

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

Program Name: Targeted DSM – Existing

Working Group Contact: Lou Cedrone

Administering Entity: Con Edison

Targeted Sector: Existing Commercial and Industrial customers; Existing Small Commercial or Existing Residential customers

Funding Years	Funding Source	Total Budget (Millions)	Cumulative Funds Spent (Millions)	Current Annual Expenditures (Year Millions)	Energy Savings		Demand Savings		Total Resource Cost (TRC) Results*
					Cum. (MWh)	Current Annual (MWh)	Cum. System Coincident Load Reduction (MW)	Current System Coincident Load Reduction (MW)	
2005 - 2011	Cost Recovery	\$141,125	\$22.6	N/A	Program potential Annualized Pilot 160,000 Rate Case 512,000 (Based on a 39% Load Factor)	Program potential Annualized Pilot 160,000 Rate Case 512,000 (Based on a 39% Load Factor)	Pilot Program 47 Mw's Rate plan Program Potential is for 150 MW's	28 MW	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 to defer Transmission & Distribution infrastructure load relief, i.e., system upgrades to accommodate load growth in specific networks or substation areas. Implemented by Vendors who were selected through a competitive bidding process, the Targeted DSM Program requires the installation of permanent energy efficiency measures to reduce demand at customer facilities and residences in those specific networks or substation areas.

Relationship to Staff Preliminary Proposal:

This program was instituted as a Pilot and then expanded as part of the 2005 Rate Plan. The program, which is designed as a MW reduction program, also contributes MWh reductions because only permanent energy efficiency measures qualify.

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)

Vendors continue to market to Con Edison customers located in the Targeted areas. Currently the Targeted Program includes 32 networks.

Barriers, challenges, gaps:

- Customer Education and Awareness – There has been some confusion with other program initiatives sponsored by NYPA and NYSEERDA, which has complicated marketing efforts.
- Payback criteria for large C&I customers – Financial models utilized by customers to evaluate investments may incorporate relatively short payback criteria that is difficult for DSM investments to achieve. Additionally, customer budgeting cycles may not be concurrent with DSM Program availability, therefore hindering a customers' participation.

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

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Funding for this program was limited per the Joint Proposal to 150 MW.. In its current electric rate filing Con Edison has included a provision for a Targeted program to deliver an additional 150 MW of demand reduction by 2016. ,

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

- Builds Contractor base –Implementation and installation through third party contractor delivery system, selected through a RFP process, builds a competitive market place for delivery of energy efficiency services.
- 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 resulted in a reduction in CO2 and other Greenhouse Gas emissions.

Other issues/considerations:

Tied directly into utility planning process for System Load Relief.–The Company's measurement, verification and evaluation efforts have resulted in verifiable permanent energy efficiency reductions to our grid in specific load growth areas, which can then be used to defer specific projects.