

# Reforming the Energy Vision (REV)

REV is a comprehensive strategy to build a clean, resilient, and affordable energy system for all New Yorkers

- **Regulatory Reform** (PSC) – reshaping NY’s utility business practice to encourage the cleanest, most advanced, and efficient power system operation
- **Market Activation** (NYSERDA) – addressing market barriers and gaps; redesigning NY programs to accelerate sustainable clean energy market growth and unlock investment
- **Leading by Example** (NYPA) - deploying innovative energy solutions across State-owned buildings, university campuses, and State vehicle fleets

## REV Clean Energy Goals for 2030

**40%** **Reduction**  
in greenhouse gas emissions from 1990 levels

**50%** **Generation**  
of New York State’s electricity must come from renewable energy sources

**23%** **Decrease**  
in energy consumption of buildings from 2012 levels

# The Goal

## Generate more energy efficiency for less ratepayer dollars by creating a market for units of Energy Efficiency

- Develop a sustainable market for procuring energy efficiency as a demand reducing resource
- Create attractive business opportunities with vibrant energy efficiency markets
- Incorporate Distributed Energy Resources (DER's) as a core piece of our energy infrastructure.

*Investigate promising market mechanisms, standards, and business models that can realize the value of energy efficiency to participating customers, as a system resource, and as a cost-effective means of achieving State Energy Plan goals – in a manner that is responsive to customer needs for distributed energy solutions*

# Business as usual does not create sustainable scale

- Traditionally EE has been funded by ratepayer dollars, creating a dynamic where public service commissions and staff are required to ensure that money is spent cost-effectively
- In turn utilities are forced to focus on showing the commission the amount of EE they've installed, not necessarily the most impactful or market animating EE
- This dynamic tends to cause unanticipated challenges for businesses to close retrofit sales with building owners
- The end result is a cap on the amount of EE created in the market & uncertainty for business leading to an inability to bring in the required investment for scale

- Transition to a flexible market driven approach to increase consumer demand, reward innovation, and drive private capital investment in the sector
- Establish a consistent vehicle third party businesses would be willing to invest their time and resources in which will scale with our grid, political, and sociological needs over time

## Vehicle: Pay For Performance

**Standardized  
Energy Efficiency  
Measurement**

**Sufficient  
monetizable value  
in a unit of EE**

**Transparent  
Marketplace**

# Outstanding Questions

## Measurement

- What does an energy efficiency market require as a measuring stick for the counterfactual savings challenge?

## Value

- Is there enough temporal and geographic opportunity for utilities to defer or eliminate upcoming infrastructure builds via deployed & metered energy efficiency?
- Do we need to change the existing paradigm of cost-effectiveness testing to ensure we're delivering meaningful value?
- How much value is necessary to create “no brainer” value propositions for building owners and sufficient cash flows to monetize bringing further investment into the industry?

## Execution

- What's the best path towards the ultimately goal of a straightforward, intelligently regulated, and easy to participate in energy efficiency market that limits barriers to entry while encouraging innovation from third parties?

# Thank You

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NYSERDA

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