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

March 31, 2005

Dear Secretary **Brilling**:

I am writing to you in strong support of authorizing an SBC 3 Program upon expiration of the present SBC 2 Program. Furthermore I encourage the New York State Public Service **Commission** to devote a **substantial** portion of these funds to energy research and development projects.

The Department of Energy currently has an extremely successful Joint Initiative on Energy Storage with NYSERDA using SBC 2 funds, Federal contributions, and a substantial industry cost share. This Initiative is resulting in 3 major field trials of storage technologies in New York State. It allows us to combine the expertise of DOE and the National Laboratories with NYSERDA's familiarity with NY State needs and conditions. Energy Storage is urgently needed to enhance the reliability of the State's electric grid. DOE and NYSERDA are pursuing the development of storage technologies that can provide economic, environmentally sound solutions for power **quality**, transmission congestion, and the lack of renewable dispatchability. Continuation of this work which will benefit New York State as well as the Nation depends crucially on the availability of future funding through an SBC 3 Program.

In the United States there tends to be a distinct funding discontinuity between the long-range and more basic technology research of Federal agencies and the short-term commercial interest of industries and utilities. New York State has been a leader in bridging this discontinuity, helping to bring new energy technology from laboratory testing to industrial application.

I look forward to a long association with New York State in our joint research goals. Thanking you for your consideration, very sincerely

Dr. **Imre** Gyuk
Program Manager
Energy Storage Research
U.S. Dept of Energy

