

## New York State - Energy Efficiency Portfolio Standard Working Group 2 – Program Summaries

**Program Name:** Proposed Targeted DSM

**Working Group Contact:** Lou Cedrone

**Administering Entity:** Con Edison

**Targeted Sector:** Existing Commercial and Industrial customers; Existing Small Commercial for Existing Residential customers

Funding years	Funding Source	Total Budget (Millions)	Cum. Funds Spent (Millions)	Current Annual Expenditures (Year Millions)	Energy Savings		Demand Savings		Total Resource Cost (TRC) Results*
					Cum. (MWh)	Current Annual (MWh)	Cumulative System Coincident Load Reduction (MW)	Current System Coincident Load Reduction (MW)	
2009 - 2016	Costs Recovered	\$47.0 (Avail. thru 2011 only)	N/A	N/A	512,460 (Based on a 39% Load Factor)	Various (Based upon a 39% Load Factor)	150	150	See Attached  PSCActionPlanOrder03_16_06.pdf...

\* Or similar measure performance (e.g. TMET). Include description of cost test(s), identify if the analysis is retrospective or prospective and include any reference or links to on-line documents on evaluation as appropriate.

### Program Description (include links to on-line documents as appropriate):

This program seeks a continuation to defer Transmission & Distribution infrastructure load relief. Implemented by Vendors who were selected through a competitive bidding process, the Targeted DSM Program installs permanent energy efficiency measures to reduce demand at customer facilities and residences in specific targeted networks or substation areas.

### Relationship to Staff Preliminary Proposal:

Designed to continue the momentum which began in our Targeted DSM Pilot program, and in the 2005 rate plan initiatives to deliver 150 MW of demand reduction as an alternative to T&D Capital investment.

### Current status (include statement on where this program is in its life cycle/MT timeline, current trends, projections, whether the program is over/under/fully subscribed, customers served)

Launch is contingent on Rate Case Decision due April 1, 2008, but is in position to move forward quickly.

### Barriers, challenges, gaps:

- Customer Education and Awareness – No upfront communication by Con Edison with the customer has resulted in some confusion with competing program initiatives sponsored by NYPA and NYSERDA which has complicated marketing efforts.
- Payback criteria for large C&I customers – Financial models utilized by customers offer different payback periods than offered by our DSM vendors, and extended paybacks are detrimental to project viability. Additionally, customer budgeting cycles may not be concurrent with DSM Program availability, therefore hindering a customers' participation. Allowing for potential incentives into the budgetary process would allow for more efficient project planning by the customer.

### Ramp-up potential, limitations, where help is needed to fulfill potential:

Funding, Cost Recovery and potential incentives for this program are contingent upon the pending Electric Rate case decision due by April 1, 2008 The requirements of this proposed program are based upon current and future capital T&D infrastructure requirements.

### Co-benefits (e.g. environmental, health & safety, economic development):

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- Builds Contractor base – Full service market implementation and installation through third party contractor delivery system, developed through an RFP process continues to build a competitive market place.
- Customer Relationships – Large Commercial & Industrial customers value their relationships with Con Edison’s team of Account Executives. Because of this, they have a high level of education and awareness of DSM, which provides a solid foundation for the program.
- Greenhouse Gas (CO2) emissions – MW & MWH reductions have directly related to a reduction in CO2 and other Greenhouse Gas emissions.

**Other issues/considerations:**

Tied directly into Utility planning process for System Load Relief – Our measurement, verification and evaluation efforts will continue to result in verifiable permanent reductions to our grid in specific load growth areas, which can then be tied back directly to the internal utility planning process.

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