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 Stateowned buildings, university campuses, and State vehicle fleets

REV Clean Energy Goals for 2030

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

Generation of New York State's electricity must come from renewable energy sources

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.

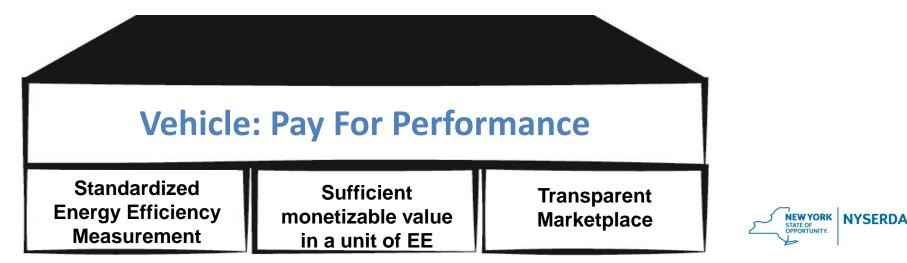
Investigate promising market mechanisms. standards, and business models that can realize the value of energy efficiency to participating customers, as a system resource, and as a cost-effective means of achieving State Energy Plan goals – in a manner that is responsive to customer needs for distributed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



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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