

# National Association of Regulatory Utility Commissioners

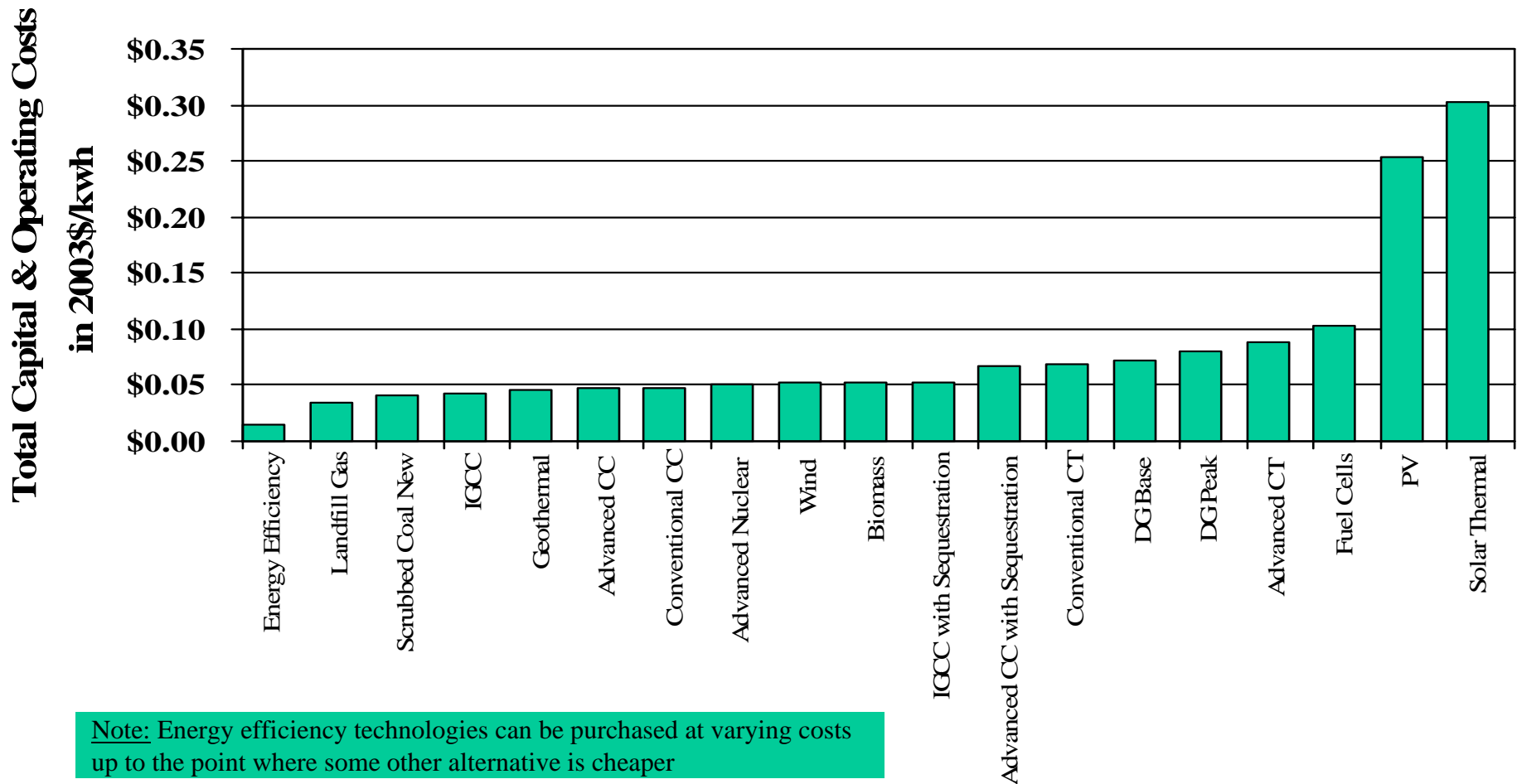
Joint Session of Electricity and  
Energy Resources and  
Environment Committees  
February 16, 2005

# Demand Response – Why So Important?

- Growth of DSM during restructuring
- Transforms markets for efficiency & demand response
- Market participants count on uniformity statewide
- Independent agent allows for flexible and responsive programs
- Utilities can focus on core mission of T&D

# Alternative Electricity Generation Technology Costs

(Total Life-Cycle Costs for a 500 MW resource block)

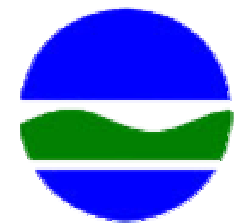


# New York Energy \$mart <sup>SM</sup> Program

- All sectors eligible
- Technical and financial assistance
- Installation incentives on new and existing buildings
- Reward customer decisions beyond standard practice
- Commissioning encouraged and cost-shared

# NYS Coordinated Demand Reduction Program – A Successful Partnership

- NYSERDA – NYPA – LIPA
- Coordinated Electricity Demand Reduction Initiative Working Group: NYSERDA, PSC, NYPA, LIPA, DEC



## Coordinated Demand Reduction in NYS

Statewide Total Program Costs - \$360,142,840

Statewide Incentive-Only Costs - \$214,034,440

Statewide KW reduced - 1,240,953

401,846 permanent measures

839,107 callable

**Statewide Total: \$290/kW**

Summer 2004 Target was 927 MW

Achieved 925 MW – installed,  
verified and callable through  
July – 99.8% of Summer Goal



# Coordinated Demand Response

- Long Term Energy Efficiency
- Customer Generation
- Public Facility Load Control
  
- Direct/Contracted/Voluntary Load Control
- Public Appeals/Awareness = Energy Smart Summer and Keep Cool

## Why Now?

- Rising fuel prices have renewed interest in efficiency/demand reduction
- Executive Branch support
- Market is ripe for transformation
- Environmental awareness is growing
- Energy/technology is growth sector
- K-12 schools raising awareness



## Growing NY's Energy Services (ESCO) Industry

- Prior to retail competition only a handful did business -  
Now more than 60 operate in NYS
- Growth of industry will soon combine energy efficiency retrofits and commodity purchases
- Industry growth has promoted use of M&V to increase project performance and persistence of post retrofit energy savings

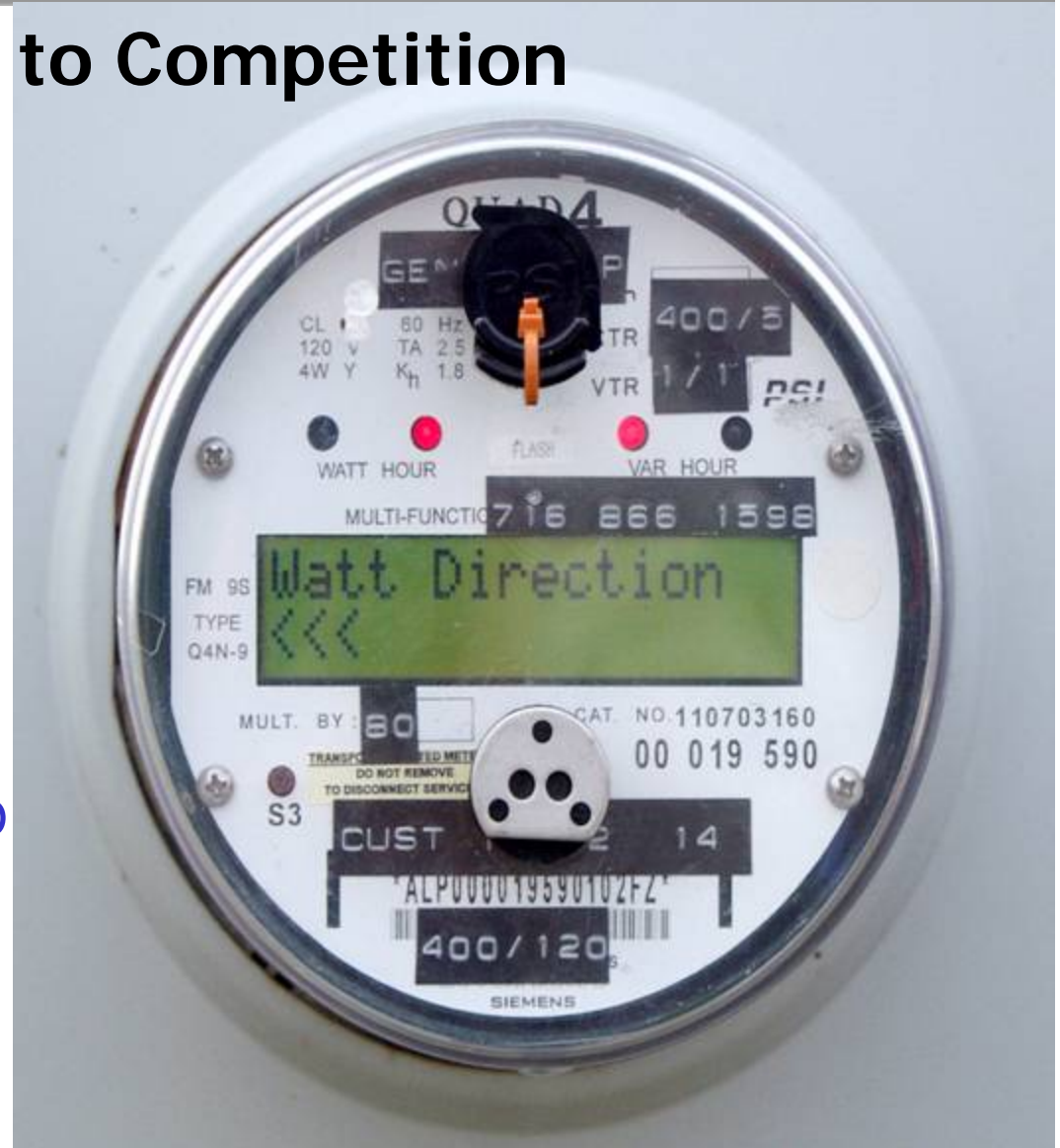
# New York Energy \$mart <sup>SM</sup> Program

- \$185+ Million in bill savings
- 1,340 GWh annual savings
- 1,135 MW Permanent/callable demand reduction
- 1,265 Annual tons of NO<sub>x</sub>, 2,175 tons SO<sub>2</sub>, and 1,004,000 tons CO<sub>2</sub>
- 3,970 jobs

## Transition to Competition

### Demand Response & Energy Efficiency

- Market transformation
- Customer Choice
- Grid reliability
- Economic Development
- Environmental Stewardship



**NYSERDA**

New York State Energy Research and Development Authority



THANK YOU

Peter R. Smith  
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[www.nyserda.org](http://www.nyserda.org)