



A.994 (THIELE, ET AL.)

Summary

This bill amends New York State Public Service Law regarding utility rates and energy conservation. The measure would prohibit the Public Service Commission (PSC) from authorizing rate increases by utility companies to offset lost revenues due to consumer conservation efforts.

Explanation

A 2003 study commissioned by the New York State Energy Research & Development Authority (NY-SERDA) found that six out of every seven kilowatt hours of cost-effective and “achievable” energy efficiency savings remain unrealized. Further, the study found that investing in efficiency would yield more than \$2.9 billion in net benefits to New York by 2012 and over \$6.2 billion by 2022.

Thanks to the work of state agencies, advocacy groups, consumers, and the utilities themselves, New York has made great strides in recent years with regard to energy efficiency and conservation initiatives. These trends must continue if the state hopes to achieve its target of a 15 percent reduction in energy use by the year 2015.

As New Yorkers invest their time and money in energy efficiency projects, the amount of electricity they consume inevitably declines, as well as the air pollution associated with increased electricity generation. But energy efficiency gains will be stifled if utilities raise rates in order to compensate for reduced energy demand.

This bill would prohibit the PSC from authorizing utilities from taking such action, thereby protecting consumers in New York from being penalized for becoming more energy efficient at home and at work.

Environmental Advocates of New York supports this bill.

Memo 06