



UNLOCKING THE POWER OF NENY



New Efficiency: New York
From Proceeding to Practice



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12:00 - 1:00

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Department
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Energy Efficiency/Building Electrification Portfolio Overview

Cases: 18-M-0084/14-M-0094

Energy Efficiency/Building Electrification Portfolio

- 2026-2030 iteration of ratepayer-funded energy efficiency and building electrification programs. Covers:
 - NYSERDA Clean Energy Fund (CEF) Market Development portfolio (e.g: EE programs, communities, workforce development, engagement)
 - New Efficiency: New York (NENY) programs administered by utilities
- Proceeding initiated by Sept. 2022 Order from Commission on NENY interim review and CEF review

Procedural History

- 12/19/2022 – DPS Staff files EE/BE Report seeking stakeholder feedback
- 3/2023 – Stakeholder comments submitted on questions posed in Staff EE/BE Report
- 7/20/2023 – Commission Orders PAs to submit EE/BE Proposals for 2026-2030
- 11/1/2023 – PAs filed proposals
- 12/13/2023 – Staff Request for Supplemental Info issued
- 1/12-25/2024 – PA supplemental information, and updates/corrections, filed
- 1/26/2024 – Notice Soliciting Comments Issued by Secretary
- 2/2/2024 and 2/8/2024 – Technical Conferences to review and discuss Proposals
- 4/15/2024 – Deadline for written comments on Proposals

Order Directing PA Proposals

- Established \$1 Billion annual budget across PAs, between LMI and non-LMI, under which proposals to advance EE/BE were to be filed for 2026 through 2030
- Adopted a “Strategic Framework” to align EE/BE programs further with the CLCPA
 - Reflects efficient decarbonization of buildings as a “strategic imperative”
- Imposed CLCPA required 35% -40% of benefits of spending to Disadvantaged Communities at the total portfolio level (across all PAs); calls for proposals to include specific strategies for benefitting Disadvantaged Communities
- Clarified & (re)defined Utility and NYSERDA roles
- Modified & delineated responsibilities within Statewide LMI Portfolio
- Paused the adoption of any new EE/BE-related Earnings Adjustment Mechanisms (EAM) as of date of Order
- Allowed for limited consideration for budget/target adjustments prior to 2025

Roles and Responsibilities

NYSERDA

- Workforce Development
- Codes & Standards
- Technical Assistance/Audits
- Purposeful Demonstration Projects to advance replicable technology
- General consumer awareness/education
- Primary LMI Program Administrator, 1-4 Family Statewide and Multifamily Upstate; Collectively with Downstate utilities to serve Multifamily –recognizes NYSERDA’s role in potential Federal Funding, much of which has an income-eligibility component

Utilities

- End-user incentive-based programs, including NYS Clean Heat (heat pump program) to target residential/less complex projects; incorporate electrification incentives into C&I programs for more complex projects; develop/implement building shell programs
- Leverage unique role to aid the State to electrify in a smart (less costly) way by incorporating program activities with knowledge/planning for grid build out/gas planning
- Downstate Utilities and NYSERDA to collectively serve downstate LMI Multifamily

EE/BE Proposal Requirements

The Proposals were required to include the following items, at a minimum:

- 1) Portfolio Objectives, and details on programs to be offered;
- 2) Proposed performance metrics and program targets both for the overall portfolio, and as appropriate, for individual programs by year;
- 3) Proposed budgets, by year, represented in the following budget categories: portfolio administration; portfolio evaluation, measurement, and verification (EM&V); and all other program activity, including any co-funding Arrangements, particularly leveraging expected federal funds such as those anticipated through the Inflation Reduction Act, and how such co-funding would work in concert with the proposed programs;
- 4) Proposed rules and procedures regarding flexibility to shift funds across years;
- 5) Proposed cost-recovery mechanism and process;
- 6) Specific approaches to be employed to ensure provision of benefits to Disadvantaged Communities; and,
- 7) Description of how the portfolio will work cohesively with programs offered by other Program Administrators.

EE/BE Proposals

- \$3.9 Billion¹ to support EE/BE initiatives targeting the commercial, industrial, small business, market rate residential sectors
 - Resulting in 33.6 TBtu-e of savings²
- \$1.56 Billion¹ to support EE/BE initiatives targeting the LMI market segment
 - Resulting in 5.6 TBtu-e of savings²

1 - Non-LMI budgets include the total budgets for all proposals received (electric, gas, and steam) and LMI budgets represent proposed electric and gas LMI portfolios. Both the Non-LMI and LMI numbers include proposed associated labor costs.

2 - Non-LMI and LMI savings represent total first year acquired energy savings and do not account for increased MWh associated with heat pump adoption (i.e., increased usage due to heat pump adoption is not netted out of these savings).

2026-2030 Proposed Budgets and Performance by PA

Non-LMI Portfolio- Total Electric, Gas, and Steam

Administrator	Total Budget*	Avg Annual Budget*	Budget Allocation (%)					\$/Annual M MBtue**	\$/Lifetime MMBtue**
			Incentives & Services	Implementation	Marketing	Labor	Other		
Central Hudson	\$ 148,716,413	\$ 29,743,283	76%	10%	6%	5%	4%	\$ 74.23	\$ 3.83
Con Ed	\$1,798,844,888	\$ 359,768,978	81%	6%	1%	9%	3%	\$ 173.33	\$ 11.28
KEDLI	\$ 136,915,326	\$ 27,383,065	48%	22%	8%	16%	6%	\$ 177.26	\$ 9.47
KEDNY	\$ 182,185,864	\$ 36,437,173	52%	19%	9%	14%	7%	\$ 206.06	\$ 12.08
National Fuel	\$ 48,832,858	\$ 9,766,572	69%	12%	8%	0%	12%	\$ 108.67	\$ 5.23
NiMo	\$ 560,370,612	\$ 112,074,122	62%	15%	6%	12%	6%	\$ 110.37	\$ 7.52
NYSEG	\$ 287,046,136	\$ 57,409,227	76%	12%	2%	3%	6%	\$ 72.74	\$ 5.40
NYSERDA	\$ 500,000,000	\$ 55,555,556	69%	5%	8%	11%	6%	\$ 64.17	\$ 3.81
O&R	\$ 109,989,575	\$ 21,997,915	60%	8%	4%	23%	5%	\$ 169.77	\$ 10.84
RG&E	\$ 129,747,926	\$ 25,949,585	74%	12%	2%	6%	6%	\$ 78.71	\$ 6.06
Total	\$3,902,649,598	\$ 736,085,475	73%	9%	4%	10%	5%	\$ 116.15	\$ 7.40

*Budgets shown include labor costs. Con Ed Budgets include Steam Portfolio Budget proposal.

**Does not net out increased electricity consumption associated with heat pump adoption.

2026-2030 Proposed Budgets and Performance by PA

LMI Portfolio- Total Electric and Gas

Administrator	Total Budget	Avg Annual Budget	Budget Allocation (%)					\$/First Year MMBtu*	\$/Lifetime MMBtu*
			Incentives & Services	Implementation	Marketing	Labor	Other		
Con Ed	\$457,450,990	\$91,490,198	79.1%	7.8%	0.9%	8.8%	3.4%	\$ 271.69	\$ 16.54
KEDLI	\$17,600,000	\$3,520,000	70.0%	15.2%	2.7%	9.1%	3.0%	\$ 207.02	\$ 13.49
KEDNY	\$89,107,145	\$17,821,429	75.8%	16.3%	1.9%	2.9%	3.2%	\$ 238.52	\$ 15.42
NYSERDA	\$1,000,000,000	\$111,111,111	69.2%	9.1%	3.9%	12.2%	5.6%	\$ 293.32	\$ 17.43
Total	\$1,564,158,135	\$223,942,738	72.5%	9.2%	2.9%	10.6%	4.8%	\$ 281.75	\$ 16.98

*Budgets shown include labor costs.

**Does not net out increased electricity consumption associated with heat pump adoption.

Secretary's Notice Soliciting Comments - Requested Format for EE/BE Proposal Comments

- I. General quality & responsiveness of the Proposals
 - Which proposed deviations from the Strategic Framework do you support or oppose and why?
 - Collectively, do the EE/BE proposals include a reasonable plan for coordination and collaboration to ensure cohesive portfolios that reduce potential redundancy and overlap amongst the program administrators? For instance, are the roles of the utilities and NYSERDA appropriately distinct; is it clear how a customer can seamlessly participate in complementary programs offered by different Program Administrators within overlapping territories? If not, what would you suggest?

Requested Format for EE/BE Proposal Comments

II. Proposed Portfolios

- Do the proposal(s) sufficiently identify and address barriers to adoption of energy efficiency, including weatherization, and/or building electrification? Describe other approaches and/or program designs, if any, that you believe could better address these barriers.
 - For LMI, are barriers and opportunities unique to naturally occurring and regulated LMI and affordable housing articulated? If not, please identify barriers and opportunities that were not addressed in the proposals.
- How effective are the proposals in outlining strategies for electrifying LMI homes and affordable housing, while mitigating the potential for increased energy burden for lower-income households? Please identify any additional information the Commission should consider to maintain energy affordability when electrifying LMI homes and affordable housing.
- Within the budget guidelines indicated by the Order Directing Proposals, do the proposals reflect an appropriate budget and resource allocation among program areas? If not, how should resources be allocated differently?
- Do the proposal(s) demonstrate the ability for utilities and NYSERDA to increase the enrollment of low-income customers for energy efficiency services? If not, what would you recommend. For instance, are their untapped referral opportunities, etc

Requested Format for EE/BE Proposal Comments

III. Disadvantaged Communities

- Do the proposals outline strategies for effectively increasing access to energy efficiency and building electrification programs for disadvantaged communities? If not, please identify strategies that should be considered.

IV. Flexibility

- Which proposal(s), if any, provide a reasonable structure for providing flexibility to program administrators to shift targets and/or budgets across years while maintaining accountability to appropriately manage their portfolios and ensure acceptable progress toward the underlying objectives of the Commission's EE/BE strategic framework.

Requested Format for EE/BE Proposal Comments

V. Metrics

- Should the Commission establish the same or different metrics for different program types (e.g., EE programs, BE programs, Weatherization programs, Market Transformation programs), and should those metrics be common across all Program Administrators? Which metric or metrics should be used as a key performance indicator from which target(s) should be established, and why?
 - What are the relative strengths and weaknesses of the specific metrics identified within the proposals? Are there other metrics you would recommend?
 - How should the success of the LMI portfolio and its individual programs be measured? Are there specific metrics that should be considered to indicate that the programs are improving energy affordability and increasing access to clean energy solutions?

Requested Format for EE/BE Proposal Comments

VI. Cost Recovery

- Is it beneficial to adopt a consistent cost recovery method across all program administrators? Why or why not?
- Is one proposed approach for cost recovery preferable to the other proposed approaches? Please explain why this approach is preferable.

VII. Leveraging Federal or Other Funds

- Do the proposals demonstrate how ratepayer funded programs will coordinate with/benefit from federal or other funding sources? If not, what would you propose?

VIII. Company Specific Proposals

- Central Hudson - Should the proposal for \$5.9 million additional/continuity funding from Central Hudson for their NYS Clean Heat Program through 2025, be approved, rejected or modified?
- National Grid - Should the proposal for \$9.3 million additional/continuity funding for the KEDLI EE Portfolio through 2025 be approved, rejected or modified?

IX. Additional comments on collective or individual proposals.

- Provide any other comments not covered in sections above.

Questions?

Lynda Nguyen, Program Manager, Utilities & Energy Efficiency, Kinetic Communities Consulting



kc3
KINETIC
COMMUNITIES



Kinetic Communities Consulting (KC3)



KC3 is New York's first minority, woman-owned Benefit Corporation working at the intersections of energy and housing. We implement strategic and equitable energy market transformations for diverse New York Communities.

People-Centered Outreach

Case management helps scale affordable housing decarbonization

- Connect with building teams
- Learn their needs and priorities
- Identify funding opportunities
- Support until project is completed

Case Study

100+ year old 8-unit affordable condo on #2 oil wanting to electrify heat and hot water systems

- Project cost \$500,000 (\$200,000 just for electrical upgrades)
- Want to apply to Clean Heat and NYSERDA's Low Carbon Pathways for incentives



Case Study

- Clean Heat and Low Carbon Pathway incentives will only cover 10% of costs
- Need a lot more capital at low-cost/totally forgivable to maintain affordability
- Applied to other financing programs for affordable housing but were denied
- Commercial loans have 8-10% interest rate

Key Issues

1. Lack of Funding
 - Programs only cover equipment costs
2. Energy Burden
 - High electricity costs
 - High housing costs
3. Old and Dirty Building Stock
 - A lot of buildings are still using oil
 - Buildings need to resolve health and safety issues

Key Needs

1. Include Tenant Protections
2. Incentivize Electrification Readiness
3. Expand Energy Affordability Programs
4. Change Metrics

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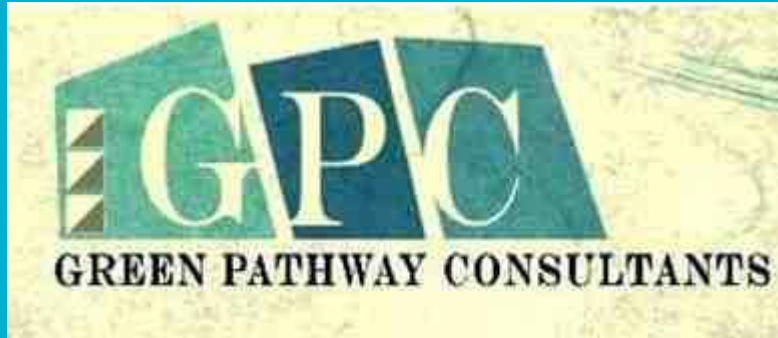
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Judith Karpova

Green Pathway Consultants





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Eric Walker

WE ACT for Environmental Justice



Key Partners

Better Buildings NY:

- Alliance for Energy Affordability (AEA)
- Alliance for a Green Economy (AGREE)
- FrackAction
- New Yorkers for Clean Power
- NRDC
- WE ACT

Other Partners:

- Building Decarbonization Coalition
- Kinetic Communities Consulting
- Public Utility Law Project PULP
- Rewiring America
- Win Climate

Our Three Key Objectives

- **Invest In Our Communities** *by allocating 50% of the overall NENY budget to LMI households and DAC programs, prioritizing structural barrier removal and building shell improvements.*
- **Make the Programs Easy to Use and meet people where they are.** Make applications simple, standardize incentives, and speed up approvals.
- **Value Our Lives, Our Health, Our Comfort, Our Safety** *by incorporating health and other benefits into the calculations that inform investment decisions.*

Get Involved with NENY!

- Organizational Sign-On Letter:
bit.ly/NENYletter
- Other ways to take action:
bit.ly/NENYaction



Zoom Poll and Q&A

