

Energy Efficiency Portfolio Standard

“Overview Forum”

July 19

Albany Law School

PSC's Energy Efficiency Portfolio Standard

- Governor Spitzer's "15 by 15" goal
 - Cornerstone of NY's energy and environmental policies
- The State, through Energy Authorities, is currently administering a variety of energy programs
- Build on those efforts, working with utilities and stakeholders
- Substantial planning and coordination of program delivery
- NYSERDA offers its considerable policy, analytical and technical resources to DPS.

NYSERDA, as the Statewide central coordinator of program sponsors:

- Proven record of leading and coordinating major state energy policy efforts
- Central administrator of energy efficiency and renewable programs
- Statewide presence as trusted, objective 3rd party
- Established cost-effective program delivery infrastructure
- Proven track record of excellent return on investment for ratepayers
- Unique, natural hub for delivery of comprehensive multi-sector/multi-fuels initiative
- Delivers successful programs with very low administrative costs.

SBC Goals and Objectives

- Improve NY's energy system reliability and security
- Reduce the Energy Cost Burden of New Yorkers
- Mitigate the Environmental and Health Impacts of Energy Use
- Create Economic Opportunity and Promote Economic Well Being

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Financial Status of New York Energy \$martsm Program (\$ million)

| | | Funds Spent | | | |
|-------------------------------|-----------------------------|-------------------|---------------|----------------|---------------------|
| | Total 13- Year Budget | SBC I & SBC II | SBC III | Total Spent | Encumbered Funds |
| Program Areas | | | | | |
| Commercial and Industrial | 635.9 | 247.1 | 18.3 | 265.5 | 368.3 |
| Residential | 302.1 | 165.4 | 12.1 | 177.6 | 196.6 |
| Low-Income | 318.6 | 86.6 | 15.3 | 101.9 | 139.3 |
| Research and Development | 392.8 | 105.9 | 11.7 | 117.6 | 177.8 |
| General Awareness (Marketing) | 31.0 | 15.9 | 0.8 | 16.7 | 19.3 |
| Program Areas Total | \$1,680.4 | \$620.9 | \$58.3 | \$679.2 | \$898.5 |

Cumulative Program Benefits from Installed Measures (Through December 2006)

- Electricity Savings 2,360 annual GWh
- Peak Demand (permanent and curtailable) 1,110 MW
- Annual Bill Savings of participating customers \$340 million
- Net Fuel Savings \$4,049,000 annual MMBtu
- Jobs created and retained 3,700 per year
- CO₂ emissions reductions 1,600,000 annual tons
- Equiv cars removed from NY roadway 320,000
- Portfolio benefit/cost ratio 2.4 – 3.3

Recommended EPS Guiding Principles

- Open, stakeholder-based planning, implementation and evaluation process
- Building on successful programs, preserving public benefits
- Fund the most cost-effective programs
- Harness unique attributes of organizations/utilities
- Statewide central coordinator, with DPS as chair
- Implement supporting policy decisions
- Common protocols for monitoring and evaluation
- Maximize benefits to ratepayers with low administration cost

Expand and Ramp-Up EE Programs

- Full fund existing programs
 - Those currently under-funded/oversubscribed
- Quickly design and implement new initiatives
 - Complement and support existing programs
 - Leverage private sector financing
 - Public sector “Lead by Example”
 - Strengthen Codes and Standards
 - Plug load initiatives
 - Market-ready/under-utilized technologies
 - Robust service provider network

State Electricity Savings

