

Consumer Power Advocates

Columbia University
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Mount Sinai Medical Center
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Luthin Associates, Inc.

January 25, 2008

VIA ELECTRONIC MAIL

Hon. Eleanor Stein
Hon. Rudy Stegemoeller
Administrative Law Judges
New York State Public Service Commission
3 Empire State Plaza
Albany, NY 12223-1350

Re: Case 07-M-0548- Energy Efficiency Portfolio Standard

Dear Judges Stein and Stegemoeller,

Consumer Power Advocates (CPA) objects to the governance proposal filed by several Parties to the above captioned case on January 11.

First, CPA objects to the characterization of this proposal as representing a “consensus.” We were not consulted in its development, and it appears many important Parties do not support it. At best, this is a proposal supported principally by the regulated utilities, some government agencies, and two organizations representing limited consumer issues. In addition to CPA and other consumer representatives, notably absent are any demand response or energy efficiency providers, and NYSERDA itself. It appears that there is not even a consensus here among State government agencies.

Further, this proposal does not represent the most effective governance model for what must be a an ambitious ramp up of energy efficiency programs, nor does it adequately address issues raised in recent rate cases, notably in Case 07-E-0543, the current Con Edison electric rate case.

In that rate case the Judges found that:

Although the Commission’s (energy efficiency) policy is Statewide, it is particularly important in the Con Edison territory, where consumer bills are the highest and where, as the Company’s Infrastructure Panel testified, increased demand forecasts are a significant driver of the Company’s extraordinarily large transmission and distribution construction program.(RD, p.165)

In that case, the Judges also noted that NYSERDA took the position that it should continue as the sole administrator of the system-wide program:

NYSERDA urges the Commission to extend the term of the system-wide program administered by NYSERDA under the current rate plan for two years or until the budgeted funding is exhausted. NYSERDA presented evidence demonstrating that it is meeting the targets of the program within the budget limits imposed by the Commission. (RD, p.170)

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The Judges correctly accepted the NYSERDA argument, stating:

... given the pressing need in the service territory, it would be unwise to interrupt any ongoing program that is meeting its targets in a cost effective manner. NYSERDA's proposal that the term of the system-wide program be extended for two years should be accepted... (RD, p.172)

While the Judges went on to recognize that their decision is subject to revision in this case, that alone does not imply that NYSERDA's role should be diminished. The continuity that the Judges supported should be considered no less important here than it was found to be in the rate case.

Moreover, NYSERDA has provided these administrative services at reasonable costs, with proven results in producing significant energy efficiency savings. While Con Edison must have a role in administering future efficiency programs, that role should allow NYSERDA to continue its successful efforts.

Given the importance of the effort in the Con Edison service territory to the success of the entire State-wide program, and given the recognized record success by NYSERDA, both on meeting the State's efficiency goals and in meeting its budget, CPA believes that the exclusion of NYSERDA from the administration of these programs, as outlined in the Consensus Proposal, is misguided. CPA urges you to consider alternative governance structure which maintain and enhance NYSERDA's role.

Respectfully submitted,

Ss//Catherine M. Luthin

Catherine M. Luthin
Executive Director