

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding on Motion of the
Commission Regarding an Energy
Efficiency Portfolio Standard

Case 07-M-0548

**RESPONSES OF THE NEW YORK POWER AUTHORITY
TO ADMINISTRATIVE LAW JUDGE ELEANOR STEIN'S
QUESTIONS TO THE PARTIES**

Introduction

The New York Power Authority (“NYPA”) hereby submits its responses to Administrative Law Judge Eleanor Stein’s questions to the Parties, dated June 22, 2007 (“ALJ Questions”).

ALJ Question 1 Addressed to NYPA

Please provide actual annual sales data for 2006 and an annual sales forecast (electric in MWs, gas in Decatherms) for your service territory for each year 2007 through 2015. The data should be broken down by and include every service class (even the ones you might deem irrelevant) and transportation/sales. Please identify the source of the forecasts.

NYPA Response

See Attachment 1 for NYPA’s annual sales data. Note that unlike the utilities and LIPA, NYPA does not have a traditional “service territory.”

ALJ Question 2 Addressed to NYPA

Please provide actual annual achieved end-user energy efficiency data for 2006 and annual end-user energy efficiency forecast (electric in MWs, gas in Decatherms) for your service territory for your own already-planned end-user energy efficiency programs each year 2007 through 2015. The data should be broken down by program and should

not include peak shaving or demand response programs, and should not include NYISO or NYSERDA programs (except Con Edison should include NYSERDA programs provided solely for Con Edison). If possible, provide a description, cost per MWh or Decatherm, and total resource cost test score for each program.

NYPA Response

See Attachment 2 for NYPA's annual energy efficiency data. Note that unlike the utilities and LIPA, NYPA does not have a traditional "service territory." NYPA does not tabulate energy efficiency measures by cost per MWh or total resource cost test score.

ALJ Question 1 Addressed to All Parties

Can you please identify any inventories in New York State of existing building stock, appliances and fixtures that might be used to identify and target efficiency opportunities?

NYPA Response

A detailed "Energy Conservation Market Assessment" of NYPA's 51 municipal and rural cooperative system customers was prepared and issued in March 2006. A similar assessment is underway for NYPA's southeastern New York governmental customers.

ALJ Question 3 Addressed to All Parties

Can you please identify any specific energy efficiency programs targeted to existing building stock, appliances and fixtures rather than to new construction? If possible, provide a description, cost per MWh or Decatherm, and total resource cost test score for each such program.

NYPA Response

Since the early 1990s, NYPA's energy efficiency programs have been directed primarily at existing public buildings and facilities located in both southeastern New York (including those of New York City, the MTA, the Port Authority, and the New York City Housing Authority) and across the State (including those of school districts

and local governments)¹. NYPA has completed energy efficiency projects at over 2,500 public facilities and currently has in progress energy efficiency projects at approximately 950 facilities. The types of facilities involved range from police stations, courthouses, firehouses, government office buildings, libraries, schools, and subway tunnel lighting and signals to numerous municipal wastewater treatment plants.

NYPA's programs offer full turn-key energy efficiency services (audit, design, construction, and project management), with NYPA providing upfront financing of all costs. The costs are recovered from the customers' electric bill savings with an average repayment period of 10 years. Typical energy efficiency measures installed include energy efficiency lighting technologies (T5/T8 lamps, electronic ballasts, specular reflectors, LED technology, compact fluorescent lamps), lighting control systems, building envelope measures, HVAC improvements, high efficiency motors, energy management systems, and distributed generation technologies (including combined heat and power, fuel cells, and solar photovoltaic). NYPA does not tabulate energy efficiency measures by cost per MWh or total resource cost test scores.

ALJ Question 4 Addressed to All Parties

Can you please identify any specific energy efficiency programs targeted to participants lacking available capital to invest in energy efficiency measures? If possible, provide a description, cost per MWh or Decatherm, and total resource cost test score for each such program.

¹ NYPA's 51 municipal and rural electric cooperative system customers conduct their own energy efficiency programs for their respective retail customers, including through the Independent Energy Efficiency Program ("IEEP") established by many of these systems. See, e.g., Response of the IEEP and Municipal Electric Utility Association of New York to Staff's June 13th Questions, dated July 11, 2007. Note that NYPA's 2003 long term supply contracts with these systems provide for NYPA to work with the systems to implement expanded energy efficiency programs, and in May 2006 NYPA expanded its Statewide Energy Services Program to include the 51 member systems.

NYPA Response

As indicated in the immediately preceding NYPA Response, NYPA's programs are targeted primarily to governmental/municipal entities. NYPA typically finances all energy efficiency project costs upfront through the use of its commercial paper proceeds and is then repaid by the customer via its realized energy cost savings.

ALJ Question 6 Addressed to All Parties

What entities would be most appropriate and effective in delivering:

- (a) market transformation type programs
- (b) peak shaving/demand response type programs
- (c) end-user rebate type programs
- (d) energy audit type programs
- (e) weatherization type programs
- (f) programs for participants lacking capital
- (g) programs targeted to new construction
- (h) programs targeted to existing building stock, appliances and fixtures

NYPA Response

As described in NYPA's Response to ALJ Question 3 Addressed to All Parties, above, NYPA has been and continues to be deeply committed to promoting and implementing energy efficiency measures in New York State. NYPA's current energy efficiency programs, which NYPA plans on investing over \$100 million annually, include measures/programs listed in items (a)², (b), (d), (e), (f), and (h). In light of NYPA's status as a revenue bond agency with a need to maintain a very strong credit rating, NYPA has not engaged in any significant rebate-type programs (item (c)). NYPA's current programs generally do not target new construction (item (g)) but NYPA would seriously consider this market if a need arose.

² NYPA's involvement in financing and deploying significant numbers of solar photovoltaic projects and fuel cells can be accurately characterized as "market transformative."

ALJ Question 8 Addressed to All Parties

Is your entity or organization interested in being a provider of energy efficiency programs? If so, what types?

NYPA Response

Yes; see NYPA's immediately preceding Response.

Dated: July 20, 2007

Respectfully Submitted,

/s/ Timothy P. Sheehan

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cc: Hon. Eleanor Stein
List Serve

NYPA's Annual Sales (MWh) to its Customers 2006 Actuals and 2007-2015 Forecast ¹

<u>NYPA Customers</u>	<u>2006</u> ¹	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
I. Full Service Customers										
1. Government										
a. South East NY	9,796,081	9,925,412	10,038,823	10,153,573	10,255,108	10,357,660	10,461,236	10,565,849	10,671,507	10,778,222
b. Federal ²	239,051	280,415	280,415	280,415	280,415	280,415	280,415	280,415	280,415	280,415
2. Industrial Customers										
a. High Load Factor Manufacturers ²	528,664	524,459	524,459	524,459	524,459	524,459	524,459	524,459	524,459	524,459
b. North Country	4,070,393	4,308,258	4,344,813	4,344,813	4,344,813	4,344,813	4,344,813	4,344,813	4,344,813	4,344,813
3. Full Requirement Munis & Coops	1,799,178	1,843,663	1,863,192	1,879,452	1,895,966	1,912,740	1,949,082	1,986,115	2,023,851	2,062,304
4. All Others	3,444	3,433	3,433	3,433	3,433	3,433	3,433	3,433	3,433	3,433
II. Partial Service Customers										
1. Sales to Utilities ³										
a. R&D Firm and Peaking ⁴										
A. NYSEG	1,519,030	1,434,526	1,278,528	1,278,528	1,278,528	1,278,528	1,278,528	1,278,528	1,278,528	1,278,528
B. NGRID	1,724,738	1,636,983	1,457,787	1,457,787	1,457,787	1,457,787	1,457,787	1,457,787	1,457,787	1,457,787
C. RG&E	841,346	791,199	698,872	698,872	698,872	698,872	698,872	698,872	698,872	698,872
b. EP										
A. NGRID	1,057,667	1,182,005	1,243,557	1,305,735	1,371,021	1,371,021	1,371,021	1,371,021	1,371,021	1,371,021
B. NYSEG	279,876	312,910	313,824	329,515	345,991	345,991	345,991	345,991	345,991	345,991
C. Jamestown	19,494	19,544	19,544	19,544	19,544	19,544	19,544	19,544	19,544	19,544
c. RP ⁵	3,114,949	2,956,050	2,882,496	2,882,496	2,882,496	2,882,496	2,882,496	2,882,496	2,882,496	2,882,496
2. Partial Requirement Munis & Coops	2,860,626	2,938,815	2,960,287	2,975,089	2,989,964	3,004,914	3,034,963	3,065,313	3,095,966	3,126,925
3. Business Customers										
a. PFJ ²	1,258,169	1,103,225	1,106,340	1,103,225	1,103,225	1,103,225	1,103,225	1,103,225	1,103,225	1,103,225
b. EDP ^{2,6}	1,479,038	1,491,476	1,491,476	1,491,476	1,491,476	1,491,476	1,491,476	1,491,476	1,491,476	1,491,476
4. Re-licensing Customers ⁴		59,438	233,654	233,503	233,503	233,503	233,503	233,503	233,503	233,503
5. All Others ⁶	16,112	15,854	15,854	15,854	15,854	15,854	15,854	15,854	15,854	15,854
<u>GRAND TOTAL</u>	<u>30,607,856</u>	<u>30,827,666</u>	<u>30,757,354</u>	<u>30,977,768</u>	<u>31,192,456</u>	<u>31,326,731</u>	<u>31,496,699</u>	<u>31,668,694</u>	<u>31,842,742</u>	<u>32,018,869</u>

Footnotes:

¹ Actuals prepared by NYPA's Accounting group and forecasts prepared by NYPA's Customer Load Forecasting group. For the actual year 2006, 32,300 MWh of energy efficiency was achieved by year end. For the forecast period 2007 -2015, additional energy efficiency impacts are reflected in reduced growth rates

² In part or all a market based purchase

³ Does not include approximately 1,420 MWh in sales made to 7 Neighboring States customers

⁴ 9/2007 R&D power withdrawals are re-allocated to other power programs contained within this table

⁵ On 9/2007 power sales will be based on actual Load Factor rather than contracted Load Factor

⁶ Includes a small quantity of Full Service customers

**New York Power Authority
Annual Energy Efficiency Data
2006 Actuals and 2007-2015 Forecast**

NYPA Customers

Year	Yearly MWH System Level Reductions (Cumulative)
2006	689,531.6
2007	701,950.4
2008	728,528.1
2009	755,105.9
2010	781,683.6
2011	808,261.4
2012	834,839.1
2013	861,416.8
2014	887,994.6
2015	914,572.3

Non NYPA Customers

Year	Yearly MWH System Level Reductions (Cumulative)
2006	284,456.6
2007	288,671.4
2008	298,600.5
2009	308,529.6
2010	318,458.6
2011	328,387.7
2012	338,316.8
2013	348,245.8
2014	358,174.9
2015	368,104.0