



ENERGY
RESOURCE

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ENVIRONMENT

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April 7, 2005

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

Ms. J. Brillling

**RE: CASE 05-M-0090 SYSTEM BENEFITS CHARGE III: NOTICE SEEKING
ADDITIONAL COMMENTS**

Dear Ms. Brillling,

New York Farm Bureau is the State's largest general farm advocacy organization, representing over 36,000 member families. Our members have a vested interest in energy policy in New York, and we appreciate the opportunity to comment on the possibilities of a different system of government oversight of the funds of the Systems Benefit Charge (SBC) and the impact of this new oversight on the scope of the SBC program.

New York State has adopted an increasing focus on renewable energy sources. The Renewable Portfolio Standard (RPS) is an aggressive public policy that will make New York a leader in renewable energy production. As the stewards of many of the State's natural resources, farms are well positioned to help supply this energy. The ability to fill some of the State's energy demand will help provide farms with a new source of income. This will allow them to continue to support local communities and provide working landscapes across New York.

In order to take advantage of the opportunities provided by the RPS, farms need to have proven technologies available for generation of energy. Whether it be methane digesters for converting manure into usable gas or determining which crops will be most effective for ethanol production, the SBC has been instrumental in helping establish standard technologies for renewable generation. **As the State moves forward, it remains vital for the SBC to continue to fund research programs, such as the current 'Ag Innovations Program,' that focus on the development of renewable energy sources in New York.**

From a demand perspective, the agriculture industry is a large consumer of energy. Powering cold storage units to preserve apples, heating greenhouses in January, or running milking machines all create a need for energy. This need is often expensive to fulfill and represents a large cost to the farm business. Current programs supported by the SBC have

helped to limit some of this cost and reduce overall farm energy use. These programs include energy audits of farm businesses that identify better energy management practices for lowering farm energy use and costs. Various incentives have also been provided to farms and businesses to absorb some of the additional costs of installing more energy-efficient machinery and equipment. This is very important, because it supports farms that are trying to conserve energy but may be prevented from doing so by prohibitive initial installation costs. Regardless of the system of governmental oversight applied to the SBC, it is imperative that the programs established within the current SBC focusing on energy efficiency be continued to help lower farm energy usage and cost.

Over the past few years, energy costs, including both the price of natural gas and oil, have continued to escalate and cause increasing financial stress on New York businesses. At the same time, a new focus on renewable energy and indeed a demand by the public for a more sustainable focus have created exciting opportunities for energy generation in the State. These trends certainly will not change, simply because of a different oversight procedure of the SBC by the State. For this reason New York Farm Bureau believes both helping farms and businesses to better utilize the energy that is currently available and providing a specific New York focus to create more sustainable energy sources should remain the focus of the SBC, regardless of authority oversight procedures. We further believe that the current SBC funds level should remain, at a minimum, the funding level moving forward.

New York Farm Bureau remains committed to providing assistance in delivering the various SBC programs to the agricultural community. Thank you for the opportunity to provide comment on the important and exciting work accomplished through the SBC and for your consideration of these comments.

Sincerely,



John R. Tauzel
Assistant Director of Public Policy