



NEW YORK STATE BUILDERS ASSOCIATION, INC.

Philip A. LaRocque
EXECUTIVE VICE PRESIDENT

John Hofelich
PRESIDENT

a

MEMORANDUM IN OPPOSITION

to

S.3669/A.6843 (Part 1)

Budget Appropriation Language for Systems Benefit Charge (SBC)

The New York State Builders Association (NYSBA) representing 3,600 businesses performing or supporting \$5 billion in all types of residential construction per year in New York State OPPOSES Part 1 of Budget Bill S.3669/A.6843, which dramatically alters the structure of the SBC finds to a legislative appropriation budget process in FY 2006-07.

The SBC is a charge collected on utility bills of investor-owned utilities throughout the State and helps to fund NYSEERDA. This NYSEERDA-administered SBC program provides a multitude of energy **efficient**, environmentally and economically sound initiatives. The SBC structure is well recognized and utilized in residential energy **efficiency** programs (new homes and existing homes); low-income multi-family energy efficiency programs; commercial and industrial energy efficiency efforts; renewable energy programs and more. A comprehensive external evaluation process was completed in 2004 for the regulatory agency PSC clearly finding the SBC **funded** program and structures worked well.

This **successful** SBC program structure should not be forced into a budget appropriation process as part of a bigger confrontation between the state's public authorities and the legislature. If there were stories of scandals or other wrongdoings at NYSEERDA stemming from this outstanding program that would be different.

Making SBC finds subject to an annual legislative appropriation process assuredly would include breaking up ongoing **successful** SBC energy efficiency programs due to legislative favoritism. Going the appropriation route in FY 2006-07 would jeopardize the achievement of SBC's critical energy, environmental and economic goals because:

- Renovations and new building require a multi-year capital planning process, and annual appropriations would bring uncertainty to that process, hindering owners and managers from undertaking energy **efficiency** programs;
- SBC **funds** may be divested for other purposes, away from affordable housing and other energy priorities;
- The current structure of the SBC works, and benefits to homeowners, builders, managers, tenants and employees impacted provide the proof

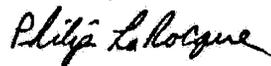


On one SBC program alone the Energy Star Labeled Home Program (new homes) you can see the following results:

- In 2004 alone, 2431 new homes met the rigid Energy Star Labeled Homes Standards (rated at energy savings 30% > the energy code) and saved 1.5 million Kilowatt hours (Kwh) for the new homeowners;
- For the entire Labeled Homes program, **from** its small start in 2000 through 2004, a total of **4825** homes met the rigid energy standards, saving 2.5 million Kilowatt hours (Kwh) for these homeowners.

It makes no sense to have legislative interference on this or any other **SBC-based energy** efficiency programs. We urge rejection of this appropriation language.

Sincerely,



Philip A LaRocque
Executive Vice President