



COMMUNITY ENVIRONMENTAL CENTER

A Not-for-Profit Professional Organization

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

Reference Case 05-M-0090 - In the Matter of the System Benefits Charge III
Response to Public Service Commission Notice Seeking Additional Comments
by the Community Environmental Center.
Richard M. Cherry, President and CEO

Failure to fund SBC III fully will halt progress on projects that are currently underway and hinder the collection of data that could help refine measures for greater energy efficiency in the future. The programs under SBC have become increasingly effective; it would be a mistake to discontinue or to cripple them at this point. Every effort should be made to ensure that New York State remains in the forefront of energy efficiency by keeping the SBC functioning.

Even if the measure bringing the SBC under legislative review becomes law it is not effective for another year. It is, therefore, critical that the Public Service Commission continue its process this year and approve a plan for SBC III. It is the PSC that has the legal authority to determine utility company charges, not the legislature. A hiatus in SBC funding would be extremely detrimental. Issues around this legislation should not be allowed to interfere with the SBC III process, but should be resolved on a separate track before the next budget process.

Under SBC I and II NYSERDA has developed a number of well-run programs that provide significant energy savings to building owners and tenants in the State of New York, such as the Assisted Multi-Family Program (AMP), as well as a parallel set of programs in the commercial sector. In all of these programs, NYSERDA encourages the expenditure of capital funds for the implementation of energy efficient measure that will lower energy-related operating expenditures. AMP, for example, adapts buildings to make them more energy

efficient and then monitors the installed measures over a period of years to determine their effectiveness. Such renovation and construction projects intrinsically extend over far more than one year. For example, after a package of improvements has been agreed on, it can take more than one year for the owner to obtain loans and arrange expenditures from reserves. Only then can construction begin. The well being of programs such as AMP depends vitally on the possibility of long-range planning based on assured funding. SBC I and II have guaranteed this funding for buildings currently in the pipeline. Subjecting the budgets for these programs to the annual appropriations review of the State Legislature will jeopardize their successful execution. In order to accomplish its goals NYSERDA must be able to encumber funds for multi-year capital projects.

SBC funding is not derived from a tax imposed on the public; it is a utility charge that properly falls under the jurisdiction of the Public Service Commission. SBC is a continuation of many years of charges for environmental and energy programs administered by the Public Service Commission. The programs funded by these charges represent a firm commitment to energy conservation and the preservation of our environment. Funding these programs on an annual basis would be a significant step backward.