

**]** **NewYork-Presbyterian**  
**ù** The University Hospital of Columbia and Cornell

**Jennifer Kearney-Herold**  
*Energy Programs Manager*  
  
*Department of Engineering*

**Mail**  
**NewYork-Presbyterian/Weill Cornell**  
525 East 68th Street  
AN 108  
New York, NY 10021

**Office**  
523 East 70<sup>th</sup> Street  
7<sup>th</sup> Floor  
New York, New York 10021

TEL 212 746 1721  
FAX 212 746 7959

[Jek9029@nyp.org](mailto:Jek9029@nyp.org)

March 11, 2005

Jaclyn A. Brillling, Secretary  
New York Public Service Commission  
3 Empire State Plaza  
Albany, NY 12223-1350

Re: Case 05-M-0090 – In the Matter of the Systems Benefits Charge III.

Dear Secretary Brillling:

Please find attached New York-Presbyterian Hospital (NYPH) comments on the above referenced case. NYPH represents four New York hospitals including the Weill Cornell Medical Center, Columbia Presbyterian Hospital, The Allen Pavilion, and New York Presbyterian Hospital of Westchester.

Respectfully submitted,

Jennifer Kearney  
Energy Programs Manager  
New York-Presbyterian Hospital

Enclosures  
cc: file

Case 05-M-0090

**1. To what extent have the goals and objectives established by the Commission been achieved?**

In the experience of NYPH, the objective set forth by the Commission to achieve important electric demand reduction while maintaining the momentum of market transformation is off to a strong start but requires additional future funding to truly be achieved.

In the past two years, NYPH has implemented NYSERDA programs to achieve electricity reductions of over 5.6 million kilowatt-hours as well as reductions to our summer electric peak demand. The NYSERDA incentives, funded through the SBC mechanism, provided assistance in the development of the projects through energy studies (four completed to date). Subsequent incentives on the implementation of the projects became the deciding factor when presenting the initiative to Senior Management and requesting approval for funding.

Our success in achieving energy savings, improving energy efficiency, and reducing crucial summer season electric demand while promoting conservation has resulted in NYPH being named by the EPA as "Energy Star Partner of the Year", recognizing Leadership in Energy Management. This achievement would not have been possible without the assistance and partnership of NYSERDA.

**2. Should the SBC program continue beyond its current expiration date of June 30, 2006? If so, what duration should the SBC be extended and at what funding level?**

The SBC program should most definitely be extended as the intended market transformation is incomplete. We feel the SBC should be funded at a minimum of \$150 million annually for at least two additional years in order to maximize statewide as well as in-city benefits.

Without the benefit of NYSERDA funding, as administered through the SBC, we believe most of our future energy conservation projects would not be implemented as so many different factions within our organization must compete for the same funds. An end to the conservation initiative we have begun would be disastrous to our bottom line and would result in additional electric grid congestion and would also serve to make worse our current supply deficit in New York City.

**3. Have conditions changed since the establishment of the SBC that would necessitate a change in the overall goals and objectives of the SBC? If so, what changes are recommended?**

Conditions have not greatly improved since the establishment of the SBC and in fact, the lack of new substantial generation while demand continues to rise has become an issue of significant concern at New York-Presbyterian Hospital. Electric reliability at a facility such as ours is literally a life-death issue rather than an inconvenience. We feel that until such time as significant new generation is built, conservation and demand

reductions must be actively and vigorously promoted in order to ensure both stable prices and public safety.

Deregulated energy purchasing has resulted in savings to customers through that have to date been relatively minor. In many cases, some of the smaller electricity accounts managed by NYPH do not receive responses in a solicitation for competitive electricity purchase at all.

Our biggest energy cost reductions have come about as a result of making investments in energy-related studies and implementing the recommendations of those studies. In 2004 alone, NYPH dedicated over \$1.5 million in funding to capital projects resulting in energy savings as a direct result of NYSERDA assistance. Had this assistance not been available, those opportunities would not have been identified or implemented and our budgets would have been devastated by the continuing increases in the cost of energy specifically natural gas, which is a major component of the electricity we procure.

**4. If assuming the continuation of the SBC, how should programs be prioritized to meet those goals and objectives?**

We respectfully believe that New York City based customers should have programs prioritized for them based on our "load pocket" situation which has not abated. New York City is expected to experience an electricity capacity shortfall beginning in 2008. It is estimated that approximately 2600MW of new electricity resources are needed by 2008 to account for load growth and to replace expected power plant requirements. As Article X has not been reinstated, allowing for the siting of new power plants, the challenge to meet the needs of the city becomes more dire. Additional funding and priority programs for NYC based consumers will assist the State greatly in addressing this problem while also working to address the Article X issue.

**5. What specific program (s) should be eliminated, expanded or created?**

NYPH has realized great benefit through the Technical Assistance program, the Peak Load Reduction program, the New Construction program, as well as the Commercial Industrial Performance program (CIPP). We would propose that the CIPP become available to customers who wish to apply directly. Currently, the program is set up to provide incentives to contractors, ESCOs, and installers of energy efficient equipment and there is no mechanism in place for a customer to directly participate. We also believe that incentives for all energy reductions should be higher in the parts of the state that are most in need of the reductions.

Additional funding for DG or CHP is extremely important due to the high cost of developing and implementing these solutions as well as the risk.

**8. How can SBC funded programs be marketed more effectively?**

NYSERDA currently promotes through the Get Energy Smart web site, as well as direct mail campaigns. We feel that this effort has been successful and that the website is easily navigated and provides clear representation of programs offered.

**9. In what ways can NYSERDA improve its administration of the SBC?**

NYSERDA has done an excellent job of administering the SBC funds. NYSERDA has proven to be flexible in adjusting programs as well as able to work with a customer as a “partner”, offering technical providers and program coordinators to assist in the overall project. We have found this assistance and customer-attention is crucial in order to move projects forward. Oftentimes, a NYSERDA-assigned coordinator becomes an extension of our own staff offering technical advice as well as advising us on which programs are most appropriate for our facility.

This being the case, the current staff of NYSERDA may be strained as the time to receive feedback, have invoices processed, and gain approval for projects has clearly lengthened over the past two years. With increased future funding levels these problems could be alleviated with additional staff.

**10. Should the scope of the SBC program be expanded to include programs for natural gas customers?**

Absolutely – New York Presbyterian would welcome assistance and funding to promote energy conservation services on the fuel side, specifically natural gas. Substantial market increases in fuel costs across the board have strained our already tight budgets and the obvious correlation between the natural gas markets and the cost of electricity (especially for NYC based customers) gives us cause to believe that the promotion of gas conservation would most certainly increase the reliability of the electric grid.