

April 8, 2005

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VIA UPS and Electronic Filing

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

**Re: In the Matter of the System Benefits Charge III.
Case 05 – M- 0090**

On behalf of Honeywell International (“Honeywell”), please accept our comments as requested by the Public Service Commission’s (“PSC”) Staff regarding the System Benefits Charge III.

Yearly budget appropriation by the State Legislature, even if done timely, will severely impact the delivery of energy efficiency services and renewable energy projects. New York’s program is recognized as one of the finest in the country because it uses the marketplace to deliver services, and in so doing has successfully leveraged private sector dollars at a significant ratio that works positively for New York residents.

We have seen other states with similar Public Benefit funds such as Connecticut, Wisconsin, and Texas whose energy programs fell victim to Legislative fund raids for other purposes such as filling budget shortfalls. Once the program is subject to year-to-year appropriations with no multi-year planning function due to budget uncertainties, market participants will not be guaranteed that the programs are solid and available over the long term, resulting in a loss of investment and the loss of positive results that have been seen. The current model has a proven record of producing energy and environmental benefits, along with stimulating economic opportunities through job creation and retention.

Another concern we have is that the State’s Renewable Portfolio Standard program is just underway and would be essentially dismantled by the budget language. Renewable Energy market actors are just entering the market and need long term contracts to be viable in the financial community. Under a yearly appropriation status, the certainty and dedicated nature of these funds could change. This would effectively kill the program since investors would not be as willing to make the long-term commitment necessary.

We have seen first hand the positive impacts and improvements to New York State ratepayers over the past several years due to the effective management of SBC funding. Honeywell strongly recommends that the budget amendment be modified to ensure that SBC funding continue to be managed through the existing means established.

We thank you for the opportunity to comment on this matter.

Sincerely,

A handwritten signature in black ink that reads "Michael Lyons". The signature is written in a cursive style with a large, stylized "M" and "L".

Michael Lyons
Programs Manager
Honeywell Utility Solutions