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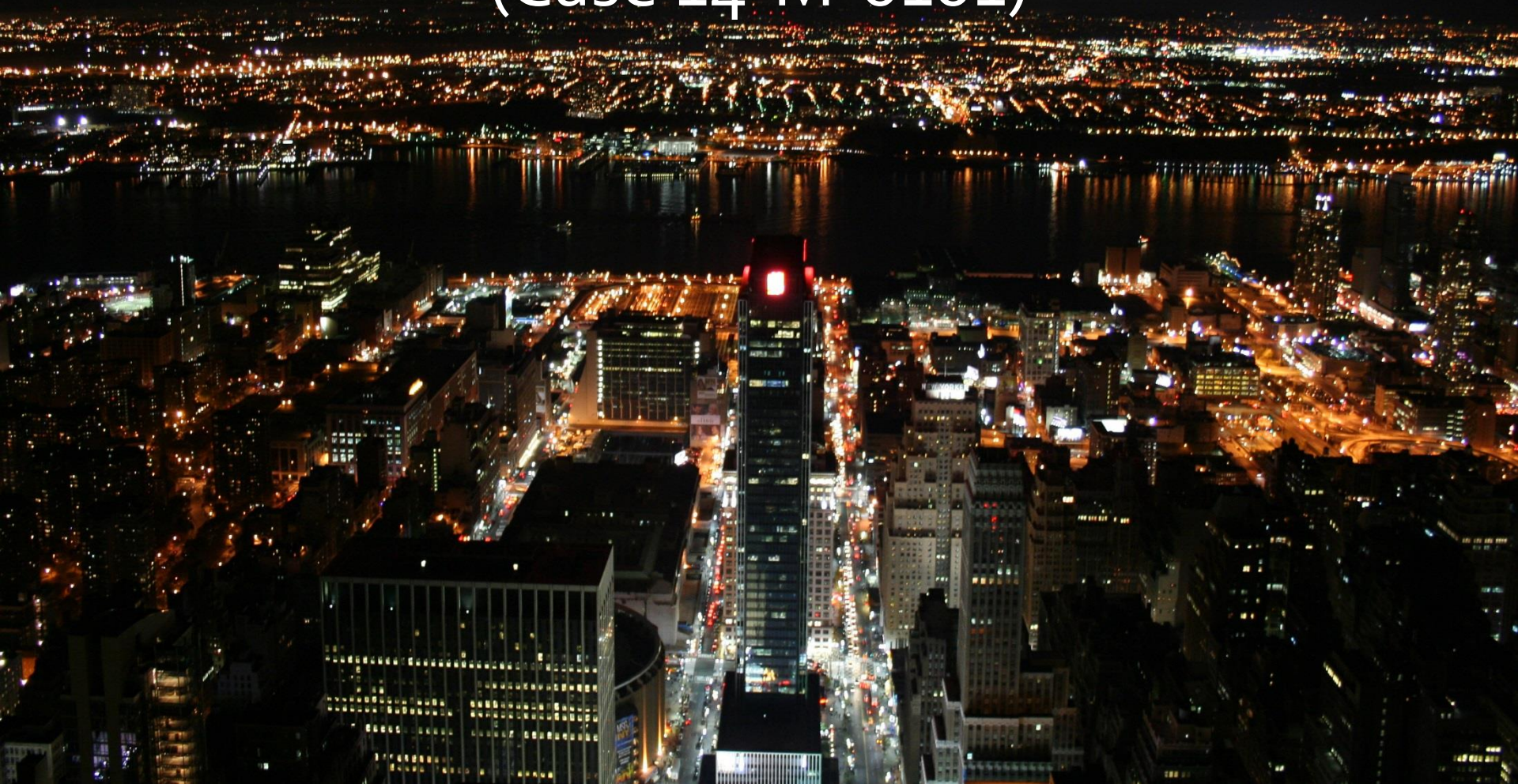
Low Income Forum on Energy

Session 1

An overview of REV and updates on other
PSC proceedings affecting low-income customers

Reforming the Energy Vision

NY Public Service Commission proceeding
(Case 14-M-0101)



The electric industry is changing.

Energy policies shifting focus to:

- Energy efficiency
- Customer experience
- Renewable resources
- Better use of technology

The mission



To empower customers to better manage energy ...



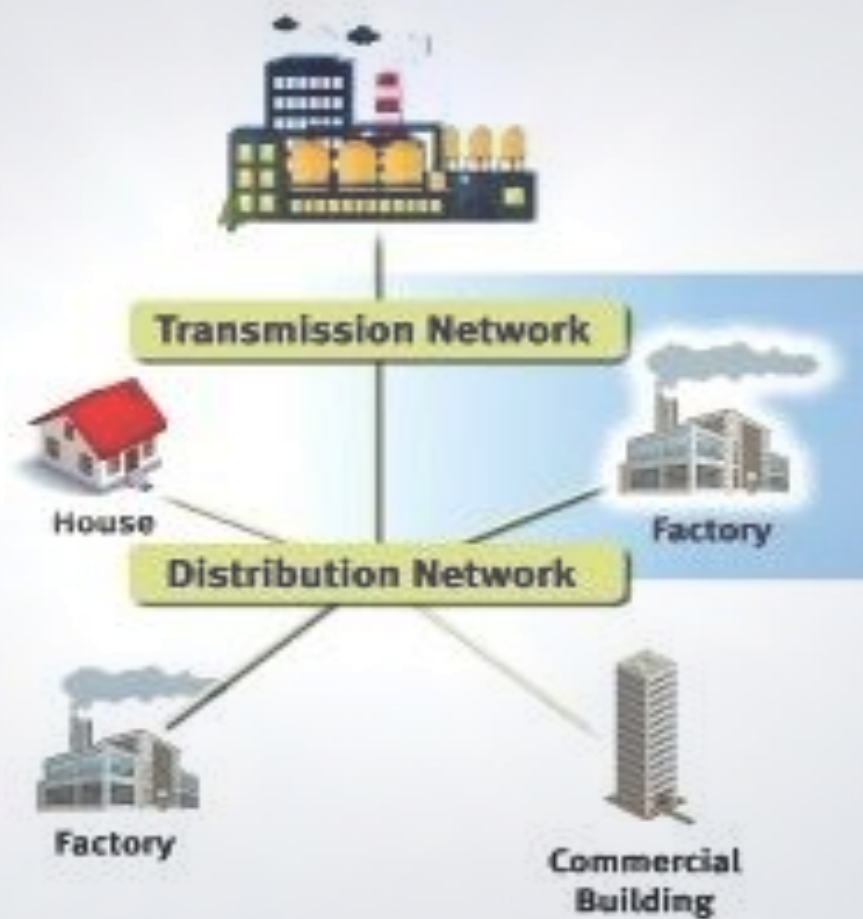
... through animating markets for distributed energy resources ...



... to drive toward higher efficiency, lower environmental impacts and increased affordability.

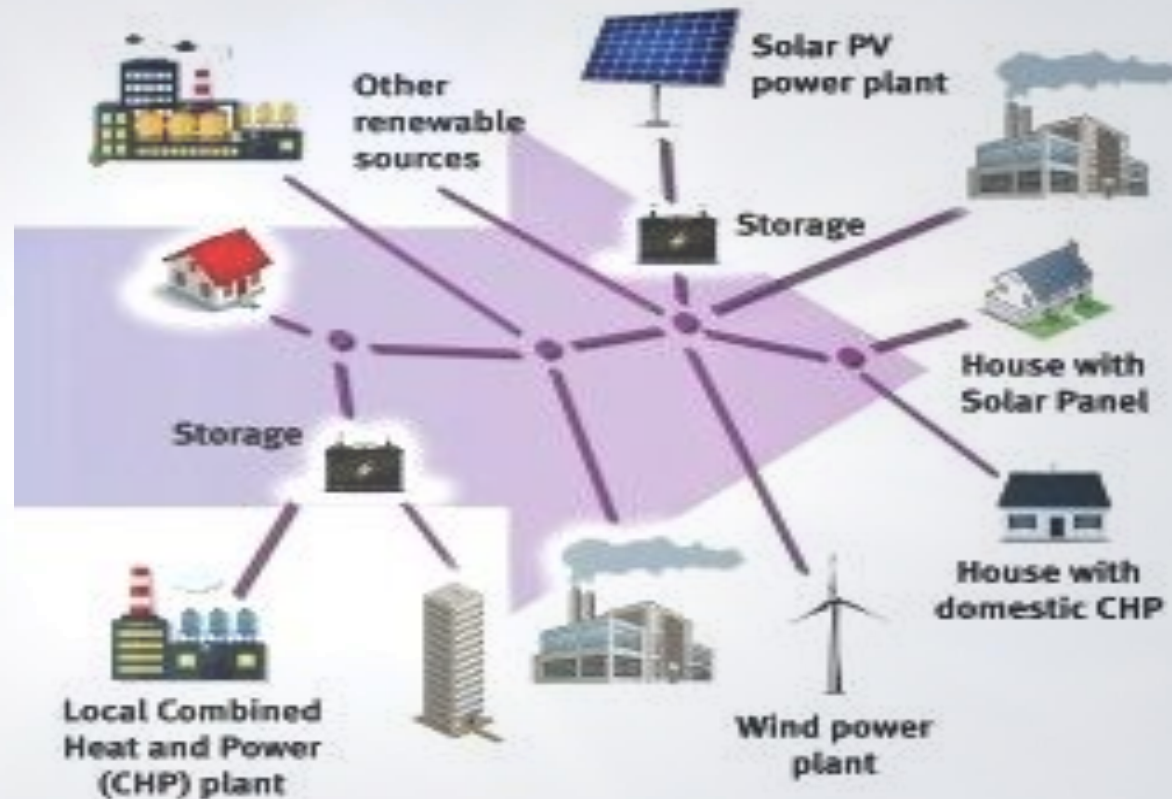
TODAY

**Centralized
sources
of power**



TOMORROW

Cleaner,
localized
sources
of power

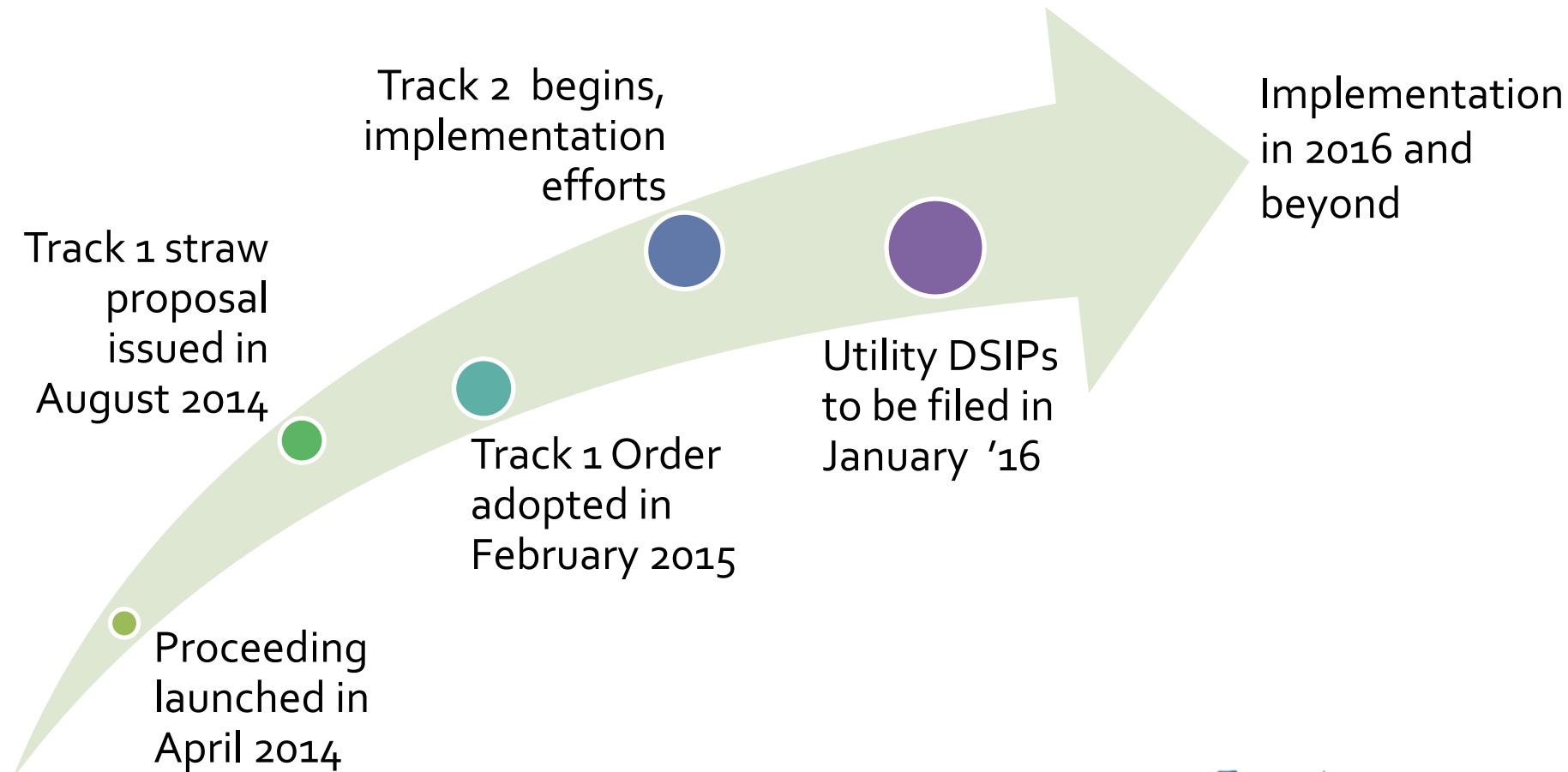




REV is part of Gov. Andrew Cuomo's
overall strategic energy plan



Proceeding timeline



What is shaping REV?

Unprecedented interest, engagement, and stakeholder support



- **295** stakeholder parties
- **2** technical conferences
- **7** working groups
- **1,800** comments
- **750** town hall meeting participants in 8 cities

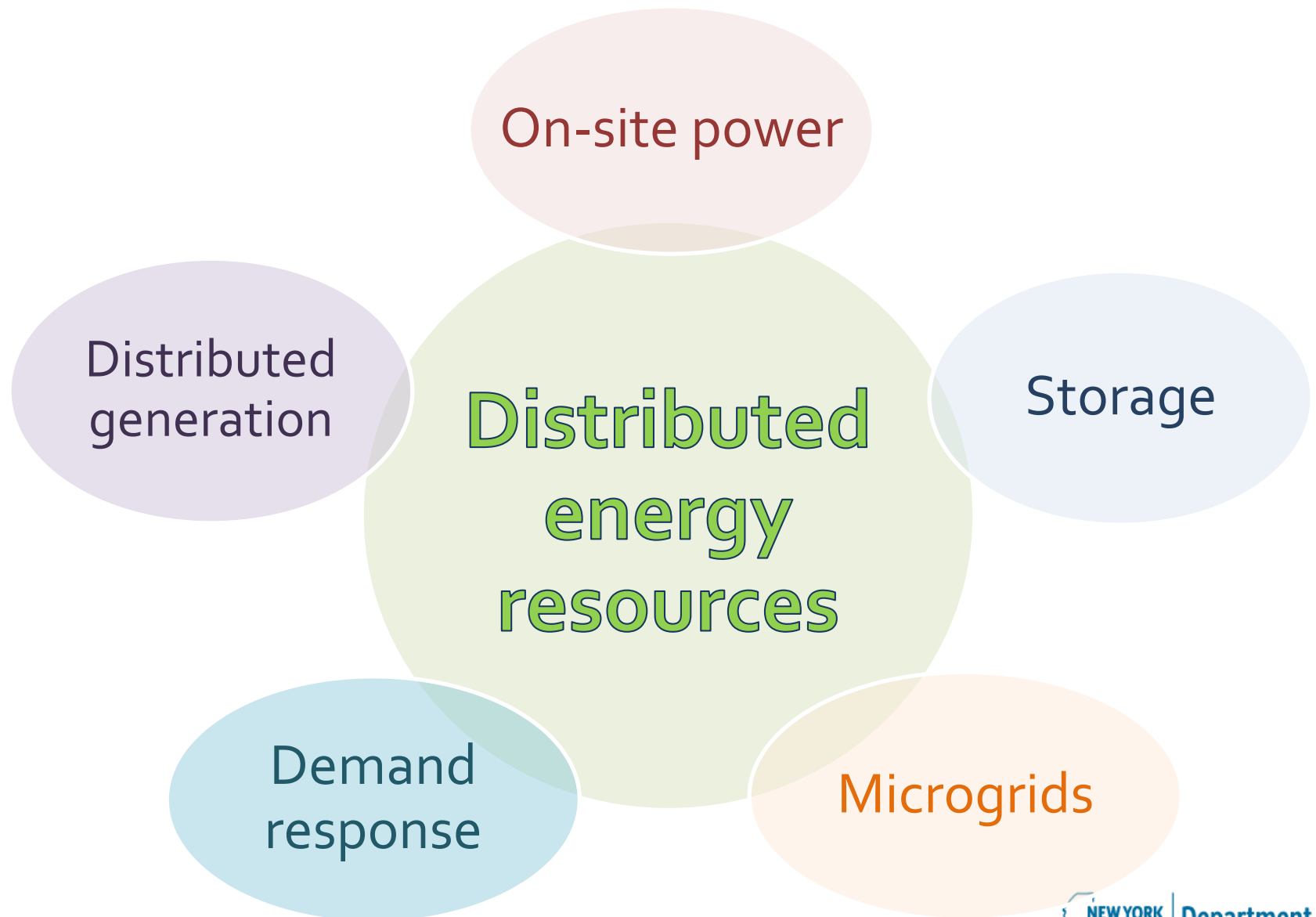
The “Vision”

Policy objectives for future electric system:

- Enhanced customer knowledge, tools
- Leverage of customer contributions
- System-wide efficiency
- Fuel, resource diversity
- System reliability, resiliency
- Reduction of carbon emissions

PSC is considering new business model for energy service providers





Challenges

- Aging infrastructure
 - Nuclear, coal facilities need substantial upgrades
 - Transmission line updates
- Increased dependence on natural gas
- Peak demand growing **four** times faster than overall demand

Flattening usage in the 100 hours
of greatest peak demand would
save over \$1.2 billion annually



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Opportunities

- Rapidly falling technology costs
- Rise of the digital economy and new capabilities from IT
- Proliferation of new business models to create customer value



Business-as-usual approach no longer works for New Yorkers



Foundational building blocks

1. Establishing the Distributed System Platform (DSP)

Foundational building blocks

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2. Engaging customers

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3. Animating the market

Foundational building blocks

1. Establishing the Distributed System Platform (DSP)
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4. Meeting environmental objectives

Foundational building blocks

1. Establishing the Distributed System Platform (DSP)
2. Engaging customers
3. Animating the market
4. Meeting environmental objectives
5. Reforming regulation, rate-making (Track 2)

What does REV mean for you?

- More affordable energy choices

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- Optimal energy efficiency

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- Clean, renewable energy

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- Clean, renewable energy
- Secure, reliable service

What does REV mean for you?

- More affordable energy choices
- Optimal energy efficiency
- Clean, renewable energy
- Secure, reliable service
- Stable monthly bills!





THE BILL

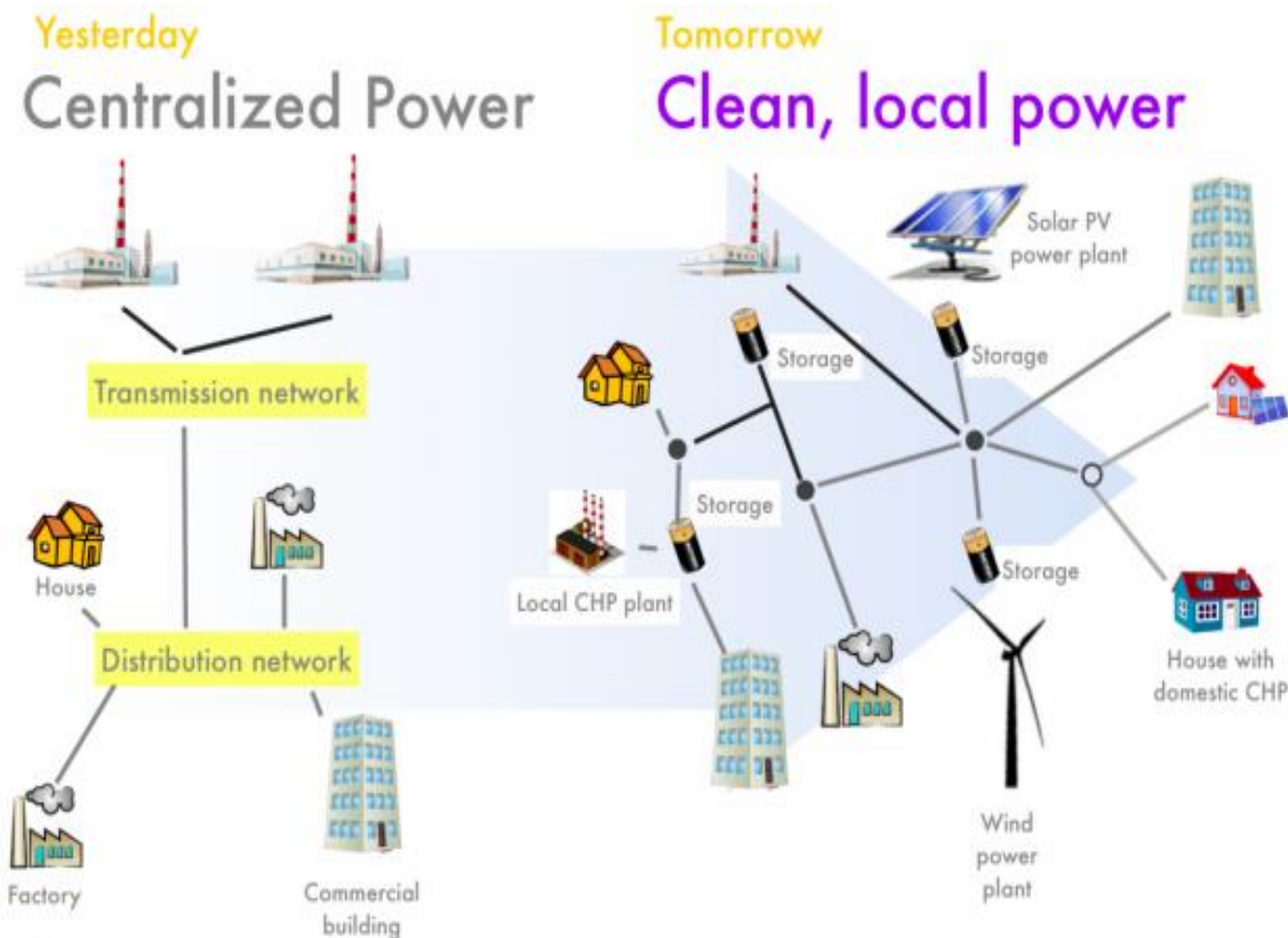
IS TOO DAMN HIGH!



An Update on the Clean Energy Fund

**Low-Income Forum on Energy 2015
Regional Meetings**

Future of Energy



- New York has built a strong foundation
- New York can and must achieve greater scale
- The public sector cannot achieve this transition on its own



The Case for New Strategies

New York State needs to act now because of the shifting energy landscape and the need and possibility for scale, specifically:

- New York needs to mobilize capital, technology, and innovation to address the barriers that are keeping these resources on the sidelines
- New York's distributed and dynamic energy future requires adaptability

Clean Energy Fund

- Ten-year, \$5 billion funding commitment to support clean energy market development and innovation
- The CEF is just one pillar of New York State's Reforming the Energy Vision

Clean Energy Fund Outcomes

The Clean Energy Fund will deliver market enabling strategies to:

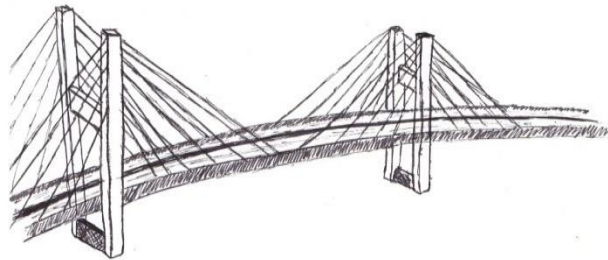
- Reduce Greenhouse Gas emissions through efficiency and renewables
- Increase private investment and accelerate growth in the State's clean energy economy
- Reduce customer energy bills
- Provide more value to the customer

Clean Energy Fund Approach

The Clean Energy Fund seeks to:

- Enable competitive markets
- Overcome specific barriers and gaps through temporary interventions
- Use incentives strategically as a: bridge to market solutions to enable the development of market infrastructure, assist underserved markets; maintain market stability during transitions
- Broaden fuel neutrality, to enable all promising solutions
- Operate in a more market- and partner-responsive manner
- Accelerate the pace of innovation

Clean Energy Fund



Market Barriers

- Soft costs
- Solutions not accepted as proven
- Innovation on the sidelines
- Market not properly valuing clean energy

Self-Sustaining Markets

- Reduce soft costs via:
 - Tools and resources
 - Information and product forums
 - Market match makers
- Provide confidence in solutions
 - Demonstration cases
 - Track records
- Support Development of industry and workforce capacity

What to Expect

2015

- **CEF Proposal and Information Supplement**
- **Public Comment process**
- **Coordination with utilities and transition plans**
- **Responsible and orderly transition/ramp-down**
- **Continues partner engagement**
- **More responsive, less complex**

2016

- **Operate new programs and strategies**
- **Continue and refine certain programs, adjusting as needed**
- **Continued partner engagement**
- **Test, measure and adjust approach to all programs and strategies**
- **Operating around customers and partners**

Principles Already in Practice



- Stability
- Transparency
- Focus on soft costs
- Partnership with industry and communities

Components of the CEF

➤ Behind the Meter Market Development Strategies

- Low-to-Moderate Income
- Communities
- Residential
- Multifamily
- New Construction
- Commercial
- Industrial
- On-Site Energy Resources (Solar Thermal, CHP, Anaerobic Digesters)
- Workforce Training and Development

Components of the CEF

➤ Technologies and Business Innovation Strategies

- Smart Grid Systems
- Renewables & Distributed Energy Resource (DER) Integration
- High-Performance Buildings
- Clean Transportation
- Innovation Capacity and Business Development

Your Role in the Clean Energy Fund Future

- Identify market gaps and pain points
- Provide feedback on how the Clean Energy Fund can help overcome barriers to adopting clean energy solutions at greater scale
- Deliver ideas for NYSERDA's future strategies and tactics

Low to Moderate Income (LMI): Overview

LMI as a sector that has not seen enough adoption of clean energy. LMI is a priority for CEF to achieve system benefits and to close a clean energy divide

- 2.9 million households fall under 80% of the State Median Income
 - 1.4 million households served by Home Energy Assistance Program in 2014-2015

➤ Vision:

- To improve energy affordability for LMI consumers and to better engage the LMI community to use more clean energy for energy and economic benefits, as part of a comprehensive strategy for New York State energy agencies

➤ Barriers to address:

- Limited access to capital and market solutions for energy efficiency/renewables
- Limited awareness of energy efficiency/renewable energy; coupled with competing needs for funds and attention
- Fragmented delivery of LMI focused initiatives
- Split incentives

Low to Moderate Income (LMI) Strategies

- **Financial Support**
- **Residential**
- **Multifamily**
- **Awareness and Outreach**
- **Workforce Training and Development**
- **LMI Solar**
- **Statewide Coordination**

Residential

- **Continuation of incentive programs through an alignment of EmPower NY and Assisted Home Performance with ENERGY STAR programs**
 - Streamlining to reduce administrative costs and increase impact
 - Alignment with LMI energy programs administered by other organizations
- **Free and reduced cost energy assessments and low-interest financing through Green Jobs, Green New York**
 - Working group formed to explore the expansion of low-interest financing for LMI customers
- **Incentives to builders and developers of high performance, affordable new construction projects**
- **Coordination with utilities on complementary activities and referral of income-eligible customers for no-cost energy efficiency services**
- **Pilots and demonstrations to increase energy affordability and adoption of energy efficiency and clean energy**

Multifamily

- **Restructure the LMI multifamily incentives offered through the Multifamily Performance Program**
- **Provide support for operations training, the development of owner's manuals, and tenant education**
- **Develop a unified LMI program offering by coordinating with other housing agencies and entities**
- **Support the creation of “one-stop shop” entities in markets throughout New York State**
- **Conduct community efficiency aggregation pilots and an innovative solutions competition**
- **Coordinate MPP with other clean energy programs to scale the adoption of renewable technologies in the LMI sector**

Awareness and Outreach

- Energy and financial management workshops
- In-home energy education
- Awareness and education targeted at tenants, landlords, affordable housing developers and builders
- Low-Income Forum on Energy
- Work with communities to explore opportunities to increase outreach, awareness, and adoption of energy efficiency and clean energy; obtain feedback and market intelligence

Workforce Training and Development

- **Focus on job placement**
- **Exploring opportunities for disadvantaged or displaced workers**
- **Activities to include:**
 - Assessment of labor market to identify areas where lack of skilled labor is an impediment to industry growth
 - Clearly defining career pathways for those seeking to enter the clean energy workforce
 - Improved mechanisms to help businesses connect with the right workers

LMI Solar

- Targeted incentives for projects that incorporate energy efficiency
- Low-interest LMI solar financing through Green Jobs, Green New York
- Will benefit from aggregation models such as Solarize, Community Net Metering, and opportunities to leverage philanthropic funding

Statewide Coordination

- **NYSERDA will seek comprehensive statewide coordination of resources for affordable housing, energy assistance, energy efficiency, and renewable energy; the following will be explored:**
- Improvements to the eligibility screening process and streamline access to multiple services/programs (coordination with multiple organizations)
 - Increasing coordination on WAP- eligible projects (coordination with HCR)
 - Increasing consumer education and targeting energy efficiency services for HEAP recipients (coordination with OTDA)
 - Increasing energy performance, clean energy options, and private capital in affordable housing efforts (coordination with HCR, NYCHA, NYPA, HUD, etc)

Statewide Coordination

- Energy efficiency for low-income rental housing (coordinating with local government and/or applicable state and federal affordable housing program administrators)
- Consumer/Community education and outreach and aggregation pilots (coordination with non-governmental organizations)
- Coordination with utilities to expand/enhance their impact on LMI consumers, to ensure NYSERDA activities complement REV activities, and to refer payment troubled consumers for energy efficiency services
- Philanthropic partnerships to develop resources that will increase availability of energy efficiency and clean energy options for LMI consumers and communities

CEF Schedule and Comments

Key Dates (Case 14-M-0094)

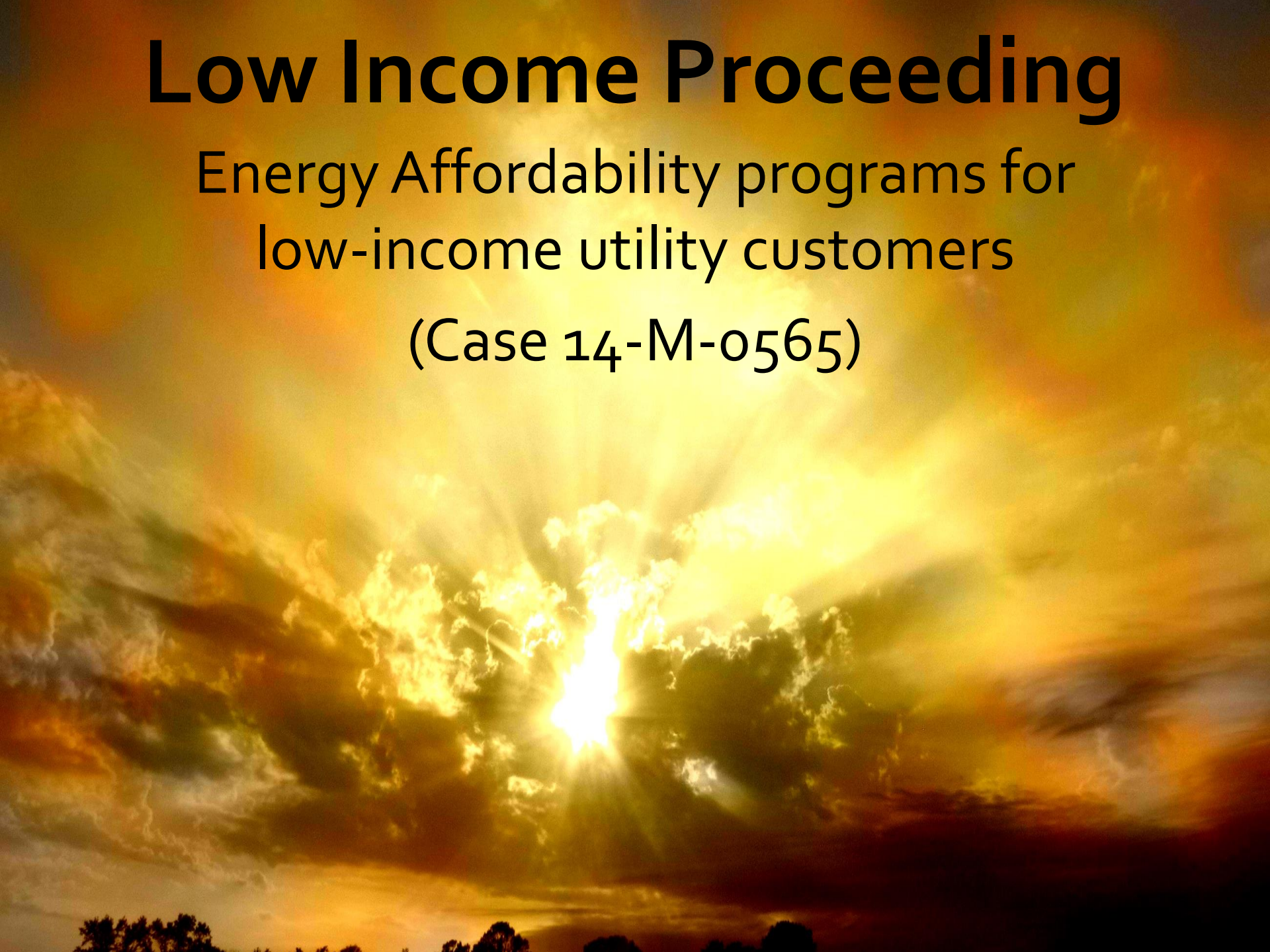
- September 23, 2014- NYSERDA submitted CEF Proposal
- June 8, 2015- NYSERDA submitted Information Supplement
- July 7, 2015- Initial comments due
- July 27, 2015- Reply comments due

General Comments Q&A

Low Income Proceeding

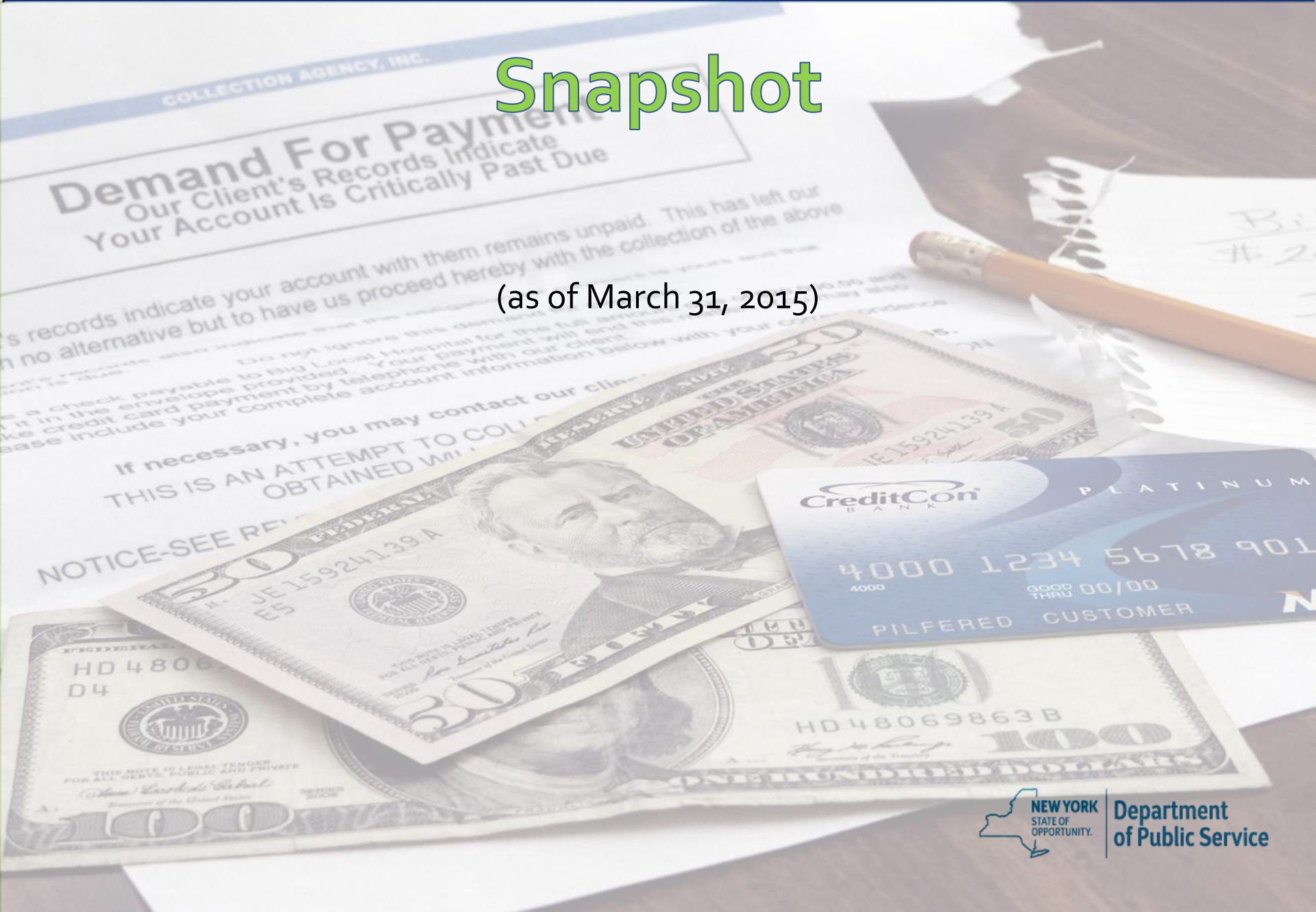
Energy Affordability programs for
low-income utility customers

(Case 14-M-0565)



Snapshot

(as of March 31, 2015)



NY's energy burden

- Nearly **489,000** households have income below 50 percent of Federal Poverty Level (FPL)
- Energy bills equal **41 percent** of annual income
- 2.3 million HH have income below 200% of FPL
- Energy bills equal **9 percent** of annual income

2014 HEAP participation

| | Regular HEAP | | | Emergency HEAP | | |
|--------------|---------------|----------------|----------------|----------------|--------------|---------------|
| | Electric | Gas | Combo | Electric | Gas | Combo |
| NiMo | 27,195 | 2,180 | 62,678 | 24,731 | 135 | 9,412 |
| KEDNY | | 27,537 | | | 490 | |
| KEDLI | | 9,542 | | | 248 | |
| NFG | | 87,611 | | | 7,692 | |
| Con Ed | | | 40,200 | | | 3,335 |
| O&R | 1,187 | 40 | 10,625 | 331 | 3 | 2,216 |
| CH | | | 9,588 | | | 4,025 |
| NYSEG | 576 | 317 | 2,905 | 232 | 20 | 297 |
| RG&E | 92 | 31 | 745 | 35 | 5 | 108 |
| PSEG LI | 3,663 | | | Noticed in Reg | | |
| Total | 32,713 | 127,258 | 126,741 | 25,329 | 8,593 | 19,393 |
| | | | 286,712 | | | 53,315 |

Current programs

- Broad-based or targeted



Current programs

- Broad-based or targeted
- Arrears forgiveness

Current programs

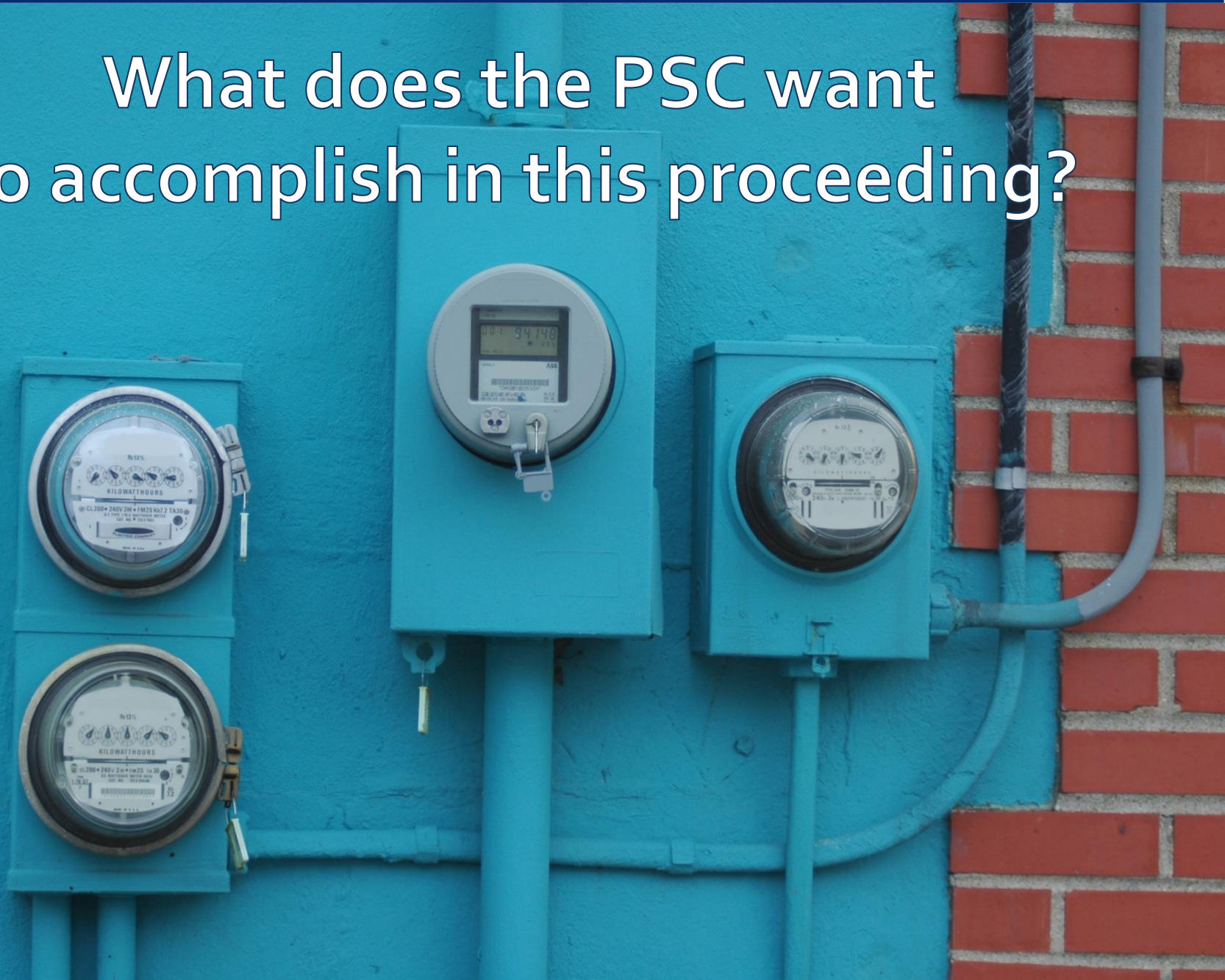
- Broad-based or targeted
- Arrears forgiveness
- Reconnection fee waivers



Current programs

- Broad-based or targeted
- Arrears forgiveness
- Reconnection fee waivers
- Monthly discount
 - Fixed
 - Percentage/volumetric
 - Income-based

What does the PSC want to accomplish in this proceeding?



Goals

- Streamline utilities' low income programs

Goals

- Streamline utilities' low income programs
- Work toward energy affordability

Goals

- Streamline utilities' low income programs
- Work toward energy affordability
- Determine appropriate eligibility

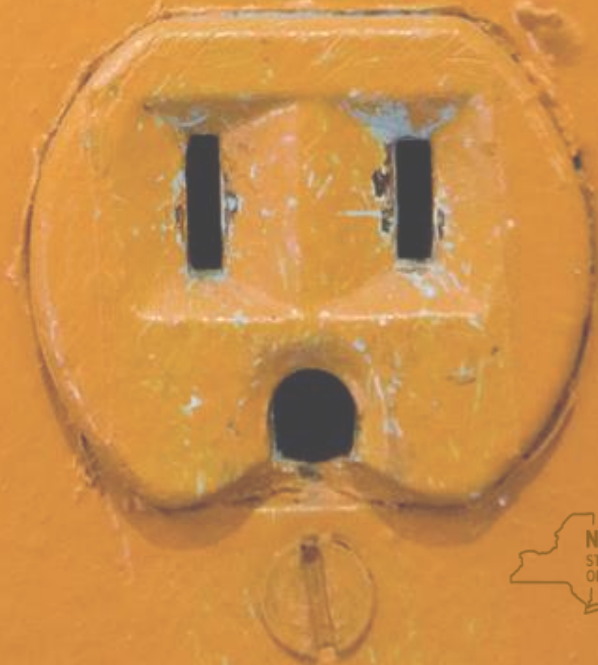


Goals

- Streamline utilities' low income programs
- Work toward energy affordability
- Determine appropriate eligibility
- Maximize benefits

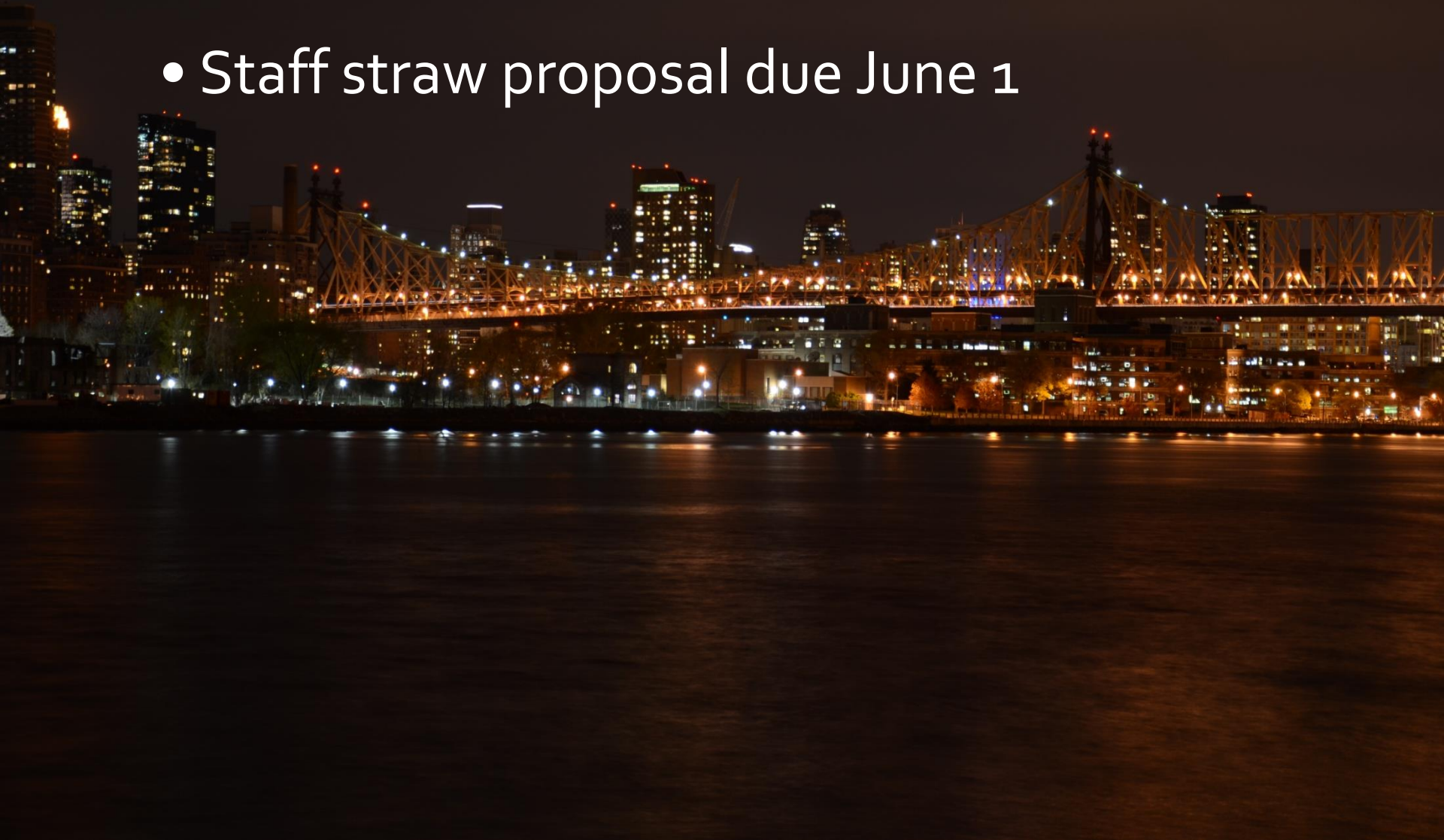
Goals

- Streamline utilities' low income programs
- Work toward energy affordability
- Determine appropriate eligibility
- Maximize benefits
- Minimize costs



Current status

- Staff straw proposal due June 1



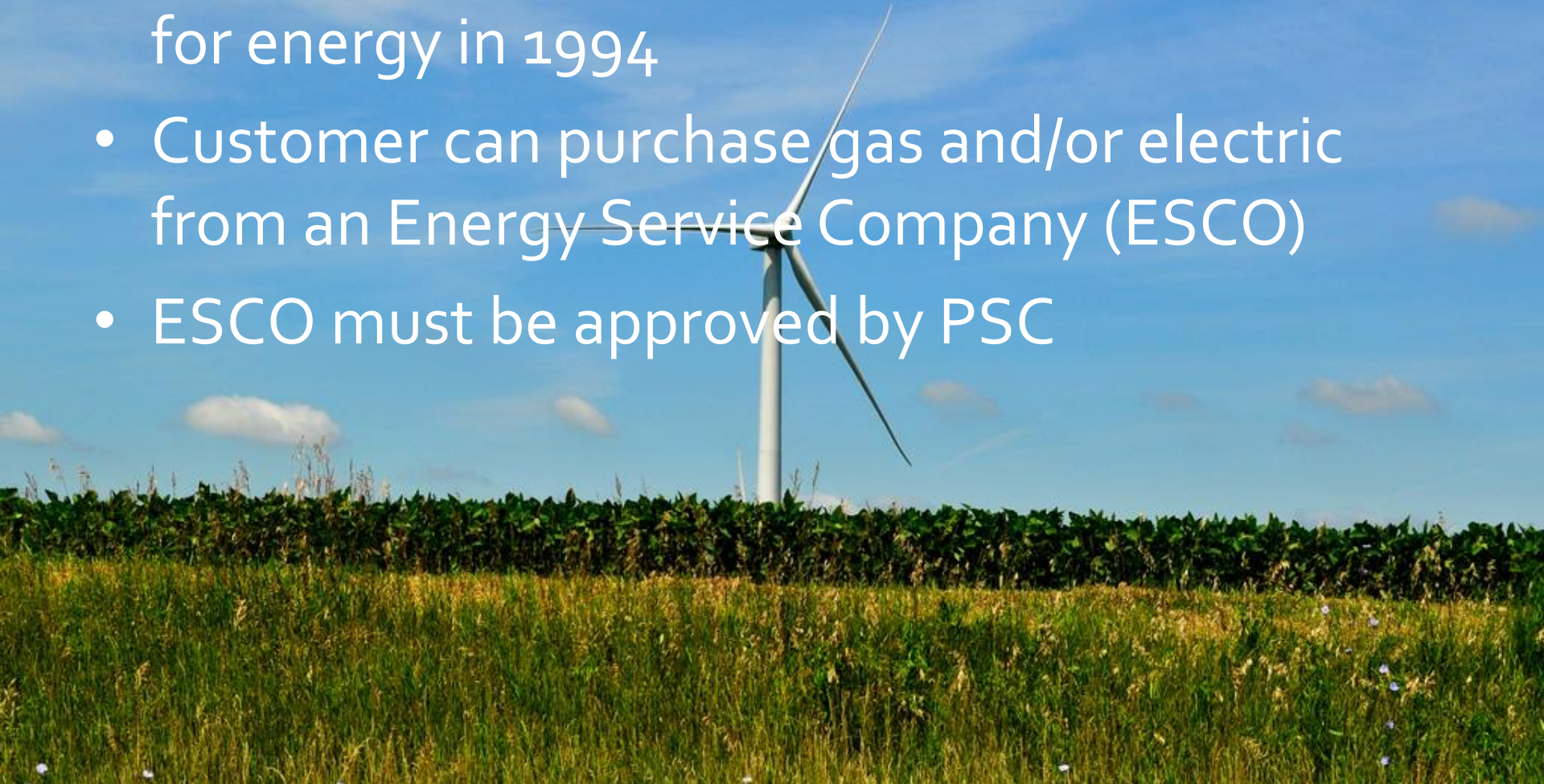
Retail Access

ESCO customer protections
(Case 12-M-0476)



Retail energy market

- PSC began encouraging competitive market for energy in 1994
- Customer can purchase gas and/or electric from an Energy Service Company (ESCO)
- ESCO must be approved by PSC



Retail access order

- Amended Feb. 25, 2014
- Modifies Uniform Business Practices and structure of retail access
- Affects all residential customers
- Standardized format for renewal notices
- Sales reps must identify themselves and their employer

Accelerated switching

- Shorter time frame for electric customers to switch to/from ESCO or utility
- May allow low-income customers to change suppliers if prices become cost-prohibitive
- Not available for gas customers

ESCO supply prices

- Web-based cost calculators show customers price comparison between ESCO, utility
- ESCO must honor prices set on newyorkpowertochoose.com

Low income

- Price cap for low income program participants
 - Guaranteed supply savings
 - Value-added services
 - In progress
- Refund due if customer didn't save with ESCO
 - ESCO compares bill with utility's rates

What to watch for

- **Visit** the ESCO Residential Complaint Scorecard on AskPSC.com
- **Compare** prices and services offered
- **Consider** customer service features such as complaint handling and hours of operation
- **Research** the company's background
- **Always review terms and conditions before committing to an ESCO offer**

Community Choice Aggregation

(Case 14-M-0224)



CCA?

- Community Choice Aggregation is an alternative energy model that allows consumers to participate in retail energy market
- Gives municipality the power to source energy based on residents' electric or gas load

How does CCA work?

Municipality (or consultant) receives residents' energy data from utility



Municipality selects ESCO (generally through RFP process)



Municipality provides CCA information and opt-out details to residents



Residents enrolled by winning ESCO

Why CCA?

CCA is gaining popularity, because it allows a municipality and its residents to:

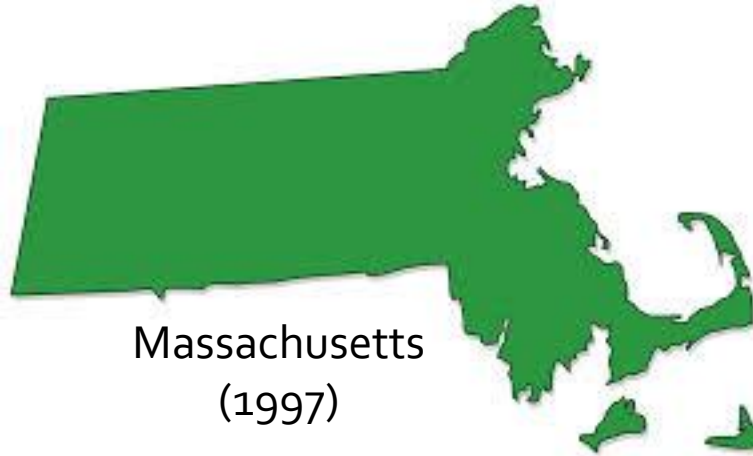
- Purchase more green power
- Reduce electricity costs
- Provide power from local sources
- Set their own energy goals

States with CCA legislation

Illinois
(2009)



Massachusetts
(1997)



New Jersey
(2003)



Ohio (1999)



Rhode Island
(1997)



California
(2002)



CCA pilot program in NY

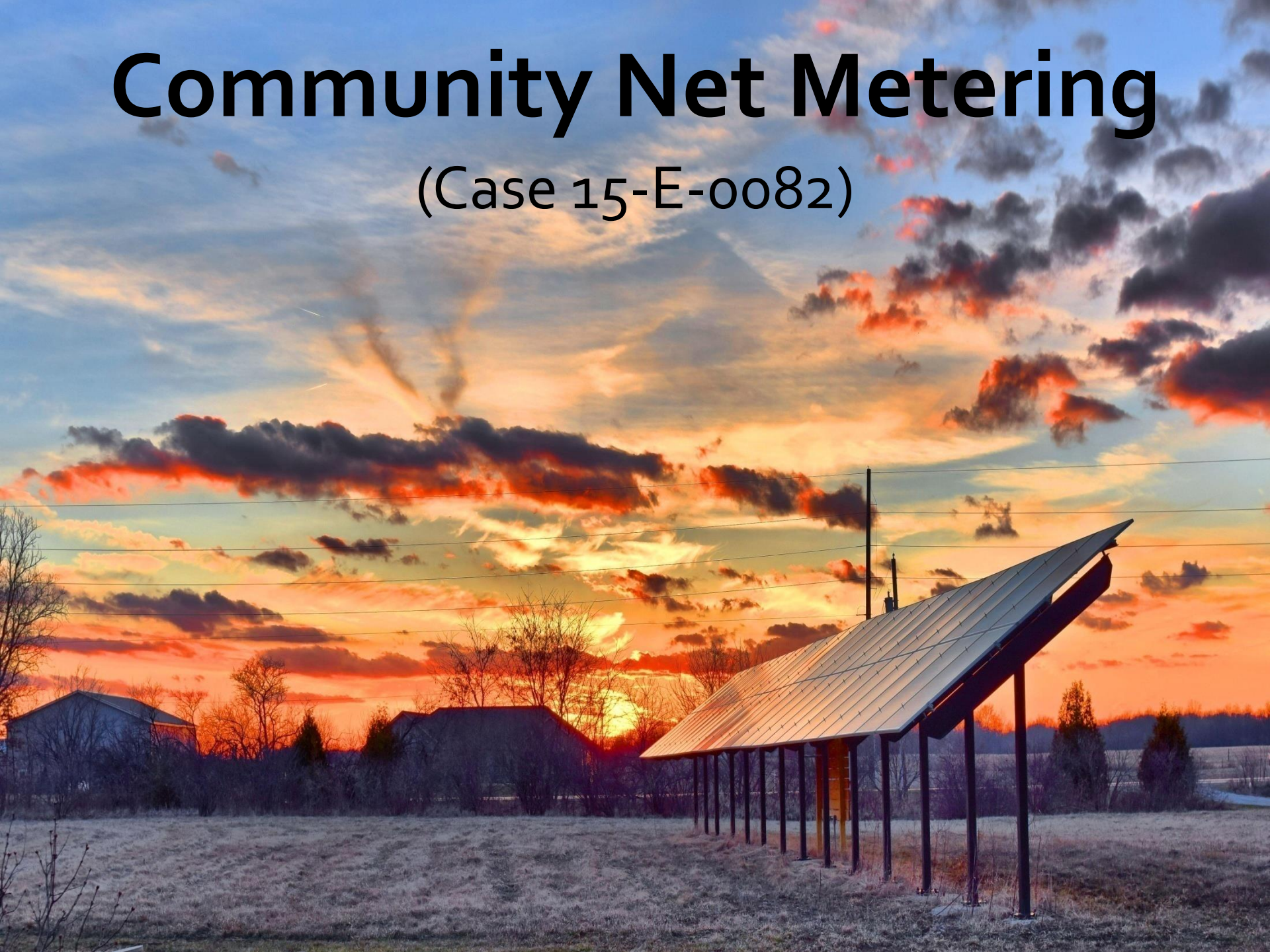
- Case No. 14-M-0564
- PSC approved first CCA pilot on Feb. 26, 2015
- Sustainable Westchester Inc.
- Residential, small non-residential customers
- Con Ed, NYSEG service territories
- Annual report required



"Here Comes the Sun"
by The Beatles

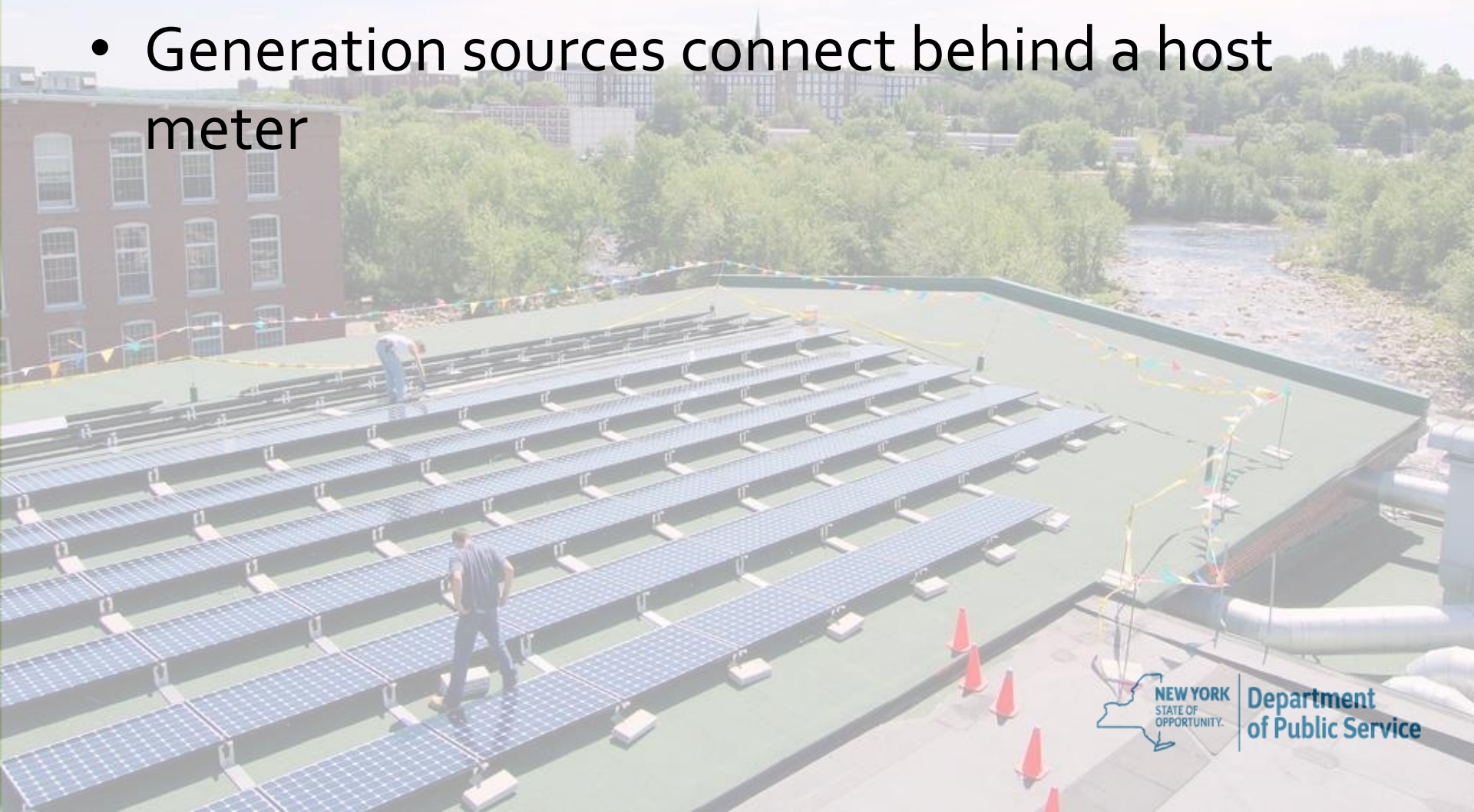
Community Net Metering

(Case 15-E-0082)



Community net metering

- Generation sources connect behind a host meter



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Community net metering

- Generation sources connect behind a host meter
- Participants of all income levels



Community net metering

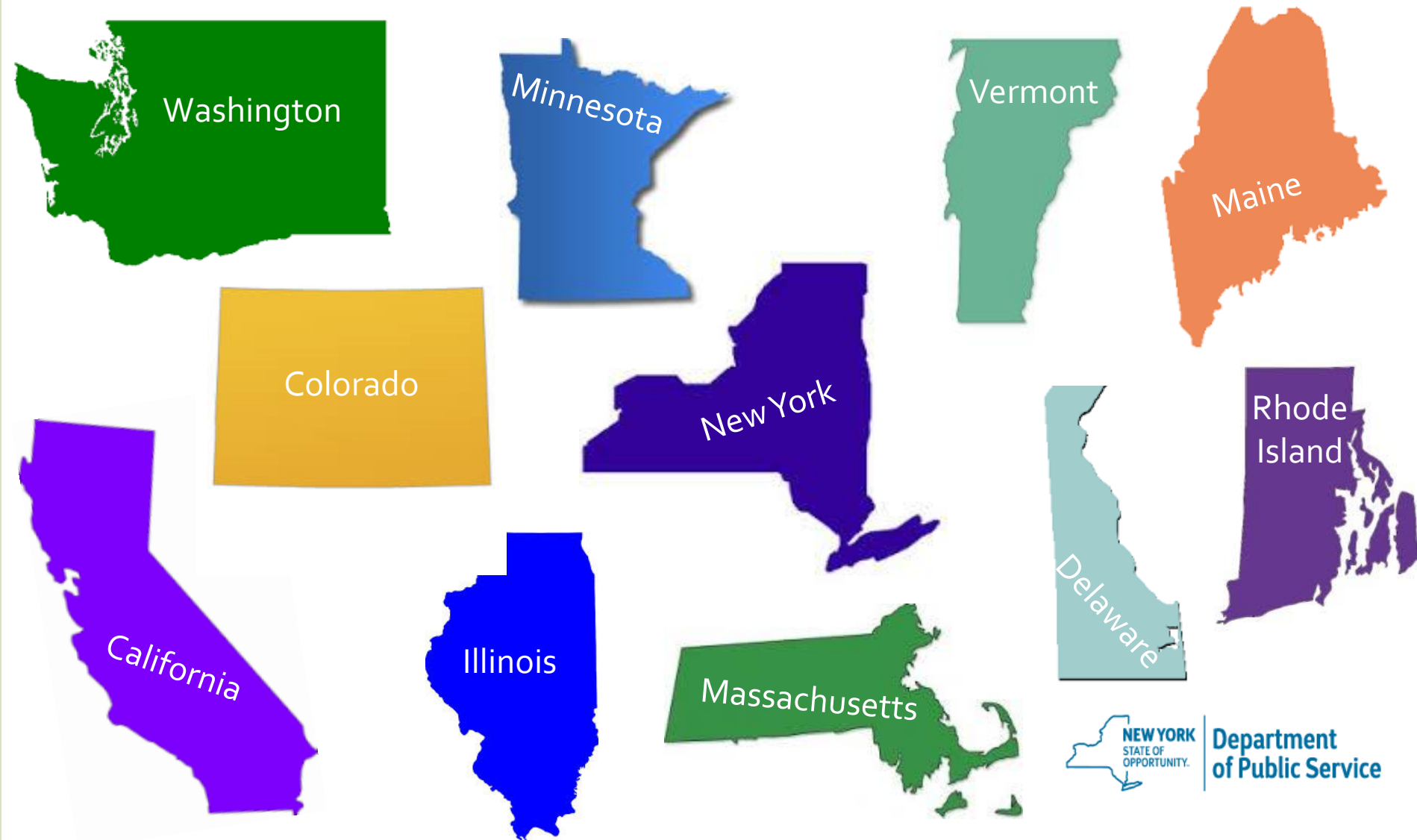
- Generation sources connect behind a host meter
- Participants of all income levels
- Community shares benefits of single generator facility


Community net metering

- Generation sources connect behind a host meter
- Participants of all income levels
- Community shares benefits of single generator facility
- Excess energy feeds back to utility for credit



States with CNM legislation/pilots





Little financial
investment
encourages
participation of
low-income
renters,
homeowners

PSC straw proposal

- Multiple subscribers behind “host” meter

PSC straw proposal

- Multiple subscribers behind “host” meter
- Each project limited to 2 megawatts



PSC straw proposal

- Multiple subscribers behind “host” meter
- Each project limited to 2 megawatts
- Residential or non-residential



PSC straw proposal

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- Residential or non-residential
- Single host organizer (town, village, association, or ESCO) for each project

PSC straw proposal

- Multiple subscribers behind “host” meter
- Each project limited to 2 megawatts
- Residential or non-residential
- Single host organizer (town, village, association, or ESCO) for each project
- Credits to be distributed within one year



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More information at
www.dps.ny.gov



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