



COMMUNITYENERGY®

BRINGING YOU NEWWIND ENERGY

April 8, 2005

Jaclyn A. Brillling, Secretary
New York State Public Service Commission
3 Empire State Plaza
Albany, NY 12223-1350

Dear Secretary Brillling:

Re: Case 05-M-0090- In the Matter of the System Benefits Charge 111

We are pleased that this proceeding was reopened for comments pertaining to the Legislative budget amendment passed on March 30, 2005, which subjects the SBC funds to annual appropriations.

Community Energy, Inc. (CEI) - with offices throughout New York State - is the leading marketer of wind energy in the state, and is active in developing and financing over 100 megawatts of new wind resources in New York.

A major reason NYSERDA has set a national standard for effectiveness is the long term certainty of its funding. Many critical objectives of New York State cannot be accomplished in annual budget cycles and therefore need a longer term commitment. **The budgetary language recently passed by the legislature will paralyze New York's highly successful renewable energy programs, specifically the competitive green power market which requires long term certainty to help shoulder the costs of the Renewable Portfolio Standard.**

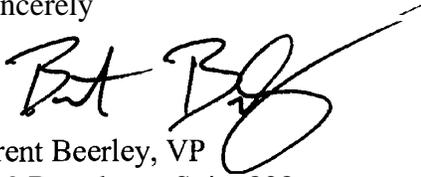
CEI has been willing to invest substantial sums to in order to help accomplish the program objectives of the SBC programs, with a good faith expectation that programs ably administered by NYSERDA and authorized by the Public Service Commission will continue. As an example, in anticipation of NYSERDA's competitive Green Marketing program, it was necessary for CEI to perform market research, procure wind energy supply, invest in partnerships, and prepare the organization. A multi-year approach like NYSERDA's allows for this type of investment. This level of financial commitment would not be possible with the uncertainty of annual appropriations.

Continued participation requires investments that can only be justified if we share a long term commitment with NYSERDA and the PSC to develop a self-sustaining green market in New York State. **The green market is responsible for approximately 15% of the RPS target, and development of the green market to achieve this objective can only occur through a multi-year commitment.** A disruption in funding support for the green market will increase the challenge and cost of hitting the RPS target.

Given the serious and ongoing environmental and economic problems facing New York in regards to energy, now is not the time to take risks by implementing an untried and uncertain revision in funding mechanisms. The wind energy industry's experience with the boom and bust cycle of the federal production tax credit has shown the detrimental effect of uncertain financial incentives. Such uncertainty scares away investors, decreases the number of new projects, and dramatically curtails renewable energy development.

NYSERDA's renewable energy programs already meet a high standard of accountability. They are highly transparent, open, and subject to ongoing critical review. The proposed budget language would have a lasting and severely disruptive effect on the ability of SBC funds to meet the environmental and energy needs of a vital New York State economy.

Sincerely

A handwritten signature in black ink, appearing to read "Brent Beerley", with a long horizontal stroke extending to the right.

Brent Beerley, VP
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