

The New York Power Authority

The New York Power Authority (NYPA) is the Nation's largest state-owned electric utility, with 18 generating stations and 1,400 circuit-miles of transmission lines across New York State. NYPA provides low-cost power to government agencies; job-producing companies; municipally-owned; and rural-cooperative electric systems; and private utilities for resale-without-profit to their customers. NYPA is a national leader in promoting energy efficiency and the development of clean energy technologies, as well as providing electric and hybrid vehicles.

In 2006, NYPA invested a record \$118 million in energy-efficiency and clean generation projects and surpassed \$1 billion of cumulative investments over the past 15 years. NYPA has financed and administered more than 1,500 energy efficiency projects in government buildings, schools and other public facilities throughout the State. The completed projects have resulted in savings of \$103 million in energy costs and reduction of electricity consumption by some 946,000 megawatt-hours (MWh), annually. There are currently 350 projects in-progress which if fully implemented will result in an additional \$40 million in program participant savings.

NYPA operates without the use of tax dollars or State credit, financing its operations with revenues earned from sales of electricity and through the sale of bonds and notes for capital projects.

The programs are being offered to public entities throughout the State, including county and municipal entities, other state authorities and agencies, to public and private school districts or boards and colleges, to NYPA governmental customers in New York City and Westchester County, to NYPA's municipal and rural cooperative electric customers, and certain business customers of NYPA. The programs are administered by the NYPA Energy Services and Technology Business Unit. Condensed descriptions of major program delivery mechanisms follow:

Energy Services Programs Public entities throughout the State are provided with financing and turn-key installation of energy efficiency measures including lighting, motors and drives, chillers, boilers, building control systems, building shell, HVAC and other efficiency measures. In addition, the Energy Services Program also offers measures such as the installation of fuel cells, micro-turbines, photovoltaic (PV) systems and reciprocating engines in a combined heat and power configuration. The program is financed primarily through NYPA financing.

Clean Air for Schools Program NYPA replaced coal-fired heating systems and is in the process of replacing No. 6 heavy oil burning systems in public schools with cleaner and more energy-efficient heating systems fired by oil or gas. The program is financed through the 1996 New York State Clean Water/Clean Air Bond Act.

Customer Facility Upgrades in Support of Peak-Load Management (PLM) Program New York City and Westchester governmental customers are provided with financing, technical services and upgrades of generation equipment and related systems at facilities participating in the PLM program. The program is funded through NYPA financing.

Funding Information

NYPA financing The Trustees of the New York Power Authority have authorized (as of August 31, 2007) the expenditure of an aggregate of \$1.88 billion on energy services programs, the funds for which are provided from the sale of NYPA's Commercial Paper Notes. NYPA recovers its expenditures on these

programs, including its financing costs, from the participants in these programs and/or the customer classes receiving benefit from the programs

Other. NYPA energy services programs have received funding from federal and state grants, federal settlement funds, utility rebates and NYPA customer funds. These sources of funding include: Consolidated Edison Company of New York, Inc. and Long Island Power Authority rebate programs; US DOE Energy Climate Change Program; Electric Power Research Institute (EPRI)-tailored collaboration program; American Public Power Association Demonstration of Energy-Efficiency (DEED) Program; Federal Petroleum Overcharge Restitution Funds; NYSERDA Enhanced Commercial and Industrial Performance Program (ECIPP); NYSERDA Flexible Technical (FlexTech) Program; and other NYSERDA Program Opportunity Notice (PON) for distributed generation technologies.