

**CON EDISON COMMENTS ON THE REGIONAL GREENHOUSE GAS INITIATIVE PROPOSED
ASSUMPTIONS FOR ELECTRICITY SECTOR MODELING**

September 20, 2010

Con Edison submits the following comments on the proposed assumptions for electricity sector modeling for use in the 2012 program review of the Regional Greenhouse Gas Initiative (RGGI) called for in the RGGI Memorandum of Understanding (MOU).

Regional Energy and Peak Demand

In the Category B Assumptions as described in the Integrated Planning Model Overview presentation, the slide titled, “Regional Energy and Peak Demand” indicates that RGGI is leaning towards using, “ISO projections, adjusted for efficiency as provided by the States.” Con Edison urges RGGI to use the RTO/ISO adjustments for efficiency to extent that they are available. For example, the New York Independent System Operator’s (NYISO) most recent Reliability Needs Assessment¹ contains an assessment of the amount of demand and consumption growth that will occur for the period 2010-2020. This assessment was subject to full NYISO stakeholder review and was unanimously approved by the NYISO’s Management Committee on August 25, 2010. As such, it represents a consensus view of the amount of demand and consumption growth that will occur (inclusive of energy efficiency) by 2020 and should be used by RGGI for the modeling reference case. To the extent that other ISOs/RTOs have produced similar kinds of forecasts (inclusive of energy efficiency), they should also be used.

Renewable Portfolio Standards (RPS)

In the Category D Assumptions, as described in the Integrated Planning Model Overview presentation, the slide titled, “Renewable Portfolio Standards (RPSs),” indicates that RGGI is leaning towards using regional alternative compliance payments (ACP) as specified by States. As New York doesn’t have ACP, Con Edison suggests that RGGI utilize the NYISO forecast for RPS achievement as set forth in its RNA base case. Here, too, if similar forecasts are available from other ISOs/RTOs, they should be used.

Building Projections Using Sensitivity Analysis

In the September 13, 2010 stakeholder meeting, RGGI indicated that in addition to the sensitivity analysis identified in the Integrated Planning Model Overview presentation, that it will also complete a sensitivity analysis related to the exclusion of Indian Point Energy Center. Due to the uncertainty of the future of Indian Point, Con Edison fully supports this decision and believes that it is critical to examine the electricity sector modeling with and without the supply from Indian Point.

¹ The RNA approved by the NYISO Management Committee is available at http://www.nyiso.com/public/webdocs/committees/mc/meeting_materials/2010-08-25/agenda_06_RNA_2010_Draft_6_MC_81810.pdf. The final RNA will be released following approval by the NYISO Board.