

April 6, 2005

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

Re: CASE 05-M-0090 – In the Matter of the System Benefits Charge III

Dear Ms. Brillling:

The Lighting Research Center (LRC), a part of Rensselaer Polytechnic Institute, wishes to comment on the proposed New York State legislature budget amendment language on the continuation and scope of the System Benefits Charge (SBC) program.

The use of SBC funds for anything other than their intended use of assisting New York electric customers in improving the efficient use of energy is a disservice to those electric customers. The value of the benefits to all electric customers derived from the SBC programs far exceeds the cost of the programs. In fact, the New York State Energy Research and Development Authority (NYSERDA) must ensure the benefit to cost ratio of all of their SBC programs is greater than one or the program must be eliminated. This requirement ensures New York electric customers a return on their SBC investment that far exceeds shifting these dollars to other state programs.

A dollar spent for an SBC program must have a return of at least one dollar and may have returns in the \$3.00 range. A dollar diverted from SBC funding to other state programs will buy only a dollar worth of services for that other program.

Not measured in the benefits portion of the formula, are ancillary benefits. One of these benefits of the SBC programs is the creation of jobs. The economic development portion of the SBC programs is substantial to New York companies. People are needed to research new efficiency technologies, to manufacture the energy efficiency products, to administer the SBC programs, to market these programs to potential customers and to install the energy efficiency measures in homes and businesses. These people and businesses pay taxes to New York State. Without the creation of these SBC funded jobs, New York State tax collections will be less.

New York State will face choices of building additional power plants or transmission lines in the future (in some specific localities the need for additional power facilities are now). The SBC funded programs, including the examination of new technologies, do assist in postponing (maybe eliminating) the need for power plants or transmission lines. Besides avoiding the cost of these facilities, the SBC funded programs assist in avoiding the environmental impact these facilities impose on the state and local communities.

Because of the above stated reasons, the LRC opposes the New York State Legislature's budget amendment (Senate 3669; Assembly 6843).

Sincerely,



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Professor, School of Architecture  
Rensselaer Polytechnic Institute

