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NEWS RELEASE: For immediate release

The Board of Public Utilities will soon participate in the New York Power Authority's Statewide Energy Services Program (Statewide ESP). NYPA will provide low-interest financing to the state municipal and rural electric cooperative systems to implement expanded energy efficiency and energy conservation programs in their own system.

The program was developed to help realize Governor Pataki's commitment to reducing energy use through the latest energy-saving technologies. A 2005 study of the economic potential for energy efficiency in the municipal electric utility systems identified significant opportunities for cost-effective energy efficiency programs. All of the municipals and coops have long-term power sales agreements with NYPA therefore the energy conservation programs were a natural fit for a cooperative venture.

Investor owned utilities are able to charge their customers a "systems benefits charge" each month which helps pay for the costs of their energy efficiency programs. Twenty-two of the municipal utilities and coops finance their projects through their own municipalities or through membership in the Independent Energy Efficiency Program (IEEP), which is a non-profit organization providing a broad spectrum of energy efficiency services. Funds spent for IEEP programs are recovered through each utility's rates approved by the New York State Public Service Commission and the Power Authority.

Because the BPU just completed a rate case, there is no method of recapturing energy efficiency program costs in its present rates, therefore the Power Authority will loan up to \$50,000 a year to the BPU and other municipal utilities for energy efficiency programs until the time when they are able to amend their rate structures and establish funds for reimbursement of IEEP programs.

Under the NYPA program, each utility will develop and administer its own energy efficiency and conservation measures in its own system. NYPA will review the program, analyze the savings estimates, provide technical assistance and if requested, provide financing.

So far, the ESP program has reduced energy consumption by 193,000 kilowatts, resulting in savings of almost \$93,000,000 annually. The ESP measures currently include but are not limited to lighting, motors, heating, ventilating and air-conditioning and controls, boilers, building shell measures and clean energy technologies such as solar power and fuel cells.

BPU General Manager Wally Haase stated, "The BPU has a history of working with the Power Authority on energy efficiency through the Watt Buster program of the early 1990s. We look forward to partnering with NYPA once again to provide first class environmental stewardship in our system through energy conservation." Haase went on to say, "We are in the process of developing the parameters of our conservation and efficiency programs and hope to announce them soon."