



# New York's Energy Efficiency Portfolio Standard Proceeding

NAESCO Meeting  
September 19, 2007



# EPS Proceeding

- Order instituting proceeding issued on May 16, 2007
- 15 by 15 energy efficiency target for electricity – the most ambitious energy reduction goal of any state
- Calls for development of natural gas energy efficiency target as well
- Details on how this will be done to be worked out as part of the proceeding



# EPS Staff Proposal

- Proposal addresses the following major areas:
  - General principles/guidelines for expanding energy efficiency efforts
  - Development of a goal for gas energy efficiency
  - Fast track templates – programs for 2008
  - Planning process framework for period after 2008, including measurement and analysis
  - Activities that are not end use programs with the potential to reduce energy usage



# Sources of Input

- Response to questions posed by Staff and by the ALJ
- Review of documents and sharing of most relevant on the case's webpage
- Meetings with interested parties
- NYISO Symposium
- Overview Forum



# Fast Track Programs

- Based on programs with a proven track record that can be implemented quickly
- Programs cover all customer classes and both electricity and natural gas
- Include roles for current market participants with expanded roles for utilities, ESCOs, and municipalities



# Multi-Year Planning Process

- Use two to three year planning cycle with collaborative approach to program development
- Coordinate with related efforts (e.g. RGGI, RPS, AMI, revenue decoupling, long term energy planning, etc.)
- Important to develop programs that meet customer needs, avoid duplication, and will allow New York to meet its energy efficiency goals



# Major Conclusions

- Large energy savings from a gas energy efficiency program are possible
- Improved building codes and appliance/equipment standards could make a major contribution to meeting the EPS targets
- Reaching the energy efficiency targets will require a comprehensive effort with contributions from many entities



# Issues to Consider

- Strictly seeking least cost solutions will not meet all objectives of the proceeding (e.g. need for environmental justice and programs for all customer classes)
- Barriers to market solutions need to be understood and addressed
- Programmatic cooperation needed between 1) NYSERDA and utilities and 2) stand alone gas utilities and electric utilities
- Possibilities for duplication of effort need to be addressed from the beginning
- Programs need to be attractive and straightforward for end use customers



# Funding

- Incremental, short term programs will need to be funded primarily by utility ratepayers
- Longer term there are a number of options that can be used to reduce the need for direct ratepayer funding:
  - Funds obtained from RGGI auctions
  - Market solutions (remove barriers and let the marketplace work, including possible establishment of a white tag market)
  - New financing mechanisms



# Areas for Marketplace Participation

- Some fast track programs are a natural fit for private market participation
- Working groups in the EPS case will provide an opportunity to offer suggestions
- Staff EPS team welcomes suggestions on the role that non-utility, non-governmental entities can play



# Next Steps

- ALJ has established working groups that are looking at specified topics
- Comments on Fast Track programs will be sought as input for Commission decision
- Development of Environmental Impact Statement is underway