

March 1, 2005

Ms. Jaclyn A Brillling  
NYS Public Service Commission  
3 Empire Plaza  
Albany, NY 12223-1350

Dear Ms. Brillling:

We have been made aware of the PSC notice of comment solicitation issued January 28, 2005 concerning the System Benefit Charge (SBC) due to expire June 30, 2006. I would like to take this opportunity to provide some comments.

Over the time frame for which the current SBC has been in effect, the CACT and Alfred University has had the opportunity to be sub-contractors with selected NYS companies that had responded to NYSERDA Program Opportunity Notices (PONS). This has resulted in successful collaborations which lead to significant energy savings resulting in enhanced market shares for the participating companies. Some of these NYS companies included: Victor Insulators of Victor, Ferronics of Fairport, Buffalo China of Buffalo, Ceralink currently of Troy, and Refractron of Victor.

We believe this program should continue and be expanded to consider alternative energy participation including natural gas and new areas such as Hydrogen and Electromagnetic energy sources (Microwave and Induction).

Please accept the following comments as requested in CASE 05-M-0090 and responded to by question number.

Sincerely yours,

Vasantha Amarakoon, Ph.D.  
Director, Center for Advanced Ceramic Technology  
NYS College of Ceramics @ Alfred University  
Alfred, NY 14802

CASE 05-M-0090

**1. To what extent have the goals and objectives established by the Commission been achieved?**

Every project cost shared by NYSERDA resulted in significant electric demand reductions

**2. Should the SBC program continue beyond its current expiration date of June 30, 2006? If so, for what duration should the SBC be extended and at what funding level?**

Considering the time involved in initiating projects from the issuance of PONS, it is necessary that SBC duration have a minimum of 5 years.

**3. Have conditions changed since the establishment of the SBC that would necessitate a change in the overall goals and objectives of the SBC? If so, what changes are recommended?**

Consider funding for reduction of fossil fuels. Consider full funding of new research for innovative energy sources and/or energy reduction.

**4. If assuming continuation of the SBC, how should programs be prioritized to meet those goals and objectives?**

Yes. Improve current processes first and examine new processes second.

**5. How might the SBC programs be adjusted given the Commission's order, issued September 24, 2004, regarding a Renewable Portfolio Standard (Case No. 03-E-0188)?**

No comment.

**6. In what ways might the current SBC fund collection and allocation process be improved?**

No comment

**7. What specific program(s) should be eliminated, expanded or created?**

Expand research into new technologies

**8. How can future SBC funded programs be more responsive to the needs of New York's energy consumers?**

Fund some programs aimed directly at consumers by developing systems and means of reducing consumer energy usage.

**9. How can SBC funded programs be marketed more effectively?**

Inform consumers (not just industry) of the potential benefits

**10. In what ways can NYSEERDA improve its administration of the SBC?**

No comment.

**11. Is the current NYSEERDA program evaluation process adequate? How might it be improved?**

Yes, Very Adequate

**12. Should SBC funds be extended to programs that encompass research and development into retail and/or wholesale electric market competitiveness issues, or transmission and/or distribution of the State's energy resources?**

Yes considering all proposals are evaluated and rated for potential funding.

**13. Should the scope of the SBC program be expanded to include programs for natural gas customers? If so:**

**a. What kinds of programs would benefit New York's gas consumers?**

Reduction or increasing efficiency of current gas consuming processes plus research into innovative systems

**b. Which classes of customers would be served most effectively by a natural gas SBC program?**

Industrial first (larges volume per unit use). Consumers second (largest number of users)

**c. How should a natural gas SBC program be funded and what annual level of funding might be considered reasonable? How might a natural gas SBC affect current electric SBC funding levels?**

The current NYSEERDA electric model of funding seems very functional and has the benefit of experience

**d. What should be the initial duration of a natural gas SBC, and should that term coincide with the extension of an electric SBC, if the electric SBC is extended?**

5 years minimum to allow for turnover time of PONS issuing to completion of projects.

**e. How might a natural gas SBC be administered and evaluated and how should it differ from the administration of the electric SBC?**

No comment. Energy is energy just a different form.

**14. Do you have any other suggestions for improving the overall SBC program that are not addressed by the above questions?**

Reinforce the option to fully fund some innovative research for the future at NYS Universities that would benefit the whole energy industry.