

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding on Motion of the
Commission Regarding an Energy
Efficiency Portfolio Standard

Case 07-M-0548

**“FAST TRACK” PROGRAM FILING OF
THE NEW YORK POWER AUTHORITY**

Introduction and Background

The New York Power Authority (“NYPA”) has been a major provider of energy efficiency services in New York State for many years. NYPA is committed to moving aggressively and effectively to help achieve Governor Eliot Spitzer’s “15 by 15” goal of reducing Statewide electric usage by 15% from projected levels by the year 2015. While NYPA is not subject to the jurisdiction of the Public Service Commission (“Commission”) in this proceeding, NYPA is pleased to be participating.

NYPA hereby submits its comments regarding “fast track” programs in response to the Administrative Law Judges’ Ruling Setting Collaborative Agenda and Modified Comment Schedule, issued September 13, 2007, and Letter Ruling, issued October 1, 2007 (collectively, the “Rulings”). In these Rulings, the Administrative Law Judges requested information on so-called “fast track” programs, stating that “parties should identify those existing programs susceptible to immediate, additional investment to realize [energy] efficiency gains and garner public attention for efficiency programs in 2008.”

Expansion of NYPA's Existing Energy Efficiency Program in 2008 and Beyond

Since the early 1990s, NYPA's energy efficiency program has been targeted primarily at existing public sector buildings and facilities located in Southeastern New York (including those of its electric customers The City of New York, MTA, New York City Housing Authority, Port Authority, and Westchester County), as well as existing public sector buildings and facilities located throughout New York State (e.g., those of school districts and local governments). NYPA has completed energy efficiency projects at over 2,500 public facilities across the State and currently has in progress energy efficiency projects at approximately 950 public facilities. NYPA's program offers full turn-key energy efficiency services (audit, design, construction, and project management), with NYPA providing upfront financing of all costs. NYPA's costs are recovered from program participants' energy savings with an average repayment period of 10 years. Typical energy efficiency measures installed include energy efficient lighting technologies, lighting control systems, building envelope measures, HVAC improvements, high efficiency motors, energy management systems, and distributed generation technologies (including combined heat and power, fuel cells, and solar photovoltaic).

In order to facilitate achievement of Governor Spitzer's "15 by 15" objectives, NYPA intends to significantly increase its investment in its existing energy efficiency program. Specifically, NYPA financed \$118 million of energy efficiency projects in 2006 and expects to invest a like amount in 2007. NYPA intends to increase its financing of such projects to approximately \$130 million in 2008, \$170 million in 2009, and \$185 million annually in 2010-2015. Based on the large scale of NYPA's existing energy

efficiency program, and on an ongoing assessment by Optimal Energy for NYPA of energy efficiency potential for NYPA's public sector customers in Southeastern New York, NYPA believes this aggressive level of project implementation and financing can be achieved. A preliminary estimate of the annual energy savings resulting from the 2008-2015 program expenditures discussed herein is approximately 2,000 GWHs by 2015. In addition, it should be noted that NYPA is positioned to enhance these funding levels should the response from the public sector participants exceed such levels. Finally, as to any "administrative barriers" to the ramp-up of NYPA's energy efficiency program (see Letter Ruling, issued October 1, 2007, supra), NYPA is not aware of any.

Dated: October 15, 2007

Respectfully Submitted,

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