

November 2, 2018

The Honorable Andrew M. Cuomo
Governor of New York State
NYS Capitol Building
Albany, NY 12224

RE: Follow Through on Earth Day Commitment to Make NYS a National Leader on Energy Efficiency

Dear Governor Cuomo:

Thank you for your continuing commitment to accelerate New York's investment in renewable energy and energy efficiency. In light of the recent report from the United Nations' Intergovernmental Panel on Climate Change (IPCC) starkly outlining the need for drastic decarbonization in the next 12 years to avoid catastrophic global warming, this commitment is more important than ever. **Even as President Trump has continued his mindless war on science and reality by ignoring the greatest environmental threat of our time, New York has doubled down on your commitment to cut climate pollution while growing a 21st century clean energy economy right here in New York State.**

A cornerstone of that nation-leading climate and clean energy portfolio is your Earth Day 2018 announcement of a new and bold energy efficiency target for New York State. We fully support the comprehensive goal of 185 trillion British thermal units and the goal to save energy across all fuel types. **The undersigned organizations are writing to emphasize the importance of immediate, decisive actions to ensure New York in fact follows through, and makes the near-term gains necessary to reach its energy efficiency goal and thereby continue New York's climate leadership.**

Our organizations found the Department of Public Service's recent forums on energy efficiency topics to be informative, and a welcome contribution to the work needed to implement your Earth Day announcement. We understand that full realization of New York's energy efficiency potential will take time and will need to include some flexibility—for regulators, utilities and market actors alike. We do believe, however, that it is essential for the Public Service Commission (PSC) to take several key actions *before the end of 2018* in order to jumpstart New York's energy savings, ensure market actors deploy resources to New York, and put us on track to meet the long-term goal.

Specifically, if New York is to realize the myriad benefits your Earth Day commitment can deliver, the state must take the following decisive actions before the end of the year:

- 1) Establish clear cost-recovery mechanisms now:** Additional expenditures will be needed in order for New York's investor-owned utilities to deliver the energy efficiency investments required to meet the state's goal. While subsequent refinements to these cost-recovery mechanisms and shared savings/performance-based incentives can be made in rate cases as needed, a clear and overarching framework for recovering the costs of prudent investments in new and expanded programs and market-enabling activities must be authorized now so they can begin in early 2019. Failing to do so in the very near term will severely jeopardize the ability for the state to

actually deliver on your energy efficiency commitment. Tracking the cost-recovery framework agreed to in the most recent Con Ed rate case provides a sound starting point;

- 2) **Jumpstart energy efficiency deployment now at the necessary scale:** Authorize enhanced utility programs to begin in early 2019;
- 3) **Ensure equity:** Provide for breadth and inclusivity of efficiency programs across all customer classes, particularly by prioritizing robust investments in low to moderate income communities;
- 4) **Prioritize “beneficial electrification” to transition New Yorkers to clean heating and cooling:** Utilities should also be directed to include beneficial electrification such as heat pump installations in their efficiency programs. Analysis has demonstrated that the state simply cannot meet your ambitious economywide 40 percent by 2030 greenhouse gas reduction target if we continue to rely on fossil fuels to heat our buildings; and
- 5) **Establish an advisory body to support and guide implementation:** A body of experts in energy efficiency would ensure programs are as effective as possible. We urge the establishment of a meaningful statewide advisory council (or similar structure) to provide guidance to utilities as they work toward their individualized targets, and to provide transparency to all stakeholders as the state overall progresses toward its efficiency goals.

Absent these key actions before year’s end, New York will lose ground on energy efficiency achievements throughout 2019 and beyond, and struggle to cement New York’s legacy as a national leader on energy efficiency and climate action. The stakeholder outreach and deliberations by relevant agency staff has been exhaustive; what remains is for the PSC to quell the current market uncertainty by delivering the essential regulatory framework to scale up and follow through. Failure to do so now will jeopardize the clean energy jobs, carbon reductions, and customer bill savings that efficiency investments can provide. You and your administration have already laid the groundwork for energy efficiency to provide the backbone on which the state’s suite of clean energy programs under REV can grow. Now it is time to put this planning into practice, thereby securing New York’s leadership and clean energy future.

Sincerely,

1. Natural Resources Defense Council
2. Association for Energy Affordability
3. New Yorkers for Clean Power
4. Open EE
5. Centsible House, Inc
6. Sallan Foundation
7. Rochester People's Climate Coalition
8. Citizens for Local Power
9. Environmental Advocates of New York
10. Riverkeeper
11. Pace Energy and Climate Center
12. Lime Energy
13. Sealed
14. Environmental Defense Fund
15. United for Action

16. Citizens Campaign for the Environment
17. Building Performance Contractors' Association of New York State
18. New York Chapter of Efficiency First
19. Sierra Club
20. Acadia Center
21. NY-GEO
22. NY League of Conservation Voters
23. USGBC Long Island
24. Catskill Mountainkeeper
25. Home Performance Coalition
26. Citizens For Water
27. NYH2o
28. Damascus Citizens for Sustainability
29. Environmental Entrepreneurs (E2)
30. Alliance for Clean Energy NY (ACE NY)
31. Northwest Bronx Community and Clergy Coalition

CC: Melissa DeRosa, Secretary to the Governor
Kate Dineen, Chief of Staff State Operations
John Rhodes, PSC Chair
Alicia Barton, President/CEO NYSERDA
Richard Kauffman, Chairman of Energy & Finance
Gil Quinones, President/CEO NYPA
Adam Zurofsky, Deputy Secretary for Energy
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