

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

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Petition of New York State Electric & Gas Corporation :
For Approval of an Energy Efficiency Portfolio Standard : Case 08-E-1129
(EEPS) Utility-Administered Electric Energy Efficiency :
Program :
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Petition of Rochester Gas and Electric Corporation :
For Approval of an Energy Efficiency Portfolio Standard : Case 08-E-1130
(EEPS) Utility-Administered Electric Energy Efficiency :
Program :
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**NEW YORK STATE ELECTRIC & GAS CORPORATION
AND
ROCHESTER GAS AND ELECTRIC CORPORATION**

**BLOCK BIDDING PROGRAM
IMPLEMENTATION PLAN 2012 - 2015**

Dated: May 22, 2012

TABLE OF CONTENTS

| | | |
|-------|---|----|
| I. | Introduction..... | 3 |
| II. | Cumulative and Annual Program Budgets and Energy Savings | 3 |
| III. | Total Resource Cost (“TRC”) Benefit Cost Testing..... | 3 |
| IV. | Annual Budgets by Spending Category | 4 |
| V. | Target Customer Market and Energy End Uses | 5 |
| VI. | Eligible Energy Efficiency Measures and Associated Customer Incentives | 5 |
| VII. | Customer Outreach and Education (O&E)/Marketing | 6 |
| VIII. | Descriptions of Roles and Responsibilities of Program Administrator and Program Contractors..... | 7 |
| IX. | Procedures for Customer Enrollment..... | 8 |
| X. | Contact Information for Customer Inquiries and Complaints | 8 |
| XI. | Training for Appropriate Trade Allies..... | 8 |
| XII. | Contractor Training and Program Orientation Plan..... | 8 |
| XIII. | Quality Assurance Plan..... | 9 |
| XIV. | Coordination with Other New York Energy Efficiency Programs and Program Administrators..... | 9 |
| XV. | Evaluation Plan | 10 |
| | Exhibit 1 – Block Bidding Program - Cumulative and Annual Program Budget and Savings Targets | 14 |
| | Exhibit 2 - Block Bidding Program - Annual Budgets by Spending Category | 15 |
| | Exhibit 3 – Block Bidding Program - Eligible Energy Efficiency Measures | 17 |
| | Exhibit 4 - Block Bidding Program - Specific Budget Amounts for Individual Elements of the O&E / Marketing Budget..... | 18 |
| | Exhibit 5 - Block Bidding Program - O&E / Marketing Timeline | 19 |

I. Introduction

This Block Bidding Program Implementation Plan Update (“Plan”) is submitted by New York State Electric & Gas Corporation (“NYSEG”) and Rochester Gas and Electric Corporation (“RG&E”; together, “the Companies”) in response to the New York State Public Service Commission’s (“Commission”) February 17, 2012 *Order Approving Utility Target Adjustments* (“February 2012 Order”). This Plan covers the period 2012-2015 and generally describes activities that will be conducted jointly by the Companies. It provides an update to all previously filed Program Implementation Plans.

This Plan incorporates the approved costs and savings targets specified in the February 2012 Order. Additionally, this Plan conforms to the requirements of the January 19, 2010 letter (“January 2010 Letter”), provided by DPS Staff, specifying guidelines for preparing and submitting Implementation Plans.

In this plan, narrative descriptions of program elements and procedures are accompanied by Exhibits included at the end of the document. In this way, the Companies can easily accomplish revisions to the plan which incorporate spending and savings target adjustments as well as other numerical adjustments as may be approved by the Commission from time to time.

II. Cumulative and Annual Program Budgets and Energy Savings

The annual and cumulative ordered spending and savings targets are shown in Exhibit 1.

III. Total Resource Cost (“TRC”) Benefit Cost Testing

New York has adopted the Total Resource Cost test, or TRC, as the standard by which all EEPS measures, projects and programs must be judged. The TRC is defined in the California Standard Practice Manual as the test that: “... measures the net costs of a demand-side management program as a resource option based on the total costs of the program, including both the participants' and the utility's costs.” For EEPS programs in New York, this means that the combined total cost of the measure to the customer and to the utility is compared to the net present value of the savings from that measure over its lifetime. If the net present value of the savings is greater than the costs, the TRC ratio is greater than 1.0 and the measure passes the TRC test.

For the Block Bid program, the TRC screening tool will also calculate the project costs as a percentage of the project's projected measure life discounted resource benefits. This will be expressed as a levelized cost for the project based on the requested utility cost share component of each measure or project. These levelized costs will be calculated in accordance with the California Standard Practices Manual and will be used to assess the relative costs of measures with varying measure lives. Projects requiring the lowest percentage of resource benefits [e.g., the lowest levelized cost] would be selected first. This competitive ranking would not be unfairly influenced by cost estimates or be subject to gaming of these costs.

The New York Public Service Commission (PSC) has required that all individual measures that receive funding under the New York EEPs programs have a measure TRC greater than or equal to 1.0. This ensures that every measure implemented in New York is cost effective at its most basic level. The PSC has also required that all individual projects that receive EEPs funding must have a TRC greater than or equal to 1.0, including program administrator overheads for running the program. Finally, all EEPs programs approved in New York must have a TRC greater than or equal to 1.0 as initially designed by the program administrator at the time of the original request for approval of the program.

The Companies use inputs to the TRC as required in the various Commission orders in the EEPs proceeding. This includes Long Run Avoided Costs (LRACs) for energy, company and participant interest rates, inflation escalators and transmission and distribution losses. Full and incremental costs of individual measures come from national and regional databases, as well as the Companies' own data on the cost of energy efficiency measures in its service areas. Rules for when to use full vs. incremental costs and full vs. incremental savings are specified in the various appendices to the New York EEPs Technical Reference Manual (TRM).

Going forward, the Companies will provide updated TRCs for this program as guidance becomes available from the Commission on several pending filings. These filings include guidance on allocation of the Companies' EEPs portfolio costs to individual programs, and requests by the Companies for changes to the ordered budget and savings numbers for individual programs. Updates of the program TRC for this and other programs will be made, provided to Staff and included in this implementation plan as the Commission rules on these issues.

IV. Annual Budgets by Spending Category

Annual budgets by spending category are provided in Exhibit 2. The total of the projected annual spending by category in Exhibit 2 is consistent with the spending authorized and shown in Exhibit 1. The actual program expenses will vary based on the amount of bid savings achieved each year.

All costs in both Exhibits 1 and 2 will be recovered through the SBC surcharge.

As discussed further below, the Block Bidding Program will not include a marketing or trade ally training component.

Direct Program Implementation costs are explained in Section VIII, and will include developing and conducting the savings procurement (including a sample of pre-installation field inspections carried out prior to contract signature), monitoring the compliance of savings suppliers with their contracts and commitments, resolving issues with suppliers, conducting pre- and post-installation field inspections, making savings payments, addressing delays or failures to deliver, maintaining program records and producing reports, and as needed to address needs to achieve annual savings targets, conduct additional procurements through 2015.

The bulk of the budget will be devoted to Customer Incentives.

As outlined in the introduction, Program Evaluation will target the performance of the successful proposals, not the Block Bidding Program itself. Evaluation expenditures include process and impact evaluations of the successful proposals, including evaluation planning and management, database review, staff and participant surveys, and possible billing analysis and engineering review to determine impacts.

V. Target Customer Market and Energy End Uses

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. Exhibit 3 contains a list of excluded end uses/measures.

VI. Eligible Energy Efficiency Measures and Associated Customer Incentives

The Block Bidding Program is a sealed-bid, pay-as-bid auction in which the Companies competitively procures electric energy savings from nonresidential electric customers acting as savings suppliers, and third party savings suppliers acting on behalf of nonresidential host customers. Successful supplier customers or third-party suppliers will be paid their bid price.

The 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 program is conducted in accordance with Iberdrola Procurement procedures.

Proposals must exceed a minimum bid size of 100 MWh and cannot exceed the annual targeted goal for each Company.

Unless specifically excluded from the program, all electric energy efficiency measures are eligible. Reference Exhibit 3 for exclusions.

Supplier customers and host customers may not receive incentives from both NYSERDA and the Companies for the same energy efficiency measure, nor may they receive incentives for the same measure from both the Block Bidding Program and the C&I Rebate or Small Business Direct Installation Programs (“double-dipping”).

VII. Customer Outreach and Education (O&E)/Marketing

A. O&E/Marketing Strategy and Components

The Companies’ original Block Bidding Program proposal included an outreach and marketing component because third-party suppliers were allowed to recruit host customers and finalize sites and measures *after* executing a contract with the Companies. Because the Commission directed 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 are received, the Block Bidding Program as presented here 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 plan. The customer hosts or third-party suppliers will have recruited the participating customers by the time their bids are proposed to the Companies. Therefore, parts B (Outreach Budget), C (Vehicles and Target Audiences), D (Timeline) are appropriately not covered here.

To ensure that the Block Bidding opportunity reaches an appropriately inclusive potential audience, the Companies have extended 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 have been notified about this opportunity.
- The service list for Case 07-M-0548 was reviewed, and announcements have been sent to parties considered likely to be interested in this opportunity.
- Key account customers have been contacted individually by Company Key Account Representatives.
- Announcements have been sent to ESCOs, trade allies, and performance contractors.
- A news release has been issued to general and business media.
- This opportunity has been announced on the NYSEG and RG&E websites.
- The normal period of one week between issuance of the RFP and requirement of a notice of intent to bid has been extended to three weeks, and the normal four- to six-

week period between issuance of the RFP and the date bids are due has been extended to eight weeks.

B. Outreach Budget

N/A – See explanation above in Part A.

C. Vehicles and Target Audiences

N/A – See explanation above in Part A.

D. Timeline

N/A – See explanation above in Part A.

E. Relationship to Companies' General O&E/Marketing Plans

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

F. Efforts to Minimize Overlap and/or Customer Confusion

Customers who contact the Companies' 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 gas from NYSEG or RG&E, and who purchase gas or electricity from another utility, will be directed to that utility for information about additional programs.) The Companies are working collaboratively with NYSERDA and the other utilities to make this information available to their respective call centers and hotlines.

VIII. Descriptions of Roles and Responsibilities of Program Administrator and Program Contractors

As Program Administrators, the Companies are responsible for overseeing and managing all EEPs activities, including administration, planning, regulatory activities, procurement, data management, reporting, evaluation, budgets, outreach and education, improving program performance and for contractor compliance with performance expectations.

The Companies' Program Contractors are responsible for the day-to-day operations of the program including developing and maintaining business processes for program operations, training their employees, customer and trade ally communications, outreach and education, developing tools for program operations, reviewing and processing potential projects,

field verifications, maintain records, calculate and store energy savings data for all installed measures and assisting with improving program performance.

IX. Procedures for Customer Enrollment

Customers will neither apply for nor enroll in the Block Bidding Program. They may submit competitive bids individually, as groups, or as host customers for third-party suppliers, following the Companies' purchasing protocol specified in the RFP.

X. Contact Information for Customer Inquiries and Complaints

Bidders and potential bidders will be directed to address all questions to Karen Jones of the Supply Chain organization within Iberdrola USA Management Corporation, at 585-771-6004, in accordance with the Companies' normal purchasing practices.

Program participants with general inquiries or complaints relating to the Companies' non-residential energy efficiency programs will be directed to the Companies' Energy Efficiency program hotline number: 800.995.9525. For more detailed inquiries, the hotline representative will provide program participants a toll-free number to contact the implementation contractor. When appropriate, the hotline representative or implementation contractor may escalate the issue to the Program Manager:

Thomas M. O'Connor
Manager - Non-Residential Energy Efficiency Programs
585-724-8894

XI. Training for Appropriate Trade Allies

As noted above, an announcement of this opportunity has been provided to trade allies, who have the opportunity to participate in the program as third-party suppliers. Trade ally training is not a component of the Block Bidding Program.

XII. Contractor Training and Program Orientation Plan

The only contractor directly associated with this program is AEG, the Companies' energy efficiency consultant. No additional training of AEG employees in this program is necessary at this time.

XIII. Quality Assurance Plan

After all Services Agreements have been executed, the Companies will conduct pre- and/or post-installation physical site inspections at a sample of host sites. Suppliers will be notified if pre- and/or post-installation inspections will be required. Suppliers will be required to confirm pre-installation inspection requirements and provide digital pictures of each measure prior to beginning implementation of the savings measures. Suppliers will also need to confirm post-installation requirements and provide post implementation digital pictures of each measure prior to invoicing the Companies for milestone payments. Before and after pictures will need to be matched in an Excel spreadsheet that has a column for before picture numbers and corresponding after picture numbers. Suppliers will also be required to provide a self-certification of the actual installed Total Project Costs and a final copy of the invoice for the Host Customer's contribution. In cases where inspections are required, milestone payments will be contingent upon the timely and successful completion of those inspections.

Each Bidder will be required to provide a quality assurance plan and associated quality and performance standards that adequately describe the manner in which the Bidder will ensure the accuracy and reliability of the work described in Section III, and the accuracy and reliability of the data that will be provided to the Companies. The Bidder will be required to note whether each QA/QC mechanism will apply to 100 percent of subject activities or data, or to a subset of the subject activities or data. In the case of a subset (e.g., field verification of a sample of installations), the Bidder will be required to outline the sampling plan.

The Bidder's QA plan should include qualifications of quality assurance inspectors, the selection of projects for quality assurance inspections, details of the equipment installation inspection process, and the statistical parameters used for determining the quality of installations. The plan should also describe the process that will occur if an inspection reveals a faulty or unsatisfactory installation and how the situation will be remedied.

The Companies may also conduct site visits and audits of the activities and records of the successful Bidder and/or their subcontractor(s).

XIV. Coordination with Other New York Energy Efficiency Programs and Program Administrators

The Companies coordinate with other utilities and NYSERDA to develop and implement procedures for safeguards designed to prevent more than one incentive payment across administrators for an individual energy efficiency measure, as well as avoiding counting energy savings for the same measure in more than one program.

XV. Evaluation Plan

The evaluation plans to be developed by the Companies will be written to conform to the requirements of the June 23, 2008 Order in Case 07-M-0548 “Order Establishing Energy Efficiency Portfolio Standard and Approving Programs”; These plans will also follow guidelines issued by Staff: Evaluation Plan Guidance for EEPS Program Administrators Update #2, dated February 2012, and the New York State Process Evaluation Protocols as updated January 6, 2012. The evaluation plans will address the comments of, and follow guidance from, Staff and the EEPS Evaluation Advisory Group (EAG). All evaluations of the Companies’ programs will be conducted in accordance with these approved plans.

The Companies anticipate that their efforts in the evaluation of energy efficiency programs will continue to be informed on an on-going basis by Staff and the EAG and by collaboration with other NY utilities implementing similar programs.

Principles underlying the Companies’ evaluation plan include:

- Consider program evaluation early in the program design process to identify evaluation data collection requirements, priorities and budgets,
- Maintain the independence of evaluation from the program implementation function,
- Document the energy savings for gas programs and the energy and demand savings for electric programs,
- Provide enhanced evaluation for programs or measures with the greatest savings, largest performance uncertainties or significant impacts on program cost,
- Use industry standard approaches and protocols, such as the International Performance Measurement and Verification Protocols (IPMVP), for transparency and reproducibility, and
- Provide ongoing, systematic feedback on program performance.

1. Management

The Companies understand the importance of and are committed to independent and transparent program evaluations. Independence is achieved through our internal structure and the use of external contractors to conduct evaluations.

2. Procurement

Both detailed evaluation planning and in-field EM&V activities will be performed by independent evaluation contractors retained through competitive request for proposal (“RFP”) processes. Management and oversight of these independent evaluation contractors is the direct responsibility of the Evaluation Manager. Further review and oversight of the Companies’ evaluation plans and reports is provided by the EAG and Staff.

The Companies and the independent evaluation contractor will work closely with Staff in developing the evaluation plan, as well as associated customer surveys, statistical approaches and modeling techniques employed in the assessment. It is anticipated that Staff will be part of the kick-off meeting with the selected evaluation contractor and will participate in periodic update meetings as work progresses.

A. Roles and Responsibilities

As Program Administrators, the Companies are responsible for hiring independent evaluation contractors to conduct program evaluations, providing access to program records and databases, providing access to company and implementation contractor staff, and providing participant customer data as necessary and in conformance with Staff guidelines on data confidentiality.

The evaluation contractor will follow all guidelines set by Staff and the EAG, and based on those guidelines, design and conduct an evaluation of the program that provides statistically valid results that meet the Commission's requirements. The evaluation consultant will identify all data collection needs and assist the Companies in ensuring that the appropriate data is collected. The evaluation plan will allow for flexibility in the event that additional analysis needs to be completed in the future.

B. Budget and Overview of Program Evaluation

The evaluation will include activities to address key process and impact evaluation issues for this program. The evaluation budget, 5% of the total program budget, is given in the program budget section of this implementation plan.

The evaluation will be designed to incorporate steps to mitigate threats to data reliability. It will be based on prioritizing the evaluation needs for this program within the context of the Companies' portfolio evaluation budget. It will balance the need for both process and impact evaluation activities to improve program delivery and maximize savings.

The evaluation contractor will be expected to develop a detailed evaluation plan and schedule for this program acceptable to the Companies and the Commission; ensure acceptable employee and/or subcontractor performance; after approval of the evaluation plan by the Companies and the Commission, conduct the evaluation as per the approved plan; identify and recruit survey participants for process and impact interviews; conduct database review, engineering calculations and/or site visits to verify program impacts; identify actionable areas for program improvement; highlight program successes that could be used for other programs; validate deemed savings estimates in New York's EEPS technical manuals against program results; produce periodic status reports and participate in periodic evaluation team conference calls; provide memos with interim evaluation findings for early follow-up by the Companies; and produce an evaluation report suitable for filing with the Commission.

1. Net to Gross Analysis

The Companies will use a 10% Net-to-Gross (NTG) adjustment, as required in the Technical Manual (10/15/2010) and its associated appendices. Results of the Impact Evaluation will be used to verify the accuracy of the 10% NTG adjustment for reporting purposes on a prospective basis.

2. Sampling Strategies and Design and Data Reliability Standards

Consistent with the Evaluation Plan Guidelines for EEPS Program Administrators, the Companies goal for estimating gross savings at the program level is at the 90 percent confidence interval, within +/- 10 % precision. The Companies' independent evaluation contractor will develop sampling protocols for all of its evaluations based on this standard.

C. Steps to Identify and Mitigate Threats to Data Reliability

The evaluation plan prepared by the evaluation contractor will be consistent with the EAG guidelines, the requirement to maintain a 90% confidence interval within +/- 10 % precision and the overall need to identify and mitigate threats to reliability of the results. The evaluation contractor will be required to insure data reliability to the greatest practical extent, including methods for minimizing systematic and random error and techniques for reducing uncertainty introduced by necessary assumptions and adjustments to the data.

1. Data Collection and Management Process

The implementation contractor will collect and maintain data provided from customer application forms and surveys of participants. Additionally, the implementation contractor will capture and track details regarding all installed measures and will calculate the energy savings acquired for each installed measure. This program data is consistent with reporting requirements and evaluation needs and will be provided to the Companies to support program evaluation. Data captured by the implementation contractor includes, but is not limited to, such fields as the customer name, account, premise level and other non-program specific data. Measure specific data as appropriate for the program will also be captured.

2. Schedule and Deliverable Dates

Specific dates for commencing evaluation studies will depend on actual program launch date and/or completion of EEPS1 EM&V activities.

D. Process Evaluation

Process Evaluation will focus on identifying how the program is operating with the objective of identifying actionable improvements, assessing the effectiveness of the program delivery mechanism and identifying barriers to participation. The Process Evaluation will compare the operation of the program with the approved program plan and identify differences and the reasons for those differences. The Process Evaluation will also identify lessons learned and any specific actionable recommendations for improvement and address:

- Level of customer satisfaction.
- Effectiveness of the program delivery mechanism from the position of the program delivery contractors, program customers and other key stakeholders. Did the delivery mechanism differ from the program plan? If yes, how and why?
- Effectiveness of program promotion.
- Remaining barriers to program participation including an assessment of why some customers choose to not participate in the program.
- A review of program tracking data bases to ensure that data that will likely be required to support future program evaluation efforts is being collected. The process evaluation must address quality assurance by verifying data in the Companies program tracking database through data checks.

As part of the Process Evaluation plan, the evaluation contractor will survey implementation staff and participating customers. Sampling plans will be provided to Staff at their request.

The evaluation contractor will also include evaluation elements that meet the above requirements and highlight ways to build on program successes, while also providing specific cost-effective recommendations for improving the program within the program budget.

The desired result of this process evaluation is to identify and implement actionable improvement procedures for cost-effectively administering the program in a manner that produces significant and cost-effective savings for the Companies' customers.

E. Impact Evaluation

The Impact Evaluation will quantify the savings attributable to program efforts based on how the energy efficiency equipment is actually operating. The evaluation contractor will design and conduct a detailed Impact Evaluation for this program. Verification of base case equipment efficiencies (through engineering review or other means) will be required.

Impact Evaluation will include verifying measure installation and "due-diligence" site visits for selected sites. Energy savings will be documented through the most effective method for the program, which may include billing analysis, engineering review, review of metering records, review of participant records or other means.

Impact Evaluation design will include a thorough discussion of Net-to-Gross analysis and effects such as free ridership, spillover, persistence and snapback used to calculate net impacts. Results of the Impact Evaluation will be used to refine expectations about future program savings, to assess cost-effectiveness prospectively, and may be used to update deemed savings in the Technical Manuals and to modify future programs.

The Companies anticipate conducting the Process Evaluation contemporaneously with the Impact Evaluation of the program using industry-accepted methods of analysis.

**Exhibit 1 – Block Bidding Program
Cumulative and Annual Program Budget and Savings Targets**

May 22, 2012

Table 1a - NYSEG Program Budgets & Savings Targets

| | 2012 | 2013 | 2014 | 2015 | Total 2012 - 2015 | % of Budget |
|--------------------------------|-------------|-------------|-------------|-------------|----------------------|-------------|
| Cumulative Savings (MWh) | 4289 | 4289 | 4289 | 4289 | 17156 | |
| Program & Administrative Costs | \$1,517,583 | \$1,517,583 | \$1,517,583 | \$1,517,583 | \$6,070,332 | 95% |
| Evaluation/ M&V Costs | \$79,872 | \$79,872 | \$79,872 | \$79,872 | \$319,488 | 5% |
| Total Costs | \$1,597,455 | \$1,597,455 | \$1,597,455 | \$1,597,455 | \$6,389,820 | |

Table 1b – RG&E Program Budgets & Savings Targets

Table 1b (original)

RG&E Block Bidding Electric Program Costs & Savings Targets

| | 2012 | 2013 | 2014 | 2015 | Total 2012 - 2015 | % of Budget |
|--------------------------------|-------------|-------------|-------------|-------------|----------------------|----------------|
| Cumulative Savings (MWh) | 4289 | 4289 | 4289 | 4289 | 17156 | |
| Program & Administrative Costs | \$1,464,728 | \$1,464,728 | \$1,464,728 | \$1,464,728 | \$5,858,912 | 95% |
| Evaluation/ M&V Costs | \$77,090 | \$77,090 | \$77,090 | \$77,090 | \$308,360 | 5% |
| Total Costs | \$1,541,818 | \$1,541,818 | \$1,541,818 | \$1,541,818 | \$6,167,272 | |

Table 1b (revised as of 5/21/12)

RG&E Block Bidding Electric Program Costs & Savings Targets

| | 2012 | 2013 | 2014 | 2015 | Total 2012 - 2015 | % of Budget |
|--------------------------------|-------------|-------------|-------------|-------------|----------------------|----------------|
| Cumulative Savings (MWh) | 5661 | 4289 | 4289 | 4289 | 18528 | |
| Program & Administrative Costs | \$1,933,189 | \$1,464,728 | \$1,464,728 | \$1,464,728 | \$6,327,373 | 95% |
| Evaluation/ M&V Costs | \$101,746 | \$77,090 | \$77,090 | \$77,090 | \$333,016 | 5% |
| Total Costs | \$2,034,935 | \$1,541,818 | \$1,541,818 | \$1,541,818 | \$6,660,389 | |

Tables as revised 5/21/2012 include updates to total budgets in keeping with the February 2012 Order as well as modifications to amounts within budget categories compared to the last revised Implementation Plans.

**Exhibit 2 - Block Bidding Program
Annual Budgets by Spending Category**

May 22, 2012

Table 2a. NYSEG Program Budget by Category

| NYSEG | General Admin | Program Planning | Program Marketing | Trade Ally Training | Direct Program Implementation | Incentives / Services | Program Evaluation | Total |
|--------------------|-----------------|------------------|-------------------|---------------------|-------------------------------|-----------------------|--------------------|--------------------|
| 2012 | \$7,012 | \$7,013 | \$11,336 | | \$139,152 | \$1,353,069 | \$79,873 | \$1,597,455 |
| 2013 | \$7,012 | \$7,013 | \$11,336 | | \$139,152 | \$1,353,069 | \$79,873 | \$1,597,455 |
| 2014 | \$7,012 | \$7,013 | \$11,336 | | \$139,152 | \$1,353,069 | \$79,873 | \$1,597,455 |
| 2015 | \$7,012 | \$7,013 | \$11,336 | | \$139,152 | \$1,353,069 | \$79,873 | \$1,597,455 |
| Total Costs | \$28,048 | \$28,052 | \$45,344 | | \$556,608 | \$5,412,276 | \$319,492 | \$6,389,820 |

Table 2b. RG&E Program Budget by Category

Table 2b
(original)

RG&E Block Bidding Electric Program Budget by Category

| RG&E | General Admin | Program Planning | Program Marketing | Trade Ally Training | Direct Program Implementation | Incentives / Services | Program Evaluation | Total |
|--------------------|-----------------|------------------|-------------------|---------------------|-------------------------------|-----------------------|--------------------|--------------------|
| 2012 | \$6,768 | \$6,768 | \$11,039 | | \$172,848 | \$1,267,304 | \$77,091 | \$1,541,818 |
| 2013 | \$6,768 | \$6,768 | \$11,039 | | \$172,848 | \$1,267,304 | \$77,091 | \$1,541,818 |
| 2014 | \$6,768 | \$6,768 | \$11,039 | | \$172,848 | \$1,267,304 | \$77,091 | \$1,541,818 |
| 2015 | \$6,768 | \$6,768 | \$11,039 | | \$172,848 | \$1,267,304 | \$77,091 | \$1,541,818 |
| Total Costs | \$27,072 | \$27,072 | \$44,156 | | \$691,392 | \$5,069,216 | \$308,364 | \$6,167,272 |

Table 2b
(revised
as of
5/21/12)

RG&E Block Bidding Electric Program Budget by Category

| RG&E | General Admin | Program Planning | Program Marketing | Trade Ally Training | Direct Program Implementation | Incentives / Services | Program Evaluation | Total |
|--------------------|-----------------|------------------|-------------------|---------------------|-------------------------------|-----------------------|--------------------|--------------------|
| 2012 | \$6,768 | \$6,768 | \$11,039 | | \$172,848 | \$1,760,421 | \$77,091 | \$2,034,935 |
| 2013 | \$6,768 | \$6,768 | \$11,039 | | \$172,848 | \$1,267,304 | \$77,091 | \$1,541,818 |
| 2014 | \$6,768 | \$6,768 | \$11,039 | | \$172,848 | \$1,267,304 | \$77,091 | \$1,541,818 |
| 2015 | \$6,768 | \$6,768 | \$11,039 | | \$172,848 | \$1,267,304 | \$77,091 | \$1,541,818 |
| Total Costs | \$27,072 | \$27,072 | \$44,156 | | \$691,392 | \$5,562,333 | \$308,364 | \$6,660,389 |

Tables as revised 5/21/2012 include updates to total budgets in keeping with the February 2012 Order as well as modifications to amounts within budget categories compared to the last revised Implementation Plans.

**Exhibit 3 – Block Bidding Program
Eligible Energy Efficiency Measures**

May 22, 2012

All electric energy efficiency measures are eligible except as excluded here:

- Any applications being considered under another NYSERDA, RG&E or NYSEG EEPS program.
- 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.
- Measures prohibited by the Commission from receiving EEPS funding.
- Measures for which the customer has received incentives from NYSERDA or the Companies.
- Measures with a Total Resource Cost (“TRC”) score less than 1.0.
- Technologies at the research and development, pilot, or initial commercialization stage.
- Renewable resources that qualify for, or are under consideration for, incentives under the Renewable Technologies Portfolio Standard (“RPS”).
- Solar Thermal
- Micro-CHP

Exhibit 4 - Block Bidding Program
Specific Budget Amounts for Individual Elements of the O&E / Marketing Budget

May 22, 2012

Not applicable. Reference Section VII.

**Exhibit 5 - Block Bidding Program
O&E / Marketing Timeline**

May 22, 2012

Not applicable. Reference Section VII.