TRC
Customer-Focused Solutions

-- VIA OVERNIGHT MAIL --

April 8, 2005

Ms. Jaclyn A. Brilling, Secretary
Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

RE: Case 05 – M – 0090

Dear Secretary Brilling:

TRC Energy Services welcomes this opportunity to respond to the PSC's solicitation of comments regarding the Legislature's unwarranted appropriation of the System Benefits Charge (SBC) funds.

TRC is a New York State registered engineering firm with 7 offices and a staff of 236 in New York State, plus an additional 90 offices with a staff of 2,400 nationally. We are an implementation contractor to the New York State Energy Research and Development Authority (NYSERDA) for several SBC-funded programs including the Comprehensive Energy Management (CEM) program, the Small C&I Audit program, the Commercial/Industrial Performance Program (CIPP), and the Energy Smart Schools Program.

With this new legislation, the New York Legislature has injected a substantial element of risk into the implementation of SBC programs by substituting annual legislative appropriations for multi-year funding. NYSERDA's open, ethical, and honest procurement process coupled with multi-year program funding has assured market participants that the SBC programs are solid and are available over the long term. Customers have responded and go forward with investments of their own funds on a 4 to 1 ratio, resulting in $194 million in annual energy bill savings, solid environmental benefits, and over 4,000 jobs created and retained in New York.

The ratepayers in New York State have been well served by the existing program checks and balances and NYSERDA's stewardship of the SBC funds. The imprudent step taken by the legislature in an attempt to wrest control from the Executive branch has the potential to destroy the market-based structure of what is nationally recognized as one of the finest public benefit programs in the country.

The Public Service Commission wisely took into consideration the risk associated with short term program funding when it made the transition from SBC I and established SBC II as a five year program.

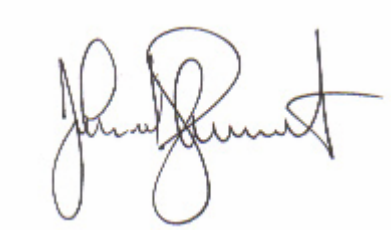
This new legislation requires that dedicated energy efficiency and renewable energy funds collected through utility bills be placed into general funds and go through the annual appropriation process. The legislative appropriation process creates significant and unnecessary risks of these funds being redirected to pay for purposes other than that for which they were collected.

If this legislative initiative stands, it will severely diminish the proven record of cost effective investment in energy efficiency, load management, and market transformation efforts throughout New York State.

I sincerely hope Governor Pataki and the Public Service Commissioners can reverse this inopportune step of annual appropriations of SBC funds.

Should you have any questions or need additional information, please do not hesitate to call me at 1-888-501-0008.

Sincerely,



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