



Loretta C. Scott
Board Chair

James H. Norman
President & CEO

March 3, 2005

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

Dear Ms. Brillong:

Action for a Better Community, Inc. (ABC), founded in 1965, is the community action agency serving low income families in Monroe and Ontario Counties. ABC is proud to have been a weatherization sub-grantee for over 25 years averaging approximately 250 homes a year for the last 5 years, and now the Project Coordinator for the Genesee Regional Energy Services Team of NYSERDA's **New York Energy SmartSM** programs. ABC realizes the tremendous value of the System Benefits Charge (SBC) and with respect to CASE 05-M-0090, recommends the continuation of the SBC (i.e. SBC #3) an additional five years encompassing July 1, 2006 to June 30, 2011 at a renewed \$150 million.

On the matter of how might SBC programs be adjusted given the Commission's order, issued September 24, 2004, regarding a Renewable Portfolio Standard (Case No. 03-E-0188), ABC concludes energy efficiency measures are more cost effective than renewable resources which do not abate energy loss related repairs. Repairs to homes due to losses resulting from poorly weatherized homes far exceed investments in preventative energy reduction measures. However, we do acknowledge the value of implementing some initiative to invest in renewable resources.

Therefore, we suggest:

1. if a Renewable Portfolio Standard is enacted:
 - a) it should be done in addition to current SBC initiatives and not withdraw from SBC funding,
 - b) the renewable portfolio mix should constitute no more than 20% of customers' energy
 - c) the SBC and cost associated with renewables should be segregated on customers' utility bills.



A Community Action Agency Serving Monroe and Ontario Counties

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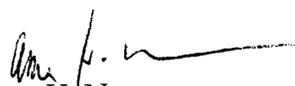
2. On the matter of how might the current SBC fund collection and allocation process be improved, we suggest the allocation process promote sector equity by allocating resources proportionately among sectors based on the relative collections within the sector.

3. On the matter of whether conditions have changed since the establishment of the SBC that would necessitate a change in the overall goals and objectives of the SBC, we feel certain conditions have changed which further substantiate the need for the SBC. For example, over the last 3-5 years, energy prices have become extremely volatile with a continuous upward trend. Additionally, dependence on international renewable resources in the current tenuous global economy increases the network's risk of rising costs and shortage of resources. Finally, competition in the domestic energy markets has increased substantially. The SBC provides ABC the support necessary to continue energy reduction measures. These measures:
 - a) allow our customers to decrease their energy use which mitigates the effects of volatile prices,
 - b) allow our customers to decrease their energy use which decreases the dependency on international renewable resources, and
 - c) allows providers such as ABC to compete in the for-profit energy markets.

Low-income customers will be the immediate beneficiaries of continuing to fund the Systems Benefits Charge. We focus on energy conservation in the home and education to our customers. With the support of SBC the energy burden to the low-income families will reduce expenditures for fuel and make the homes we serve more comfortable and energy efficient in ways that are restricted with funds our agency currently receive.

ABC thanks you for your consideration in this very important matter, and urge you to continue funding the SBC an additional five years encompassing July 1, 2006 to June 30, 2011 at a renewed \$150 million.

Sincerely,



James H. Norman