



"EDUCATING ENERGY CONSUMERS TOWARD ECONOMICAL ENERGY OPTIONS"

October 15, 2007

Rudy Stegemoeller
Eleanor Stein
Administrative Law Judges
New York State Department of Public Service
3 Empire State Plaza
Albany NY 12223-1350

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David F. Bomke

**RE: CASE 07-M-0548 – ENERGY EFFICIENCY PORTFOLIO STANDARD
COMMENTS ON FAST TRACK OR EXPANSION OF EXISTING PROGRAMS ONLY**

Dear Judges Stegemoeller and Stein:

The New York Energy Consumers Council, Inc. (NYECC) welcomes an opportunity to add our perspective to the dialog on Fast Track and Expansion of Existing Energy Efficiency Programs. The NYECC represents a significant array of energy consumers in Con Edison's electric service territory – the five boroughs of New York City and Westchester County. We very highly value the role of energy efficiency in efforts to eliminate energy waste, improve our environment, and reduce consumers' costs.

We have found tremendous value in our assessment of Staff's Initial EPS Proposal of August 28th, 2007 and generally support the direction toward Fast Track Implementation as set forth on pages 66 through 68 of that proposal. We also find tremendous merit in the Energy Efficiency Portfolio Standard White Paper issued by the New York State Energy Research and Development Authority on September 10th, 2007. Inherent in both these documents is the recognition of the value of existing energy efficiency programs, organizational roles, and collaborative approaches.

We urge the Commission not to allow the ambition and the urgency of the 2015 deadline set forth by Governor Spitzer to prompt an accelerated path toward implementation that abandons a broadly-based collaborative approach for reviewing and assessing initiatives. We particularly affirm our support for Staff's comments on the exploration of alternative funding for such initiatives:

Funding of expanded energy efficiency efforts could come from, among other sources, increasing the SBC, introducing a volumetric surcharge on firm gas and/or electricity consumption, increasing private sector interest in providing funding for energy efficiency projects, and increasing funding for tax-supported programs, such as green building credits. The need for additional funding sources could be significantly mitigated through an accelerated effort to increase the energy efficiency levels embodied in building codes and the energy efficiency standards for various appliances and equipment. Increased activity from the private sector to encourage use of energy efficient products and services could also reduce the need for public support as the means to achieve EPS targets. **The greater use of existing financing mechanisms as well as the creation of new financing mechanisms needs to be fully explored to lessen the need for increased surcharges on energy consumption.** [Emphasis added] We encourage parties, in their responses to Staff's proposal, to comment on these suggestions to offer additional funding approaches. (p. 6)

Where possible, the marketplace should be providing services **without the need for ratepayer support.** [Emphasis added] *The potential for increased use of existing and*



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innovative financing mechanisms needs to be fully explored and exploited to further reduce the level of ratepayer financial support required. Furthermore, barriers to effective operation of the free market for energy efficient solutions should be identified and eliminated. Enhanced energy standards for buildings and appliances can also play a large role in helping to achieve the EPS targets without a significant need for ratepayer support. End use programs should be employed in those instances where market-based solutions are not likely to produce a better outcome. (p. 10)

The NYECC fully supports prudent consideration of ratepayer impact throughout the EPS decision-making process. Accordingly, the NYECC welcomes the Clean Energy Collaborative governance structure set forth in NYSERDA's White Paper, although we note a preference for specific inclusion of the NYECC among the parties identified on pages 6 through 8.

Finally, we would urge that the EPS Proceeding balance the urgency of a fast track approach with the demand for prudent deliberation and consideration of both the short and long term impact of proposed actions. Both the downstate and upstate ratepayer perspective, as well as the impact on small and large consumers, must be fully and fairly evaluated. Accordingly, we would strongly urge that Fast Track options be implemented, if at all, through NYSERDA and the multiparty oversight already incorporated into the SBC Advisory Process.

Respectfully,

A handwritten signature in black ink that reads "David F. Bomke".

David F. Bomke
Executive Director

DFB/hs