

# NEW YORK ENERGY \$MART<sup>SM</sup> PROGRAM QUARTERLY EVALUATION AND STATUS REPORT

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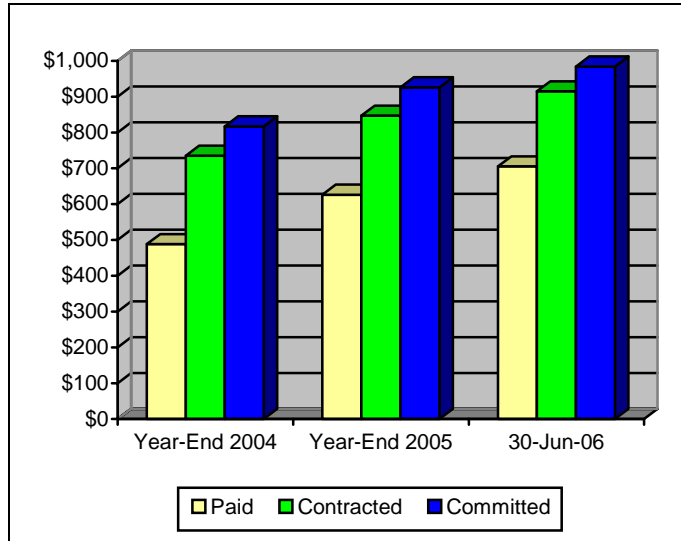
QUARTERLY REPORT TO THE DEPARTMENT OF PUBLIC SERVICE

QUARTER ENDING JUNE 30, 2006



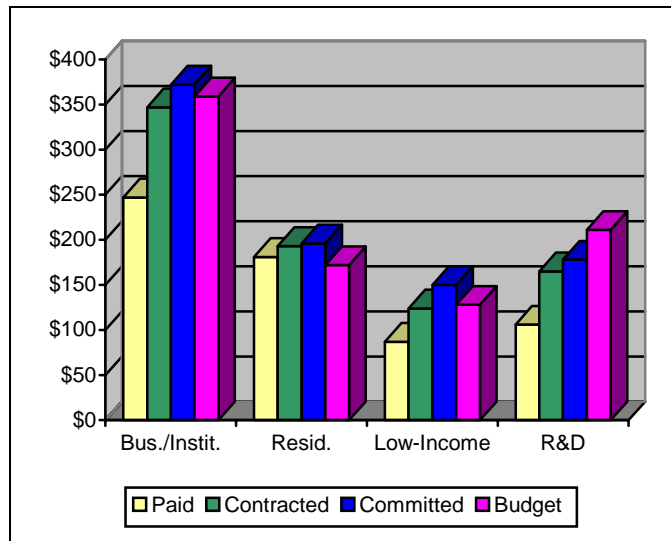
This report updates **New York Energy \$mart<sup>SM</sup>** Program progress through June 30, 2006. The following information is presented: (1) budget status; (2) summary of energy, economic, and environmental outcomes; (3) energy savings by program; and (4) solicitations that were released during the most recent quarter.

**Figure 1. Overall Budget Status as of June 30, 2006**



As of June 30, 2006, nearly \$984 million of the \$962 million eight-year budget, or 102%, has been committed.<sup>1</sup> Due to expected project attrition, committed funds might outstrip the budget; however, final spending will not exceed available funding. Approximately \$915 million, or 95% of the total budget, has been contracted, and \$705 million, or 73% of the total budget, has been paid out. Funds paid, contracted, and committed through year-end 2004, 2005 and the second quarter of 2006 are shown in Figure 1.

**Figure 2. Budget Status by Program Area as of June 30, 2006**



The budget status for each major program area is shown in Figure 2. The proportion of committed funds relative to budgeted funds is as follows:

- Business/Institutional Program - 103%
- Residential Program - 114%
- Low-Income Program - 117%
- R&D Program - 85%

The proportion of paid funds relative to budgeted funds is as follows:

- Business/Institutional Program - 69%
- Residential Program - 106%<sup>2</sup>
- Low-Income Program - 67%
- R&D Program - 50%

<sup>1</sup> Committed funds are funds associated with signed and pending contracts.

<sup>2</sup> The higher payout rate for the Residential Program area is due to the shorter project turnaround times and funds paid directly for marketing support. In consultation with the Public Service Commission, NYSERDA chose not to terminate Residential programs prior to the end of SBC 2 in order to maintain market continuity and a presence. A decision is pending on how to balance the overspending.

## ENERGY, ECONOMIC, AND ENVIRONMENTAL OUTCOMES SUMMARY

Table 1 shows a summary of the energy, economic, and environmental outcomes from the **New York Energy \$mart<sup>SM</sup>** Program through year-end, 2003, 2004, 2005 and the quarter ending June 30, 2006. As of June 30, 2006, annual electricity savings from installed measures were approximately 2,090 GWh. The peak demand reduction<sup>3</sup> from installed measures totaled approximately 1,120 MW, with 500 MW counted as permanent reductions available through energy efficiency improvements and renewable and on-site generation, and 620 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 \$300 million per year. These savings occur every year that the measures are in place. Approximately 4,250 jobs were created through June 30, 2006 as a result of the Program.

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

	Through Year-End 2003	Through Year-End 2004	Through Year-End 2005	Through June 30, 2006
Electricity Savings From Energy Efficiency (Annual GWh)	1,000	1,400	1,950	2,090
Peak Demand Reduction (MW)	880	860 <sup>a</sup>	1,001 <sup>c</sup>	1,090
Permanent Measures (MW)	270	325	410 <sup>c</sup>	470 <sup>b</sup>
Curtailable Load (MW)	610	535 <sup>a</sup>	595	620
Annual Energy Bill Savings - Includes electricity, natural gas, and oil (\$ Million)	\$140	\$195	\$275	\$300
Renewable Energy Generation (Annual GWh)	102	102	103	104
Jobs Attributable to the Program	3,050	3,550	3,950	4,250
NO <sub>x</sub> Emissions Reductions Associated with Energy Efficiency and Renewable Energy Production (Annual Tons)	950	1,280	1,750	1,840
SO <sub>2</sub> Emissions Reductions Associated with Energy Efficiency and Renewable Energy Production (Annual Tons)	1,700	2,320	3,170	3,360
CO <sub>2</sub> Emissions Reductions Associated with Energy Efficiency and Renewable Energy Production (Annual Tons)	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)	1,400,000 (equivalent to removing 275,000 automobiles from New York roads)	1,450,000 (equivalent to removing 285,000 automobiles from New York roads)

<sup>a</sup> Findings by Measurement and Verification contractor resulted in decreased curtailable MW and, consequently, total MW.

<sup>b</sup> Includes Renewable Energy Generation and Combined Heat & Power Demonstrations.

<sup>c</sup> Corrected Totals.

## ENERGY SAVINGS – SELECTED PROGRAMS

The energy benefits from energy efficiency and renewable/on-site generation measures installed through year-end 2003, 2004, 2005 and the quarter ending June 30, 2006 are shown in Table 2.

**Table 2. Cumulative Installed Energy and Peak Demand Reductions Summary** <sup>4, 5</sup>

	Through Year-End 2003		Through Year-End 2004		Through Year-End 2005		Through June 30, 2006	
	GWh	MW	GWh	MW	GWh	MW	GWh	MW
<b>Business and Institutional (B &amp; I) Programs</b>								
C/I Performance Program	282.3	41.5	515.4	75.4	612.1	105.9	660.2	117.5
New Construction Program	94.8	20.3	128.2	31.3	148.8	32.9	223.2	45.5
Smart Equipment Choices	48.9	22.7	52.7	11.2	58.1	13.0	70.5	15
Peak Load Reduction (permanent measures) <sup>6</sup>	43.9	15.0	68.8	27.0	99.8	39.8	96.5	44.7
Peak Load Reduction (curtailable load enabled) <sup>7</sup>	-	598.0	-	392.0	-	446.8	-	461.0
Enabling Technology (curtailable load enabled) <sup>6</sup>	-	-	-	135.6	-	137.2	-	137.2
Premium Efficiency Motors	6.3	1.2	8.3	1.3	8.6	1.3	8.6	1.3
Small Commercial Lighting	3.8	1.0	16.9	4.0	25.4	6.3	28.7	7.1
Hospitality Lighting Program	-	-	-	-	7.9	0.8	8.5	0.9
Commerical HVAC	0.3	0.1	8.3	2.6	8.3	2.6	8.3	2.6
Loan Fund	18.7	2.4	28.7	8.5	40.3	10.6	49.6	14.3
Technical Assistance Program	361.0	96.0	515.1	96.6	605.3	111.5	644.1	120.9
Technical Assistance Program (Curtailable Load Enabled) <sup>7</sup>	-	-	-	8.8	-	8.8	-	10.2
Subtotals	860	798.2	1342.4	794.3	1614.6	917.5	1798.2	978.2
<b>Residential and Low-Income Programs</b>								
ENERGY STAR <sup>®</sup> Products	122.6	22.7	179.0	33.5	238.8	54.0	238.8	54.0
ENERGY STAR <sup>®</sup> Bulk Purchase*	18.5	3.7	37.2	6.0	37.2	6.0	37.2	6.0
Keep Cool *	24.4	38.2	27.8	47.6	27.8	12.9 <sup>a</sup>	27.8	11.7 <sup>a</sup>
ENERGY STAR <sup>®</sup> Homes	1.1	0.4	3.0	1.2	6.2	0.9	7.3	0.9
Home Performance with ENERGY	2.7	0.8	6.3	1.6	10.8	1.7	13.5	2.0

<sup>3</sup> The peak demand period is defined as June 1 to August 31, Monday through Friday, excluding holidays, 12 to 6 PM.

<sup>4</sup> 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.

<sup>5</sup> 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 65.9 GWh and 16.1 MW; and cross-sector overlap is estimated at 6.6 GWh and 1.4 MW.

<sup>6</sup> Includes 25.0 GWh and 8.6 MW from the Cooling Recommissioning, a closed pilot program that preceded the Peak Load Reduction Program.

<sup>7</sup> Peak Load Reduction Program metrics for year ending 2003 includes Enabling Technology savings.

	Through Year-End 2003		Through Year-End 2004		Through Year-End 2005		Through June 30, 2006	
	GWh	MW	GWh	MW	GWh	MW	GWh	MW
STAR <sup>®</sup>								
Residential Comprehensive Energy Mgmt. (permanent measures)	7.7	7.1	2.9	3.1	3.6	1.7	3.6	1.7
Assisted Multifamily Program	1.6	0.1	2.5	0.2	19.4 <sup>b</sup>	1.2	15.9 <sup>c</sup>	0.7
Low Income Direct Installation*	11.5	1.6	11.5	1.6	11.5	1.6	11.5	1.6
Weatherization Network Initiative	-	-	2.0	0.3	5.4	0.8	7.0	1.1
EmPower New York <sup>8</sup>	-	-	-	-	9.3	0.8	16.2 <sup>d</sup>	1.4
Subtotals	190.1	74.6	272.2	95.1	350.6	116.3	346.7	117
<b>Renewable Energy and Combined Heat and Power Installations</b>								
Renewables Program	102.0	7.4	102.0	7.4	102.8	7.9	103.8	8.1
Combined Heat & Power Demonstrations	-	7.5	60.8	13.1	82.2	18.0	82.7	18.1
Subtotals	102	14.9	162.8	20.5	185	25.9	186.5	26.2
<p>* Program closed</p> <p>a. Energy and demand savings were stepped down to account for early replacement units reaching the end of their useful lives; had they still been in service they would now have been replaced with currently-available standard efficiency models. The savings in these later years are calculated by taking the difference between the standard efficiency model and the ENERGY STAR model.</p> <p>b. 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 demand saved, as the electricity saved was previously used during the winter.</p> <p>c. Toward the end of 2005, a "Substantially Complete" category was created moving 33 properties from "In Construction" to the new category. The Q4 2005 report was the first one to utilize the "Substantially Complete" category, lumping all substantial and full completions into the same metrics category. Subsequently, a number of projects were moved back into "In Construction." The savings figure reflects all projects that are "Substantially Complete" or "Construction Complete".</p> <p>d. The EmPower New York Program has increased the number of jobs completed in the last two quarters due to an influx of additional funding and a ramping up of the program infrastructure to provide services statewide.</p>								

## SOLICITATIONS UPDATE

Table 3 provides information on Requests for Proposals (RFPs) and Program Opportunity Notices (PONs) that were released during the second quarter of 2006.

**Table 3. Solicitations Released in Second Quarter 2006**

Solicitation Number	Solicitation Name	Solicitation Release Date	Solicitation Closing Date
<b>R&amp;D Program Area</b>			
PON 1042	Power Systems Technologies	6/19/06	8/22/06
PON 1043	Distributed Generation as Combined Heat and Power	6/19/06	8/22/06
RFP 1032	Reference Design Guidebook	6/5/06	7/13/06
<b>Communications Department</b>			

<sup>8</sup> While the EmPower New York Program began in the summer of 2004 and the first installations were done in the third quarter of 2004, savings were first reported in fourth quarter 2005.

PON 989	Consumer Education Through Local TV	4/7/06	5/30/06
RFP 1026	General Awareness and Education	5/1/06	6/12/06
<b>Business and Institutional Program Area</b>			
PON 996	EMEP Outreach Assistance	4/24/06	5/24/06
PON 1001	Synthesis of Electricity Generation Impacts to Wildlife	4/10/06	5/4/06
RFP 1013	EmPower New York Program Implementer	5/15/06	7/11/06
PON 1035	New Construction Program Incentives	5/29/06	3/31/07
PON 1045	Technical Assistance	5/22/06	11/30/06
RFP 1030	New York Energy Smart Energy Audit Program	6/26/06	8/16/06
<b>Residential Program Area</b>			
RFP 986	Marketing Strategy, Planning, Partner Support and PR	5/15/06	7/5/06
RFP 1011	Program Implementer for Multifamily Building Performance Program	5/22/06	6/22/06