NEW YORK ENERGY $MART℠ PROGRAM QUARTERLY EVALUATION AND STATUS REPORT

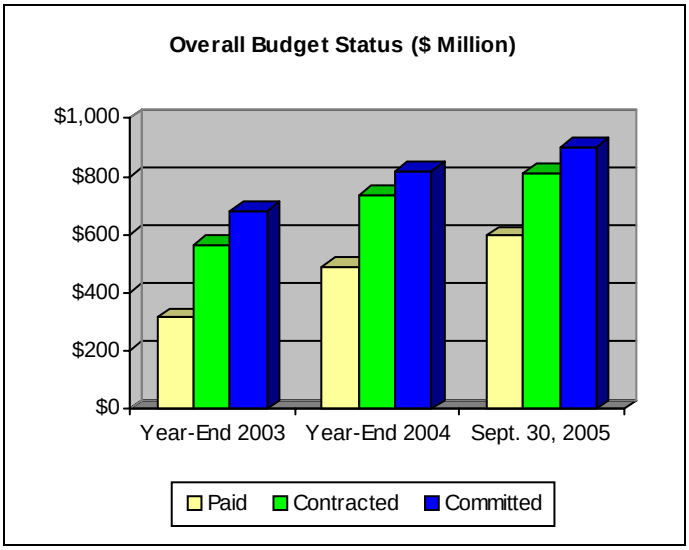
QUARTERLY REPORT TO THE DEPARTMENT OF PUBLIC SERVICE
QUARTER ENDING SEPTEMBER 30, 2005

NYSERDA

New York Energy $mart℠
PUBLIC SERVICE COMMISSION — NYSERDA
George E. Pataki, Governor

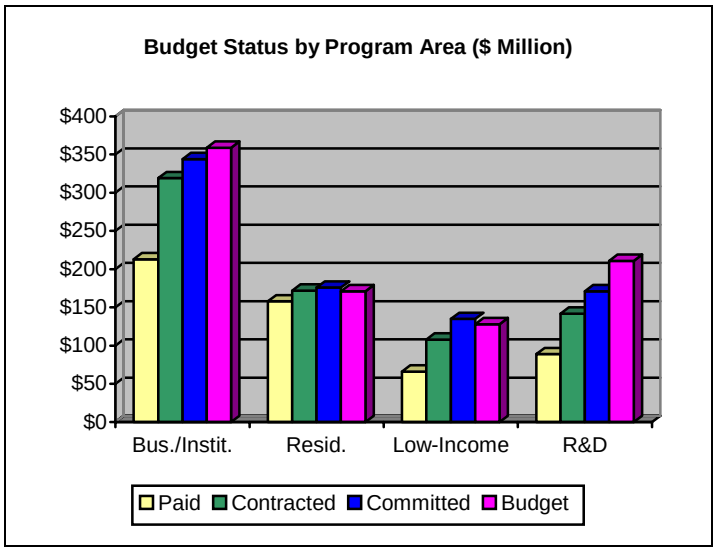
This report updates the **New York Energy $mart**[SM] Program progress through September 30, 2005. The following information is presented: (1) budget status; (2) summary of energy, economic, and environmental outcomes; (3) energy savings by program; and (4) solicitations that were released during the most recent quarter.

Figure 1. Overall Budget Status as of September 30, 2005



As of September 30, 2005, nearly $899 million of the $961 million eight-year budget, or 93%, has been committed.[1] Approximately $813 million, or 84% of the total budget, has been contracted, and $596 million, or 62% of the total budget, has been paid out. Funds paid, contracted, and committed through year-end 2003, 2004 and the third quarter of 2005 are shown in Figure 1.

Figure 2. Budget Status by Program Area as of September 30, 2005



The budget status for each major program area is shown in Figure 2. The Business/Institutional Program area has committed 96% of the budgeted funds, the Residential Program area has committed 103% of the budgeted funds, the Low-Income Program area has committed 105% of budgeted funds, and the R&D Program area has committed 81% of budgeted funds. The proportion of paid funds relative to budgeted funds is as follows: Business/Institutional Program area has paid 59%, the Residential Program area has paid 92%, the Low-Income Program area has paid 51%, and the R&D Program area has paid 42% of budgeted funds. The higher payout rate for the Residential Program area is due to the shorter project turnaround times and funds paid directly for marketing support.

[1] Committed funds are funds associated with signed and pending contracts.

ENERGY, ECONOMIC, AND ENVIRONMENTAL OUTCOMES SUMMARY

Table 1 shows a summary of the energy, economic, and environmental outcomes from the **New York Energy $mart℠** Program through year-end 2002, 2003, 2004 and the quarter ending September 30, 2005. As of September 30, 2005, annual electricity savings from installed measures were approximately 1,700 GWh. The peak demand reduction[2] from installed measures totaled approximately 1,000 MW, with 377 MW counted as permanent reductions available through energy efficiency improvements and renewable and on-site generation, and 623 MW available to be called upon when needed through load management programs (curtailable load). Energy bill savings from electricity, natural gas, and oil are estimated to be $230 million per year. These savings occur every year that the measures are in place. Approximately 4,450 jobs were created through September 30, 2005 as a result of the Program.

Table 1. Summary of Energy, Economic, and Environmental Outcomes From Installed Measures

	Through Year-End 2002	Through Year-End 2003	Through Year-End 2004	Through September 30, 2005
Electricity Savings From Energy Efficiency (Annual GWh)	690	1,000	1,400	1,700
Peak Demand Reduction (MW)	652	880	860[a]	1,000
Permanent Measures (MW)	218	270	325	377[b]
Curtailable Load (MW)	434	610	535[a]	623
Annual Energy Bill Savings - Includes electricity, natural gas, and oil ($ Million)	$94	$140	$195	$230
Renewable Energy Generation (Annual GWh)	102	102	102	102
Jobs Attributable to the Program	3,200	3,500	4,200	4,450
NO_X Emissions Reductions Associated with Energy Efficiency and Renewable Energy Production (Annual Tons)	675	950	1,280	1,500
SO_2 Emissions Reductions Associated with Energy Efficiency and Renewable Energy Production (Annual Tons)	1,190	1,700	2,320	2,700
CO_2 Emissions Reductions Associated with Energy Efficiency and Renewable Energy Production (Annual Tons)	528,000 (equivalent to removing 106,000 automobiles from New York roads)	750,000 (equivalent to removing 159,000 automobiles from New York roads)	1,000,000 (equivalent to removing 200,000 automobiles from New York roads)	1,187,000 (equivalent to removing 237,000 automobiles from New York roads)

[a] Findings by Measurement and Verification contractor resulted in decreased curtailable MW and, consequently, total MW.

[b] Includes Renewable Energy Generation and Combined Heat & Power Demonstrations.

[2] The peak demand period is defined as June 1 to August 31, Monday through Friday, excluding holidays, 12 to 6 PM.

ENERGY SAVINGS – SELECTED PROGRAMS

The energy benefits from energy efficiency and renewable/on-site generation measures installed through year-end 2002, 2003, 2004, and the quarter ending September 30, 2005 are shown in Table 2. Starting in 2003, the reported energy savings were adjusted by evaluation contractors that examined savings methodologies, program spillover, and other market effects. The adjustments were not applied to 2002 and earlier savings values.

Table 2. Energy and Peak Demand Reductions Summary[3]

	Installed Through Year-End 2002		Installed Through Year-End 2003		Installed Through Year-End 2004		Installed Through Sept. 30, 2005	
	GWh	**MW**	**GWh**	**MW**	**GWh**	**MW**	**GWh**	**MW**
Business and Institutional (B/I) Programs								
C/I Performance Program	235.0	52.0	282.3	41.5	515.4	75.4	619.8	93.7
New Construction Program	41.9	4.8	94.8	20.3	128.2	31.3	162.2	38.2
Smart Equipment Choices	13.0	6.0	48.9	22.7	52.7	11.2	60.8	13.0
Peak Load Reduction (permanent measures)[4]	47.8	19.9	43.9	15	68.8	27.0	108.6	43.5
Peak Load Reduction (curtailable load enabled)[5]	-	434.2	-	598	-	392.0	-	462
Enabling Technology (curtailable load enabled)[5]	-	-	-	-	-	135.6	-	147.2
Premium Efficiency Motors	5.0	1.0	6.3	1.2	8.3	1.3	8.5	1.3
Small Commercial Lighting	1.9	0.4	3.8	0.95	16.9	4.0	22.8	5.6
Hospitality Lighting Program	-	-	-	-	-	-	7.0	0.7
Commerical HVAC	0.3	<0.1	0.3	0.1	8.3	2.6	8.3	2.6
Loan Fund	8.9	1.5	18.7	2.4	28.7	8.5	40.3	10.8
Technical Assistance Program[6]	225.6	60.0	361.0	96.0	515.1	96.6	567.7	106.1
Technical Assistance Program (Curtailable Load Enabled)[6]	-	-	-	-	-	8.8	-	10.2

[3] Due to the integrated nature of NYSERDA's programs, savings for a measure may be claimed by each program the customer accessed. To accurately reflect net savings, deductions are made at the sector level to account for these instances of overlapping savings. Overlap for this quarter within the B/I sector programs is estimated to be 240 GWh and 46 MW; and cross-sector overlap is estimated at 25 GWh and 5 MW.

[4] Includes 25 GWh and 9 MW from the Cooling Recommissioning, a closed pilot program that preceded the Peak Load Reduction Program.

[5] Peak Load Reduction Program metrics for years ending 2002 and 2003 include Enabling Technology savings.

[6] The Technical Assistance program savings were developed by applying realizations rates to program savings occurring in 2004 and before then, added to 2005 savings that were estimated off amount invoiced to the program. This method will be used until actual savings information is aggregated from TA studies.

	Installed Through Year-End 2002		Installed Through Year-End 2003		Installed Through Year-End 2004		Installed Through Sept. 30, 2005	
	GWh	**MW**	**GWh**	**MW**	**GWh**	**MW**	**GWh**	**MW**
Residential and Low-Income Programs								
ENERGY STAR® Products	83.7	14.4	122.6	22.7	179.0	33.5	179.0	33.5
ENERGY STAR® Bulk Purchase*	12.6	4.6	18.5	3.7	37.2	6.0	37.2	6.0
Keep Cool [7] *	25.2	41.8	24.4	38.2	27.8	47.6	27.8	47.6
ENERGY STAR® Homes	0.5	0.3	1.1	0.4	3.0	1.2	3.6	1.5
Home Performance with ENERGY STAR®	0.7	0.1	2.7	0.8	6.3	1.6	9.4	1.9
Residential Comprehensive Energy Mgmt. (permanent measures)	4.7	1.3	7.7	7.1	2.9	3.1	9.3	4.4
Residential Comprehensive Energy Mgmt. (curtailable load enabled)	-	-	-	-	-	-	-	4.4
Assisted Multifamily Program[8]	-	-	1.6	0.1	2.5	0.2	4.5	0.2
Low Income Direct Installation*	-	-	11.5	1.6	11.5	1.6	11.5	1.6
Weatherization Network Initiative	-	-	-	-	2.0	0.3	4.9	0.7
EmPower New York[9]							7.3	0.5
Renewable Energy and Combined Heat and Power Installations								
Renewables Program	102.0	7.4	102.0	7.4	102.0	7.4	102.5	7.8
Combined Heat & Power Demonstrations	-	4.8	-	7.5	60.8	13.1	71.7	15.5
* Program closed								

SOLICITATIONS UPDATE

Table 3 provides information on Requests for Proposals (RFPs) and Program Opportunity Notices (PONs) that were released during the third quarter of 2005.

[7] The percentage of residents in the **New York Energy $mart**[SM] territory who shift their laundry and dishwashing tasks to off-peak hours has grown steadily between 2002 and 2004 due to the Keep Cool and Stay Cool marketing campaigns, increasing from 42% to 90% for laundry and from 57% to 84% for dishwashing. These activities have resulted in an average hourly load shift of over 100 MW.

[8] The large increase in GWh savings for this quarter is attributed to two large electrically-heated buildings converting to natural gas. This also explains the lack of an increase in the on-peak kW saved, as the electricity saved was previously used during the winter.

[9] While the EmPower New York Program began in the summer of 2004 and the first installations were done in the third quarter of 2004, this is the first quarter that savings have been reported.

Table 3. Solicitations Released in Third Quarter 2005

Solicitation Number	Solicitation Name	Solicitation Release Date	Solicitation Closing Date
R&D Program Area			
PON 937	Heating and Cooling	7/4/05	9/22/05
PON 953	High Efficiency Lighting Products and Demonstrations	9/19/05	10/27/05
Business and Institutional Program Area			
PON 935	Municipal Water and Wastewater Technologies	7/11/05	9/7/05
PON 941	**New York Energy $mart**SM Loan Fund	7/11/05	6/30/06
PON 946	Advanced Clean-up and Emission Control Technologies for Biogas-fueled DG Systems	9/19/05	11/07/05