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Robert B. Catell
Chairman and
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April 8, 2005

Hon. Jaclyn A. Brillling
Secretary
State of New York
Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Case 05-M-0090, In the Matter of the System Benefits Charge III
and Case 03-E-0188, Retail Renewable Portfolio Standard

Dear Secretary Brillling:

On April 1, 2005, the Commission issued Notices seeking comment in these proceedings on a budget amendment passed by the New York State Legislature on March 30, 2005. That amendment would require that expenditures for various public policy programs, such as the System Benefits Charge (SBC) and Renewable Portfolio Standard (RPS), which currently are administered by the New York State Energy Research and Development Authority (NYSERDA) and overseen by the Commission, be included in the annual budget process subject to the authority of the Legislature.

We wish to acknowledge the important steps NYSERDA has taken to adopt a cost/benefit mechanism in its internal review of the various programs included in the SBC and RPS initiatives. That cost/benefit analysis is an important tool that allows NYSERDA to select and implement the most cost-effective programs among the myriad programs that vie for funding each year.

In the current environment, as we face rising energy costs, efficiency opportunities and advanced technologies are becoming more critical. It is important that funding for programs such as the SBC and RPS are provided on a long term and predictable basis to enhance their success in that environment.

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

Sincerely,

Robert B. Catell
Member, NYSERDA Board of Directors