



STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

DAVID A. PATERSON
GOVERNOR

March 3, 2009

Hon. Steven Chu
Secretary of Energy
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Re: State Energy Program Assistance

Dear Secretary Chu:

As a condition of receiving New York State's share of the \$3.1 billion funding for the State Energy Program (SEP) under the American Recovery and Renewal Act of 2009 (ARRA), I am providing you with the following assurances.

I have written to New York's public utility regulatory body, the New York State Public Service Commission (PSC), which has already taken significant steps to implement policies that encourage utility promotion of energy efficiency by consumers, and requested it to consider any additional actions, consistent with State law, ARRA and the Public Utilities Regulatory Policies Act, to implement, in appropriate proceedings for each gas and electric utility, a policy that (1) ensures that utility financial incentives are aligned with helping their customers use energy more efficiently, and (2) provides timely cost recovery and a timely earnings opportunity for utilities associated with cost-effective measurable and verifiable efficiency savings, in a way that sustains or enhances utility customers' incentives to use energy more efficiently, consistent with ARRA and with the PSC's obligations to maintain just and reasonable rates, while protecting the public.

I have also written to the appropriate New York State agencies and public authorities for the purpose of prioritizing grants toward funding energy efficiency and renewable energy programs, including:

- (1) expansion of existing energy programs approved by New York State or the appropriate regulatory authority, including energy efficiency retrofits of buildings and industrial facilities, that are funded by the State, or through rates under oversight of the PSC and/or other appropriate regulatory authority to the extent applicable;

(2) expansion of existing programs, approved by the PSC or other appropriate regulatory authority, to support renewable energy projects and deployment activities, including programs operated by entities which have the authority and capability to manage and distribute grants, loans, performance incentives and other forms of financial assistance; and

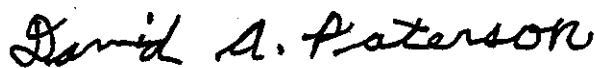
(3) cooperation and joint activities between states to advance more efficient and effective use of this funding to support the priorities described herein.

In addition, I will soon propose legislation that will require New York State's energy conservation construction code (Energy Code) to be updated to include: (1) a building energy code for residential buildings throughout the State that meets or exceeds the most recently published International Energy Conservation Code or achieves equivalent or greater energy savings; and (2) a building energy code for commercial buildings throughout the State that meets or exceeds the ANSI/ASHRAE/IESNA Standard 90.1-2007 or achieves equivalent or greater energy savings. I will ask the State Legislature to take action to pass this legislation as quickly as possible. In addition, I have requested New York's Secretary of State, who has responsibility for ensuring the effective enforcement of the Energy Code, to take all necessary actions to ensure that New York obtains compliance with the updated Energy Code in the manner required by ARRA. We anticipate that an updated Energy Code will be implemented by January 2010. In addition, training in the new Energy Code will be available to all state and municipal code officers by that date.

While New York State is a national leader in energy efficiency and renewable energy, we remain committed to improving our performance in these areas and to achieving a balanced and environmentally responsible State energy policy. I want to assure you that, within the limits of my authority as Governor, we will continue to move forward and maintain a leadership role in these critical areas.

We look forward to immediate distribution of the federal SEP funds to permit New York State to continue to make progress in energy efficiency and renewable energy.

Sincerely,


David A. Paterson
Governor

cc: Mr. Gilbert P. Sperling, Office of the Weatherization and Intergovernmental Program, U.S. Department of Energy



STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

DAVID A. PATERSON
GOVERNOR

March 3, 2009

Francis J. Murray, Jr.
President and Chief Executive Officer
New York State Energy Research Development Authority
17 Columbia Circle
Albany, NY 12203-6399

Re: State Energy Program Funding

Dear President Murray:

I am attaching the relevant section of the recently passed American Recovery and Renewal Act of 2009 (ARRA), which contains a requirement that governors make certain assurances to the U.S. Secretary of Energy regarding energy efficiency programs as a condition of the State receiving its share of \$3.1 billion from the federal State Energy Program.

Within the limits of my authority as Governor, and fully recognizing that you serve as President and Chief Executive Officer of a public authority of the State of New York, I request that you consider appropriate actions, consistent with State and federal law, including ARRA, to prioritize grants toward funding energy efficiency programs, including:

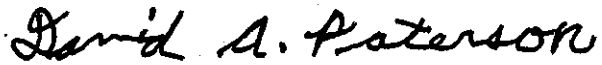
- (1) expansion of existing energy programs approved by New York State or the appropriate regulatory authority, including energy efficiency retrofits of buildings and industrial facilities, that are funded by the State, or through rates under oversight of the New York State Public Service Commission (PSC) or other appropriate regulatory authority to the extent applicable;
- (2) the expansion of existing programs, approved by the PSC or other appropriate regulatory authority, to support renewable energy projects and deployment activities, including programs operated by entities which have the authority and capability to manage and distribute grants, loans, performance incentives and other forms of financial assistance; and
- (3) cooperation and joint activities between states to advance more efficient and effective use of this funding to support the priorities described herein.

I am asking my Deputy Secretary for Energy and other appropriate executive staff to work with you and answer any questions you might have. Such coordination can benefit the public.

Please keep me informed of your actions.

Thank you for your prompt attention to this matter. Together, we will continue to keep New York at the forefront of the energy efficiency and clean energy revolution for the benefit of our State and its residents.

Sincerely,

A handwritten signature in black ink that reads "David A. Paterson". The signature is written in a cursive style with a large, prominent "D" and "P".

David A. Paterson
Governor

SEC. 410. ADDITIONAL STATE ENERGY GRANTS. (a) IN GENERAL.—Amounts appropriated under the heading “Department of Energy—Energy Programs—Energy Efficiency and Renewable Energy” in this title shall be available to the Secretary of Energy for making additional grants under part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 et seq.). The Secretary shall make grants under this section in excess of the base allocation established for a State under regulations issued pursuant to the

authorization provided in section 365(f) of such Act only if the governor of the recipient State notifies the Secretary of Energy in writing that the governor has obtained necessary assurances that each of the following will occur:

(1) The applicable State regulatory authority will seek to implement, in appropriate proceedings for each electric and gas utility, with respect to which the State regulatory authority has ratemaking authority, a general policy that ensures that utility financial incentives are aligned with helping their customers use energy more efficiently and that provide timely cost recovery and a timely earnings opportunity for utilities associated with cost-effective measurable and verifiable efficiency savings, in a way that sustains or enhances utility customers' incentives to use energy more efficiently.

(2) The State, or the applicable units of local government that have authority to adopt building codes, will implement the following:

(A) A building energy code (or codes) for residential buildings that meets or exceeds the most recently published International Energy Conservation Code, or achieves equivalent or greater energy savings;

(B) A building energy code (or codes) for commercial buildings throughout the State that meets or exceeds the ANSI/ASHRAE/IESNA Standard 90.1-2007, or achieves equivalent or greater energy savings.

(C) A plan for the jurisdiction achieving compliance with the building energy code or codes described in subparagraphs (A) and (B) within 8 years of the date of enactment of this Act in at least 90 percent of new and renovated residential and commercial building space. Such plan shall include active training and enforcement programs and measurement of the rate of compliance each year.

(3) The State will to the extent practicable prioritize the grants toward funding energy efficiency and renewable energy programs, including—

(A) the expansion of existing energy efficiency programs approved by the State or the appropriate regulatory authority, including energy efficiency retrofits of buildings and industrial facilities, that are funded—

(i) by the State; or

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(B) the expansion of existing programs, approved by the State or the appropriate regulatory authority, to support renewable energy projects and deployment activities, including programs operated by entities which have the authority and capability to manage and distribute grants, loans, performance incentives, and other forms of financial assistance; and

(C) cooperation and joint activities between States to advance more efficient and effective use of this funding to support the priorities described in this paragraph.

(b) STATE MATCH.—The State cost share requirement under the item relating to "Department of Energy; Energy Conservation" in title II of the Department of the Interior and Related Agencies

H. R. 1—34

Appropriations Act, 1985 (42 U.S.C. 6323a; 98 Stat. 1861) shall not apply to assistance provided under this section.

(c) EQUIPMENT AND MATERIALS FOR ENERGY EFFICIENCY MEASURES AND RENEWABLE ENERGY MEASURES.—No limitation on the percentage of funding that may be used for the purchase and installation of equipment and materials for energy efficiency measures and renewable energy measures under grants provided under part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 et seq.) shall apply to assistance provided under this section.



STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

DAVID A. PATERSON
GOVERNOR

March 3, 2009

Garry A. Brown
Chairman
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: State Energy Program Funding

Dear Chairman Brown:

I am attaching the relevant section of the recently passed American Recovery and Renewal Act of 2009 (ARRA), which contains a requirement that governors make certain assurances to the U.S. Secretary of Energy regarding energy efficiency programs as a condition of the State receiving its share of \$3.1 billion from the federal State Energy Program.

Within the limits of my authority as Governor, and fully recognizing that you have been appointed to an independent regulatory agency, I request that the Public Service Commission and the Department of Public Service, which have already taken significant steps to implement policies that encourage utility promotion of energy efficiency by consumers, consider any additional actions, consistent with State law, ARRA and the Public Utilities Regulatory Policies Act, to implement, in appropriate proceedings for each gas and electric utility, a policy that (1) ensures that utility financial incentives are aligned with helping their customers use energy more efficiently, and (2) provides timely cost recovery and a timely earnings opportunity for utilities associated with cost-effective measurable and verifiable efficiency savings, in a way that sustains or enhances utility customers' incentives to use energy more efficiently.

I am asking my Deputy Secretary for Energy and other appropriate executive staff to work with you and answer any questions you might have. Such coordination can benefit the public.

Please keep me informed of your actions.

Thank you for your prompt attention to this matter. Together, we will continue to keep New York at the forefront of the energy efficiency and clean energy revolution for the benefit of our State and its residents.

Sincerely,

David A. Paterson

David A. Paterson
Governor

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(1) The applicable State regulatory authority will seek to implement, in appropriate proceedings for each electric and gas utility, with respect to which the State regulatory authority has ratemaking authority, a general policy that ensures that utility financial incentives are aligned with helping their customers use energy more efficiently and that provide timely cost recovery and a timely earnings opportunity for utilities associated with cost-effective measurable and verifiable efficiency savings, in a way that sustains or enhances utility customers' incentives to use energy more efficiently.

(2) The State, or the applicable units of local government that have authority to adopt building codes, will implement the following:

(A) A building energy code (or codes) for residential buildings that meets or exceeds the most recently published International Energy Conservation Code, or achieves equivalent or greater energy savings.

(B) A building energy code (or codes) for commercial buildings throughout the State that meets or exceeds the ANSI/ASHRAE/IESNA Standard 90.1-2007, or achieves equivalent or greater energy savings.

(C) A plan for the jurisdiction achieving compliance with the building energy code or codes described in subparagraphs (A) and (B) within 8 years of the date of enactment of this Act in at least 90 percent of new and renovated residential and commercial building space. Such plan shall include active training and enforcement programs and measurement of the rate of compliance each year.

(3) The State will to the extent practicable prioritize the grants toward funding energy efficiency and renewable energy programs, including—

(A) the expansion of existing energy efficiency programs approved by the State or the appropriate regulatory authority, including energy efficiency retrofits of buildings and industrial facilities, that are funded—

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(B) the expansion of existing programs, approved by the State or the appropriate regulatory authority, to support renewable energy projects and deployment activities, including programs operated by entities which have the authority and capability to manage and distribute grants, loans, performance incentives, and other forms of financial assistance; and

(C) cooperation and joint activities between States to advance more efficient and effective use of this funding to support the priorities described in this paragraph.

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STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

DAVID A. PATERSON
GOVERNOR

March 3, 2009

Lorraine Cortés-Vázquez
Secretary of State
Department of State
One Commerce Plaza
99 Washington Ave,
Albany, NY 12231-0001

Re: State Energy Program Funding

Dear Secretary Cortés-Vázquez:

I am attaching the relevant section of the recently passed American Recovery and Renewal Act of 2009 (ARRA), which contains a requirement that governors make certain assurances to the U.S. Secretary of Energy that our State is taking certain actions to upgrade the State's building energy code and develop a plan for compliance consistent with ARRA.

Within the limits of my authority as Governor, I request that you take appropriate actions, consistent with State and federal law, including ARRA, to upgrade the State's building energy codes and develop a plan for compliance that is consistent with ARRA.

I am asking my Counsel and other appropriate executive staff to work with you and answer any questions you might have. Such coordination can benefit the public.

Please keep me informed of your actions.

Thank you for your prompt attention to this matter. Together, we will continue to keep New York at the forefront of the energy efficiency and clean energy revolution for the benefit of our State and its residents.

Sincerely,

David A. Paterson
David A. Paterson
Governor

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(1) The applicable State regulatory authority will seek to implement, in appropriate proceedings for each electric and gas utility, with respect to which the State regulatory authority has ratemaking authority, a general policy that ensures that utility financial incentives are aligned with helping their customers use energy more efficiently and that provide timely cost recovery and a timely earnings opportunity for utilities associated with cost-effective measurable and verifiable efficiency savings, in a way that sustains or enhances utility customers' incentives to use energy more efficiently.

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STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

DAVID A. PATERSON
GOVERNOR

March 3, 2009

Kevin S. Law
President and Chief Executive Officer
Long Island Power Authority
333 Earle Ovington Blvd.
Uniondale, NY 11553

Re: State Energy Program Funding

Dear President Law:

I am attaching the relevant section of the recently passed American Recovery and Renewal Act of 2009 (ARRA), which contains a requirement that governors make certain assurances to the U.S. Secretary of Energy regarding energy efficiency programs as a condition of the State receiving its share of \$3.1 billion from the Federal State Energy Program.

Within the limits of my authority as Governor, and fully recognizing that you serve as President and Chief Executive Officer of a public authority of the State of New York, I request that you consider appropriate actions, consistent with State and federal law, including ARRA, to prioritize grants toward funding energy efficiency programs, including:

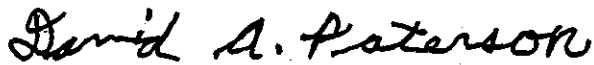
- (1) the expansion of existing energy programs approved by the State or the appropriate regulatory authority, including energy efficiency retrofits of buildings and industrial facilities, that are funded by the State, or through rates under oversight of the New York State Public Service Commission (PSC) or other appropriate regulatory authority to the extent applicable;
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I am asking my Deputy Secretary for Energy and other appropriate executive staff to work with you and answer any questions you might have. Such coordination can benefit the public.

Please keep me informed of your actions.

Thank you for your prompt attention to this matter. Together, we will continue to keep New York at the forefront of the energy efficiency and clean energy revolution for the benefit of our State and its residents.

Sincerely,

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David A. Paterson
Governor

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STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

DAVID A. PATERSON
GOVERNOR

March 3, 2009

Richard M. Kessel
President and Chief Executive Officer
Power Authority of the State of New York
123 Main Street
White Plains, NY 10601-3170

Re: State Energy Program Funding

Dear President Kessel:

I am attaching the relevant section of the recently passed American Recovery and Renewal Act of 2009 (ARRA), which contains a requirement that governors make certain assurances to the U.S. Secretary of Energy regarding energy efficiency programs as a condition of the State receiving its share of \$3.1 billion from the federal State Energy Program.

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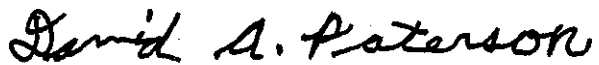
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Governor

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