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PSC OK's State's First Community Choice Aggregation Pilot Program

— Energy Demonstration Project in Westchester County Designed to Help Customers Lower Energy Bills —

ALBANY —The New York State Public Service Commission (Commission) today approved implementation of the very first community choice aggregation (CCA) pilot program in New York, a cutting-edge initiative that allows municipalities to put out for bid the total amount of natural gas or electricity being purchased by local residents or small businesses effectively giving them more control to lower their overall energy costs. The Commission's approval of this pilot program builds upon Governor Andrew M. Cuomo's strategic Reforming the Energy Vision (REV) plan to spur clean energy innovation and investment, improve customer choice and value, and protect the environment.

"The innovative community aggregation pilot program approved today furthers the Governor's strategic REV plan by supporting communities that desire to find ways to negotiate with third-party energy providers to meet their community's energy supply needs and to get the best price possible," said PSC Chair Audrey Zibelman.

On December 23, 2014, Sustainable Westchester, Inc., a not-for-profit organization comprised of several municipalities in Westchester County, sought approval of a demonstration CCA program in Westchester County. CCA involves local governments procuring energy supply from energy service companies (ESCOs) for their residents.

The potential benefits of CCA programs include price stability for a fixed contract term, the potential for lower prices and more favorable terms, and the ability to design a program that reflects local preferences and needs, including a preference for cleaner power sources. CCA programs also have the potential to enable ESCOs to secure a large number of customers at relatively low marketing costs.

The Westchester County pilot project is intended to include residential and small non-residential customers and to permit aggregation of both electric and natural gas purchases. Sustainable Westchester has been working toward achieving CCA for its members for over two years, and several of its member municipalities have adopted resolutions in support of CCA.

As municipalities agree to participate in the CCA pilot and conduct public outreach campaigns to inform their residents, they will be permitted to request aggregated customer information by fuel type and service classification from the distribution utilities on a rolling basis. As part of the pilot program, the Sustainable Westchester will issue a request for proposals to suppliers to provide energy to participants, and then award a contract. Sustainable Westchester, or the municipality, will then request individual customer data from the utility. The Sustainable Westchester or the municipality and

the selected supplier will then notify bundled customers of the contract terms and their opportunity to opt-out of the program within 20 days.

The approval of the Westchester County project is directly related to the Commission's ongoing proceeding to examine implementation of CCA in New York. The Sustainable Westchester pilot is expected to provide valuable experience on CCA design and outcomes that, in addition to the many comments in that proceeding, will assist the Commission in making a determination on statewide implementation of CCA.

Under the Sustainable Westchester program, Consolidated Edison Company of New York, Inc. and New York State Electric & Gas Corporation will provide to Sustainable Westchester aggregate and customer-specific data (including usage data, capacity tag obligations, account numbers, and service addresses) of all residential and small non-residential customers not currently enrolled with an ESCO. Sustainable Westchester and its municipal members will be required to protect customer information. In addition, Sustainable Westchester is required to file a report annually with the Commission on the status of its demonstration program.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 14-M-0564 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.

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