose of the Block Bidding program is to (a) create additional ways for customers to achieve electric energy savings, and (b) allow interested suppliers to offer energy efficiency reductions that would increase total electric savings above the levels expected from the programs otherwise approved by the Commission for implementation prior to the Block Bidding solicitation. Specifically, the Block Bidding Program offers opportunities for Energy Services Companies (ESCOs), performance contractors, management companies and even customers to submit proposals that show significant reductions in energy use and increase the efficiency of any electric end use in one or more commercial, municipal, or industrial facilities in either or both of the Companies' service territories.

The NYSEG and RG&E Electric Block Bidding Program is a unique opportunity for the Companies to competitively procure electric energy savings from non-residential electric customers acting as savings suppliers, and third-party savings suppliers acting on behalf of non-residential host customers. In other words, customers and third parties will submit bids in response to a competitive request for proposals (RFP), and the Companies will execute Service Agreements (SA) with the successful bidders. The successful suppliers will be accountable for delivering the savings as bid.

The Program is a sealed-bid, pay-as-bid auction, conducted in accordance with the schedule developed for each RFP. Interested parties can participate in the Program only during the time periods of an open RFP. Energy savings must be delivered after bid award notification but no later than October 31, 2012.

Key objectives that influence program messages include:

- Help customers see the value (through dollar savings) of reducing their energy use;
- Demonstrate that efforts to reduce energy use can improve quality of life; and
- Communicate the ways customers can get information and participate in the program.

B) Targeted Audiences

All non-residential NYSEG and RG&E electric customers who pay the EEPS SBC charge are eligible to participate in the Block Bidding Program as savings suppliers or as host customers for third-party suppliers.

C) External Outreach Materials

The Block Bid Program requires both the specific host customer sites and the specific energy saving measures to be identified in supplier proposals. Therefore, since all customer hosts are identified either as themselves or recruited by third-party suppliers *before* proposals are received, the Block Bidding Program will not utilize or require an outreach or marketing plan in the same

way that an energy efficiency rebate or direct installation program would require such a plan¹. The customer hosts or third-party suppliers will have recruited the participating customers by the time their bids are proposed to the Companies.

However, to ensure that the Block Bidding opportunity reaches an appropriately inclusive potential audience, the Companies extend the pre-bid outreach which is part of their normal purchasing practices to create awareness of this competitive opportunity.

Specifically:

- All firms that have expressed interest in this opportunity to-date and all firms on the bid list for other Company energy efficiency procurements are notified about this opportunity.
- The service list for Case 07-M-0548 was reviewed and announcements are sent to parties considered likely to be interested in this opportunity.
- Key account customers are contacted individually by Company Key Account Representatives.
- Announcements are sent to ESCOs, trade allies, and performance contractors.
- A news release is issued to general and business media.
- This opportunity is announced on the NYSEG and RG&E websites.
- The Companies held trade ally/large customer meetings during October and November 2010 in conjunction with the Companies' C/I Programs, to promote both program opportunities and provide technical assistance and support to potential customers and bidders.
- A list of Frequently Asked Questions (FAQs) is prepared and made available with all outreach and communications.

D) Internal Education

The Block Bidding Program is a sealed-bid, pay-as-bid auction, product purchase conducted in accordance with the Companies procurement rules and protocol. Suppliers participating in this Program may not contact other employees or management teams for any reason throughout the bid process, except for any business which is ongoing and unrelated to any outstanding RFP.

Therefore, internal education is limited to:

- General program overview
- Program announcement
- FAQs

E) Budget

Pursuant to Section C above, the Block Bidding Program does not have a formal budget for Outreach and Education. However, in advance of the planned second Request for Proposal, to promote the Program and increase awareness for the Program's target audience, Trade Ally meetings were conducted across the Companies' service territory in late-October, early-November.

¹ Per letter dated June 10, 2010 approving outreach and education/marketing plan for the Block Bidding Program Electric Implementation Plan.

Outreach & Education	Cost²
Trade Ally Meetings	\$3,000.00
Press Releases	N/A produced internally.
Web Sites	N/A produced internally.
Frequently Asked Questions	N/A produced internally
TOTAL:	\$3,000.00

F) Analysis of Program

On January 4, 2010, PSC *Order Approving Certain Commercial and Industrial; Residential; and Low-Income Residential Customer Energy Efficiency Programs with Modifications* was issued. On February 24, 2010, NYSEG and RG&E issued a RFP for the Block Bidding Program requesting 8,270 mWhs of energy savings for each Company.

On April 26, 2010, all Bids in the first RFP offering were received. Of the five Bidders who submitted proposals, three were selected which will deliver 1,074 mWhs of energy savings for NYSEG and 5,430 mWhs of energy savings for RG&E.

A subsequent RFP will be released in December 2010 to procure the remaining energy savings, 7,196 mWhs for NYSEG and 2,840 mWhs for RG&E, to meet the Block Bidding Program goals. If all savings are not realized, or if additional opportunity for savings/additional funding is made available, the Companies may conduct additional RFP offerings.

The program received limited reception from customer and trade ally groups. The common responses were that they experienced a level of unfamiliarity with the program and felt there was insufficient time to prepare bids. The Companies will attempt to address these issues for the next RFP.

To ensure that the Block Bidding opportunity reaches an appropriately inclusive potential audience, the Companies will extend the pre-bid outreach which is part of their normal purchasing practices to create awareness of this competitive opportunity. Additionally, the Companies will be hosting trade ally informational meetings in October and November 2010 to increase the awareness and participation for this Program. In an effort to boost participation in the NYSEG area, five out of six meetings will be conducted in the NYSEG area.

The normal period of one week between issuance of the RFP and requirement of a notice of intent to bid will be extended to three weeks, and the normal four- to six-week period between issuance of the RFP and the date bids are due will be extended to eight weeks in order to respond to feedback received from potential bidders.

G) Timeline

Not applicable – See explanation in Part C.

² Represents estimated budget for the Trade Ally meetings. Actual costs will be determined when final costs are available..

H) How does plan coincide with Corporate Plans?

Promotion of this business opportunity occurs independently of the NYSEG and RG&E general O&E/marketing activities, except to the extent that information is provided about the Block Bidding Program on nyseg.com and rge.com and to the Companies' pre-existing lists of community outreach and key account customer contacts.

I) Efforts to Avoid Overlap/Customer Confusion

Consistent with NYSEG and RG&E purchasing policies, suppliers must meet the deadline for notices of intent to bid in order to submit a proposal in response to the RFP. For the Block Bidding Program's initial RFP, which was issued February 24, 2010, the Notice of Intent was due before the Companies publicly announced other commercial and industrial programs. This minimized overlap between the programs. In addition, the October/November 2010 Trade Ally informational meetings further explained both the Block Bidding and C/I programs to help minimize confusion and overlap between these programs.

In general, customers who contact the NYSEG and RG&E energy efficiency hotline will be informed about the available programs to meet their needs. The Companies will do their best to address any questions they may have about those programs, resolve any sources of confusion, and refer the customers appropriately to other sources of information, including NYSERDA and other utilities. (For example, customers who purchase electricity or natural gas from NYSEG or RG&E, and who purchase natural gas or electricity from another utility, will be directed to that utility for information about additional programs.) The Companies work collaboratively with NYSERDA and the other utilities to make this information available to their respective call centers and hotlines.

The Companies continue to support collaborative efforts to minimize double-counting of program funding or energy savings. The Companies support inclusion of the following common element in the individual enrollment forms developed by each program administrator:

Customers are not eligible to receive financial incentives/rebates for the same eligible measure from NYSERDA and an electric or natural gas utility.