ENVIRONMENTAL AND CLEAN ENERGY GROUPS CALL ON CON ED TO MODERNIZE ITS SYSTEM RATHER THAN JUST REBUILD

Participants in Settlement Meeting Today to Discuss How $2 billion in Ratepayer Funds Should be Spent

Lower Manhattan, NY – June 10, 2013 – Environmental and clean energy groups are challenging Con Edison and state regulators to bring New York City’s electricity system into the 21st century. Today the groups join state regulators, NYC officials, labor groups, and other parties in an ongoing state regulatory proceeding in settlement negotiations in lower Manhattan. Con Edison has proposed rate increases to support over $2 billion in spending in the aftermath of Superstorm Sandy.

The groups, which include the Center for Climate Change Law at Columbia Law School (Columbia), Natural Resources Defense Council (NRDC), Environmental Defense Fund (EDF), and the Pace Energy and Climate Center (Pace), have formed a coalition to protect consumers and press Con Edison to consider options that not only make the system more resilient in the face of increasingly severe weather events, but also make it more supportive of electric vehicles, high-efficiency cogeneration systems, solar photovoltaic systems, and empowers customers to make smarter, lower-carbon decisions about when and how to use energy.

“New York and Westchester deserve an electricity system that is ready for and promotes solar PV, high-efficiency cogeneration and electric vehicles,” said Franz Litz, Executive Director of the Pace Energy and Climate Center. “We need Con Edison to imagine and construct a future that puts our region at the cutting edge.”

“Con Edison needs to create rates that help consumers get off oil—and the rollercoaster of volatile gasoline prices—by plugging their cars into clean electricity,” said Luke Tonachel, Vehicles and Fuels Director at NRDC. “We can remove barriers to electric vehicles and do so in a way that reduces costs to consumers and has the least impact on the system.”

“Today, most electric customers in this region buy power using the tools from a different, simpler time,” said Jim Tripp, Senior Counsel of EDF. “But smart technology and sophisticated pricing now enable customers in other regions and other nations to use more diverse, cleaner sources of electricity to meet more and more of their needs. Con Edison’s electric customers need a system that enables customers to make decisions that
help improve reliability and reduce greenhouse gas emissions and toxic air pollution, all while giving them greater control over their energy costs.”

Prior to going into effect next year, Con Edison’s rate plan requires approval by the New York State Public Service Commission (PSC) in an ongoing proceeding. In addition to upgrading system infrastructure, Con Edison’s multi-billion dollar proposal includes some storm hardening structural improvements over the next three years aimed at reducing service outages, as well as improving responsiveness and expediting the recovery process from more frequent and powerful storm events. The current Con Edison proposal, however, does not embrace available technological advancements and smart-energy investments that would create a resilient 21st-century energy system.

Professor Michael Gerrard, Director of Columbia’s Center for Climate Change Law, said, “Con Edison is proposing to increase the height of walls, raise equipment, and take other measures to protect against the next Sandy. That’s commendable, but Sandy is only one of several possible scenarios in view of a changing climate. Prolonged precipitation and extreme heat waves, for example, can also affect the Con Edison system in much different ways. We want Con Edison to develop a serious plan to identify and then implement the most cost-effective measures to adapt to the climate conditions projected by several scientific bodies.”

In addition to filing direct expert testimony on specific issues such as clean distributed generation, climate change and storm surge assumptions, smart grid, smart pricing and electric vehicle charging provisions, the NGO Group filed a joint letter summarizing their collective position. Negotiations between Con Edison and various stakeholders will be overseen by the Department of Public Service staff and the PSC over the next 6 to 8 weeks, and will conclude with the approval of a Con Ed investment portfolio by year’s end.

**About the Con Ed rate case proposal and NGO testimonies:**
Investor-owned utilities in New York are regulated by the Public Service Commission, which is the body tasked with ensuring that New Yorkers receive safe and reliable service at just and reasonable rates. Before investing in the grid and recovering those costs from ratepayers—including a return on equity or “profit”—the PSC must approve both the dollar amounts and portfolio of investments proposed by the utility.

Con Edison has proposed an approximately $2.4 billion spending plan over the next three years to cover operating expenses and make upgrades to its electric, gas, and steam systems, as well as fund “storm hardening” efforts. More on Con Ed’s proposal is available [here](#).

And the expert testimonies from the NGOs are available at the links below:

[ Pace Energy And Climate Center](#)